Forest Carbon Partnership Facility (FCPF)

Carbon Fund

Emission Reductions Program Document (ER-PD)

ZAMBÉZIA INTEGRATED LANDSCAPE MANAGEMENT PROGRAM (ZILMP)

REPUBLIC OF MOZAMBIQUE

Country responses to CFPs' questions on Advanced Draft ERPD

ER Program design and context

1. Could Mozambique clarify why only a portion of Zambezia province has been chosen as part of the programme area, rather than the whole province?

Answer inserted in the final ER-PD, in Section 2.2

Accordingly with criterion 1 of the FCPF Methodological Framework (FCPF MF, 2016a), the ZILMP ER Program was designed at jurisdictional scale and covers 9 districts of Zambézia province: Gilé, Pebane, Maganja da Costa, Mocubela, Ilé, Mulevala, Alto-Molocué, Mocuba and Gurué – *see section 3 for maps.*

Zambézia province is characterized by relevant qualities for the ER Program: it concentrates 14% of Mozambique's forest; it is the most densely populated province of Mozambique; 70.5% of its population lives under the poverty line; its economy is based on agriculture and the use of forest resources; it already comprises a strong private sector and civil society involvement.

9 districts of Zambezia province - At this stage, it should be explained that it was decided not to develop the ER Program on the whole Zambézia province but, rather, to focus on a portion of it. First, the ER Program was designed as an up-scale of a previous REDD+ pilot project, launched in the Gilé National Reserve (GNR) and its periphery - *see section 18 for more details*. Considering the success of the project and facing growing deforestation in other part of Zambézia province, the GoM decided in 2015 to extend this initiative and to intensify it in order to make it an innovative REDD+ jurisdictional program, covering several districts of the Zambézia province.

When the ER-PIN of the Program was presented to the FCPF, the ZILMP was actually only covering 5 districts of the Zambézia province. **Following informal comments and observation from the CFPs in 2015, the total ER Program area was extended to cover 7 and then 9 districts of Zambézia province,** for two main reasons. First, within Zambézia province itself, the 9 selected districts especially represent a strong area of expansion for deforestation. Second, but linked to the first point, because they are particularly subject to deforestation, those 9 districts are those, within Zambézia province, which concentrate the investment activities that will help reduce deforestation in the province. Indeed, the selected districts are geographically coherent with the areas covered by other initiatives already funded by the World Bank (WB), including the Conservation Area for Biodiversity and Development project (MozBio project), the Mozambique Forest Investment Project (MozFIP) and the Dedicated Grant Mechanism (MozDGM), as well as the Agriculture and Natural Resources Landscape Project (the "*Sustenta*" project) - *see section 4.1*. Yet, those existing funds enable to secure long-term financing for the ER Program interventions and ensure the efficiency of the activities - *see section 6.2.* Such investment are for now limited to those 9 districts, and much more funding would be necessary to cover other districts of the province. Finally, the area is characterized by globally important biodiversity with mangrove forests, a significant range of endemic and vulnerable/endangered species and a protected area: the Gilé National Reserve (GNR)[1] - *see section 3*.

[1] *It should be noted that Zambézia province is home of another protected area: the archipelago of "Ilhas Primeiras e Segundas", located in front of Nampula and Zambézia Province. Although they are not part of the ER Program accounting area for now (no*

Finally, the REDD decree that will be sent to the ministry council establishes that elementary unit of REDD programs has to be the district (minimum one district and it has to cover always the entirety of a district). This is due because the UT-REDD is able to monitor ER at a district level so they will be able to "control" that a specific project does not decapitalizes Mozambique´s ERs.

2. There is demonstration of historic political commitment to REDD+ and to the FCPF programme. As we are halfway through the 2015-19 period of the strategic pillar on protecting the blue/green economy, it would be good if Mozambique could demonstrate what progress has been made generally against this objective.

Answer inserted in the final ER-PD, in section 2.2

Until today, preliminary results from the PQG between January 2015 and June 2017 include the design of the National Program for Sustainable Development, with (*inter alia*) the implementation of 26 projects by MITADER (some have began in 2013), the signature of 5 bilateral cooperation agreements and the signature of 11 international cooperation agreements.

3. We would also request further information on the status of Mozambique's national land use plan – is it in force yet? If not, when is it likely to become operational?

Answer inserted in the final ER-PD, in various sections, including in Section 4.1, as a footnote (#20) in the description of the "internationally funded programs"

The National Land Use Plan (NLUP), supported by MozFip (see section 4.1), is currently being developed and is comprised as an enabling activity of the ER Program (EA-B2, see section 4.3). It is not in force yet: the Spatial Planning Directorate (DINOTER) of the MITADER, in charge of developing it, is currently hiring consultants who will help the GoM to design the NLUP. It is expected to start by the end of February 2018, and should be fully operational in two years.

4. Is support for more efficient charcoal production practices likely to lead to increased charcoal production, as it is more profitable? Does this create any risk of expansion of degradation?

Answer inserted in the final ER-PD, in section 4.3, in table "ERIs related to sustainable production, livelihood and income generation"

One could argue that the risk of more efficient charcoal production practices leading to increased charcoal production (because of increased profitability) cannot be ignored. This might further lead to increased forest degradation in the ER Program area. However, as explained in sections 10 (risk of displacement) and 11 (risk of reversal), this is not expected to happen.

Indeed, the ER Program intervention to support sustainable charcoal production is part of an integrated landscape approach. As such: (i) it will help to supervise and regulate the

ER Program activities are planned in those islands) they could be the subjects of further attention in the event of a potential up-sale of the ER Program in the future.

production of charcoal (rather than leaving it as a non-addressed driver) so as to limit as much as possible the impact of this production on forest cover; (ii) it is not an isolated measure but comes as part of a conjunction of ER Program interventions that are, altogether, contributing to reducing any risk of reversal linked to charcoal production, such as, as explained above, the support to charcoal producers organizations creation and the adoption of forest management plans, or the establishment of plantations for energy purpose, with fast growing species, which will be used for charcoal production; (iii) it will consequently be based on law enforcement: as explained in the ER-PD, producers will clearly be identified and monitored by the Program.

5. Assisted Natural Regeneration (ANR) of the Miombo forest is a key intervention (see Table 20: ERIs related to law enforcement and governance in the forest sector). The scale of ANR activities is described only from the existing Mozbio and Sustenta programmes (World Bank portfolio), but what is the scale of the additional ANR that will be conducted through the ER-P? Further, what is the link to the national FLR process?

Answer inserted in the final ER-PD, in section 4.3, in table "ERIs related to sustainable production, livelihood and income generation"

The development of Assisted Natural Regeneration (ANR) techniques on deforested or degraded areas is crucial, as it enables to restore natural forest cover after ancient or recent cut. Given the regenerative capacity of Miombo forest, it is well suited for the ER Program area and will be applied in specific, targeted, zones of the ER Program area.

At this stage, it should be reminded that ER Program builds on World Bank portfolio projects; as such, even if they could be scaled-up in the future, the ANR activities of the ER Program are, for now, only comprised in and financed by the existing Mozbio, MozFip and Sustenta projects.

Regeneration activities are first comprised in the Mozbio project, in which it is linked to the promotion of sustainable techniques for charcoal production (see ERI-D4) around conservation areas (in this case, around the GNR). The Mozbio project entails: (i) the promotion of ANR on 200 ha of degraded areas around the GNR; (ii) the management of 300 ha of forested fallows around the GNR with improved techniques for regeneration and (iii) the creation of 10 nurseries around the GNR for the production of Miombo autochthone trees plants to enrich forested fallows or to restore degraded areas. Local communities' and community-based organizations' projects linked to the restoration of degraded area could also be financed by MozDGM within the ER Program area.

Regeneration will also be supported by the MozFip project, on 500 ha of degraded land in the ER Program area, and by the "Sustenta" project, which includes the restoration of 800 ha of degraded areas that are critical for specific value chains in the ER Program area[2]. The restoration of degraded land is expected to protect the productivity of topsoil, reduce erosion, and provide biological corridors for biodiversity. Critical areas for restoration will be identified through spatial analysis and participatory tools in order to select the most viable and effective areas. It should be noted that in the "Sustenta" project, restoration of degraded land includes ANR but also active enrichment planting with native and exotic species for conservation and domestic and commercial uses. Especially, enrichment planting is needed in highly degraded

[2] *1,200 ha are for the entire areas cover by the program, in Zambézia and Cabo Delgado.*

areas or to ensure that certain species are part of the new emerging forests.

All in all, ANR activities in the ER Program area are focusing on small areas, which were identified as critical hotspots as part of the national Forest Landscape Restoration (FLR) process and through the Restoration Opportunities Assessment Methodology (ROAM) developed by the International Union for Conservation of Nature (IUCN). ROAM is currently used by the GoM to help identify restoration opportunities in Mozambique and select feasible interventions, including for the Sustenta, MozFip and Mozbio projects.

To sum up, a total of 1,500 ha will benefit from ANR activities in the ER Program area, including: 200 ha in the districts of Gilé and Pebane, around the GNR, as part of the Mozbio project; 800 ha as part of the Sustenta project; and 500 ha as part of the MozFip project.

6. What land-based investments (ANR, ag. intensification, etc.) will be scaled throughout the 9 districts? What is the total area that will benefits from this kind of investment? This is closely linked to financing and the estimation of emission reduction and should be part of a 350 page ER-PD

Answer inserted in the final ER-PD, in section 4.3 (ER Program planned interventions and enabling activities)

The land based investments that will be scaled throughout the 9 districts are: conservation and climate smart agricultural production, including agroforestry systems; sustainable production of key cash-crops; plantations and restoration of degraded lands through assisted natural regeneration and enrichment planting; sustainable production of charcoal; valorization of key NTPF products around the GNR, as detailed below:

(i) **The promotion of conservation and climate smart agriculture, including agroforestry systems (ERI-D1)**, with: technical assistance based on extension services; provision of inputs; distribution of fruit trees; assistance to targeted nurseries; and monitoring of smallholders' activities;

(ii) **The structuring of key sustainable supply chains for cash crops production (ERI-D2)**, with: technical assistance based on extension services and training on quality standards and on the maintenance of orchards for smallholders; provision of inputs; implementation of a market information platform to support cash-crops producers, with the diffusion of information on markets dynamics and prices through SMS; training on the structuring of business plans to small emerging commercial farmers (SMC) and other key rural micro, small and medium enterprise agribusiness; agribusiness finance to value chains actors, including support to access credit and financing schemes for agribusinesses (matching grant and partial credit guarantee); improvement of key selected rural infrastructures for commercialization of cash crops;

(iii) **The development of multi-purpose plantations and restoration of degraded lands (ERI-D3)**, with: plantations of selected tree species; assisted natural regeneration (ANR); and enrichment planting;

(iv) **The improvement of charcoal production (ERI-D4),** with: training to local producers for the operationalization of improved kilns; technical assistance for the elaboration and implementation of forest management plans and for the creation of partnerships with private operators;

(v) **The valorization the income generating potential and sustainable livelihood around the GNR (ERI-D5),** with: technical assistance for the sustainable use of NTFP.

The land-based investments will be scale throughout the 9 districts that cover 5.3 millions ha, with the help of various extension agents, especially for conservation agriculture activities. For now, **the total land area brought under sustainable landscape management by the ER Program is expected to reach 472,433 ha (including the GNR and its buffer zone)**[3]. A more precise estimation of the areas that will benefit from each kind of investment-based activity is provided in the table below; however, of crucial importance is the fact that many ER Program interventions were not assessed in terms of land areas but according to other indicators, such as the number of beneficiaries, and cannot as such fuel the table below.

In hectares (ha)	MozFIP	MozBio	Sustenta	TOTAL
Land area under sustainable landscape management - outside of conservation areas (ha)	30,250		5,800	**36,050**
Conservation areas under improved management in the landscapes – GNR (ha)		436,383[4]		**436,383**
Restoration of natural habitats through Assisted Natural Regeneration (ANR) and enrichment planting (ha)	500	200	800	**1,500**
Conservation agriculture, incl. Agro forestry (ha)	750	500	5000	**7,050**
Area of planted forests established (ha)	3,000			**3,000**
Area under forest management for sustainable charcoal production (ha)	1,000			**1,000**
Area of forest concessions under sustainable forest management (ha)	25,000			**25,000**
Land area supported by community land-use plans (ha)	120,000		202,500	**322,500**
The data in this table is only for information purposes and were taken from the results framework of the pads of the projects. The total area of project initiatives should not be estimated by adding up the values in this table.				

[3] Including the Buffer Zone (152,799 ha) of the GNR (core area 283,584 ha)

[4] Including the Buffer Zone (152,799 ha) of the GNR (core area 283,584 ha)

With regards to financing and the estimation of emission reduction, all land-based investment planned within the ER Program are already financed by the Sustenta, MozFip and Mozbio projects, as explained in section 6.2 of the ER-PD. They should be responsible for the totality of the forecasted emissions reductions of the ER Program. Consequently, the carbon benefits generated by the sell of ER will not be used to finance the ER Program interventions or any land-based investment, but will be used according to the BSP currently being developed, most probably to finance additional community projects in the ER Program area and/or to allow the ER Program interventions to be scaled-up in the future.

7. The practical ER Program activities' local implementation will rely on service providers (private sectors, NGOs, etc.) who will be selected according to the procedures applying to each of the projects that are being implemented in Zambézia" (p. 136). Have these service providers and implementing agencies (i.e. private sector) been identified? They will be critical to successful implementation.

Answer inserted in the final ER-PD, in section 6.1

The practical ER Program activities' local implementation will rely on the government as well as on service providers (private sectors, NGOs, etc.) who will therefore be critical to the successful implementation of the ER Program. Selected according to the procedures applying to each of the projects that are being implemented in Zambézia (MozFip and MozDGM, Mozbio, Sustenta), most of them have already been identified and will start in February 2018[5].

8. The ERPD mentions "win-win partnerships with the private sector"- who are these private actors (besides forestry companies)? Considering large-scale agriculture is not identified as a driver.

Answer inserted in the final ER-PD, in section 4.3, in table "EAs related to Land planning", as a footnote (#25)

Such private sector actors will mostly be forest operators and actors already engaged or willing to engage in activities related to the valorization of cash crops (such as cashew nuts) and NTPF in the ER Program area. NTPF and cash-crops will be produced by local smallholders, supported by the ER Program, and could be subject to interesting market partnership with the private sector for their processing and/or commercialization.

9. In addition to creating the REDD+ Technical Unit (UT-REDD+), Decree 70/2013 established the inter-ministerial Technical Review Committee (CTR) for REDD+, whose main objective is to promote inter-institutional coordination among sectors and stakeholders. The ERPD states that the CTR meets thrice yearly (at a minimum, as extraordinary meetings are also foreseen as necessary). Are these meetings taking place and is there other evidence that this institutional organ is functional?

5 A list those service providers is available at FNDS and could be shared with the FCPF if deemed necessary. For now, the identified service providers for the MozFip project are Verde Azul and Indufor Oy, Verde Azul Lda e SSC AB (consortium); the identified service providers for the Sustenta project are: Verde Azul; Garantias Parciais de Crédito- GAPI- Sociedade de Investimento; TPF PLANEGE CENOR; CONSIFRA, LINTEL, CONSTRUMAC; EDI ECONOMIC DEVELOPMENT INITIATIVE (still in negociation); the Service provider for the Mozbio project around the GNR is Etc Terra-IGF.

Answer inserted in the final ER-PD, in sections 6.1 and 5.1

Created by the REDD+ Decree 70/2013, the REDD+ Technical Review Committee (CTR) is a means of consultation and supervision of all REDD+ activities in Mozambique. Its objective is to act as an overarching consultative and supervising organ, with the aim of piloting inter-institutional coordination among all the sectors and stakeholders involved in REDD+. It comprises government organizations, the private sector, research institutions and civil society organizations. The CTR was completed in 2015 by the MozFip National Steering Committee (NSC), created to complete the activities of the CTR and to oversee the implementation of the MozFIP and MozDGM activities, with support to the FNDS in strategic decision-making regarding the FIP and REDD+ initiatives in general. **The CTR has now merged with the NSC, in order to ease cross-sectorial coordination for REDD+ subjects and for the ER Program.** It meets twice a year and can organize extraordinary meetings on specific issues related to REDD+ project when necessary[6].

10. CFPs request that Mozambique clarify the status of MITADER. As a new institution, has it been operationalized? What is its relationship with older Ministries (e.g. agriculture, environment)? In particular, how will its mandate with respect to ERI-D2 function?

Answer inserted in the final ER-PD, in section 2.3

Since its creation three year ago, the MITADER has fully been operationalized, with clear mandate. It is today the leading entity in Mozambique with regards to policies in the fields of land management and administration (demarcation, land use planning and registry), forests and wildlife, environment, conservation areas and rural development (poverty reduction in rural areas) - which all are significant areas of interventions for the ER Program. More precisely, with regards to forests management, MITADER is responsible for proposing development strategies linked to the forest sector and to the sustainable use of forest resources.

Actually, MITADER already adopted several strategic actions to address challenges in the forest sector, including a participatory audit of all forest concessions, the suspension of new requests for exploration areas, a ban on log exports, the updating of forest policies and regulations, and an ambitious project called "*Floresta em Pé" (already mentioned in 2.1)*, which aims to promote sustainable integrated rural development though the protection, conservation, valorization, creation and sustainable management of forests – *see section 4.1*

To sum up, the MITADER brings together responsibilities that were previously spread across several ministries; in order to facilitate the coordination needed to address challenges of cross-sectorial nature[7]. As a consequence, its creation coincided with (i) the suppression of the former Ministry for the Coordination of Environmental Affairs (MICOA), whose mandate was taken over by MITADER; and (ii) the re-definition of the mandate of the Ministry of Agriculture (MINAG), which became the Ministry for Agriculture and Food Security (MASA),

[6] For instance, due to the current revision of the REDD+ Decree, the NSC met in January 2017 and regularly from May to November 2017. Previous meetings were held July 2015, November 2015, August 2016 and March 2016.

[7] *For many years (1994 - 2014), environmental issues had only been managed through the Ministry responsible for environmental coordination (the Ministry for the Coordination of Environmental Affairs / Ministério para a Coordenação da Acção Ambiental - MICOA), without vertical mandate or direct responsibility of implementing development programs on the ground (Beta and Nemus, 2016). Agricultural policies were only managed by the Ministry responsible for Agriculture (MINAG).*

of which the mandate is to guarantee food security through increase agricultural production – *see section 6*. MITADER's coordination role is expected to be improved in a situation where it has direct management mandate over a wider number of important natural resources and social issues and particularly to manage rural development and forests. Note is taken of the fact that rural development is a cross-cutting subject. Its materialization relies on the coordination of multiple interventions (Beta and Nemus, 2016).

With regards to the ER Program precisely, MITADER is the overarching body to which the FNDS, in charge of coordinating and of ensuring the good implementation of ER initiatives, is attached - *see section 6*. It will be in charge of coordinating the land-based actions of the ER Program with the other ministries involved, including MASA, for cross-sectorial ER Program interventions – *see section 4.3*. For instance, the activities comprised in ERI-D2, for the structuring of key sustainable value-chains, will be led both by MITADER and MASA, with Service providers being hired and supervised by MITADER under the guidance of MASA.

11. Smallholder agriculture is estimated to cause 72% of deforestation, forestry 9%. Large-scale agriculture is not a driver. Therefore, the success of the program hinges on effectively and efficiently engaging over 300,000 inhabitants spread throughout the 5.3 million ha area. Since the activities described in ERPD section 4.3 refer mainly to the other World Bank programs (Sustenta, Mozbio, MozFip), it is unclear how these specifically address smallholder agriculture- the main deforestation driver in the ER-P area. Mozambique could provide more detail on how this large number of stakeholders will be effectively engaged, and what policies will be put in place to encourage them to change their behavior.

Answer inserted in the final ER-PD, in section 4.3

Because it is the main driver of deforestation - which may account for 70% of emissions in the ER Program area - small-scale agriculture is an important sector for the ER Program interventions. However, the ER Program is composed of four WB projects, and those have a broader approach on land management: their activities extend beyond the agricultural sector *per se*. Admittedly, although an important share of the activities comprised in the Sustenta, Mozbio, MozFip and MozDGM projects are focusing on agriculture, not all of the ER Program interventions are directly applying to sustainable agricultural production.

Although this can, at first, make it difficult to see how the ER Program will actually achieve ERs, it is actually coherent with the overall scheme of the ER Program, based on an integrated land management approach: while only deforestation is accounted for in the ER Program, the interventions of the ZILMP were defined according to a comprehensive approach in which all the activities may impact on one another. In other words, some of the measures that seem out of the agricultural scope will actually have an impact on it. For instance, the activities focusing on the sustainable production of charcoal (ERI-D4) are related to small-scale agriculture, as charcoal production in the ER Program area actually is a by-product of agriculture; land tenure regularization (EA-B1) may contribute to delimitate agricultural parcels; the valorization of cash-crops (ERI-D2) will also influence agricultural production, etc.

This integrated approach therefore recognizes the link between agricultural development, natural resources management and governance, both in terms of institutional management and practical implementation. It will aim to address the drivers of deforestation and

degradation while generating rural development benefits by combining land-based economic activities with the management and conservation of natural resources.

This approach is fully aligned with Mozambique's national REDD+ Strategy, which aims to promote integrated cross-cutting interventions to reduce carbon emissions associated with land use and land use change through adherence to the principles of sustainable management of forest, contributing to global mitigation and adaptation efforts to an integrated rural development.

Granted, in order for this approach to be efficient, it is primordial to effectively and efficiently engage smallholders into those activities and in adopting sustainable behavior on the long run. As explained in section 11 of this ER-PD, the risks of (i) a lack of broad and sustained stakeholders' support to the ER Program and of (ii) a lack of long term effectiveness in addressing the underlying drivers of deforestation were actually identified as a Reversal risks for the ER Program; a range of mitigation measures are described in section 11 and summarized below.

Adaptation of promoted sustainable practices to local constraints and needs, including with the deployments of efficient and committed extension-agents - First, it should be noted that the ER Program interventions promoting conservation agriculture (ERI-D1) are based on extension services, meaning that they will rely on a wide range of extension agents, who are part of local communities. This approach is useful to (i) enable the wide dissemination of sustainable practices throughout the ER Program area and extends beyond direct beneficiaries; (ii) ensure that the need of local communities, including in terms of agricultural production, are well understood and that the ER Program interventions are not conflicting with those. The individual commitment of the extension agents and knowledge of local habits are therefore essential: the promoted techniques will always be adapted to local constraints in order to facilitate their adoption. This is also coherent with the fact that the ER Program will not prohibit any agricultural practices but will provide incentives for sustainable practices that will enable the agricultural production to increase while reducing deforestation, so that local populations' needs are met at longer term. Agricultural productivity will be increased in order to reduce shifting agriculture and the net impact on agricultural production is actually expected to be positive.

Existence of consultative forums, platforms and mechanism involving stakeholders and local smallholders, including the existence of a Feedback and Grievance Redress Mechanism (FGRM) – Second, smallholders' engagement in the ER Program will be facilitated by the existence of efficient platforms and tools for them to express any potential concerns and grievances, so that the ER Program interventions can quickly be adapted to answer their queries. This will especially be ensured though the functioning of the Zambézia MSLF (see section 5) and with the operationalization of a transparent, clear and well-known FGRM (see section 14), open and available to all the people living in the ER Program area. As stated in section 11, this is a key element that, at short term, will enable the ever-on-going definition of the ER Program so as to be as coherent as possible with stakeholders' needs and, consequently, maximize their chance of commitment to the Program.

Increase of income – Third, it should be reminded that the ER Program interventions promoting conservation agriculture (ERI-D1) are closely linked with the activities promoting the valorization of key cash-crops with agro-forestry systems (ERI-D2) in the ER Program area. This will come along better access to market, which is expected to provide them with other sources of income: securing farmers' incomes and diversifying their sources of

revenues in the ER Program area is expected to facilitate risk taking and the adoption of new agro-ecological practices. Since this measure will only focus on cash crops that are already being harvested in the ER Program area (no new cultures will be introduced), stallholders' commitment is expected to be facilitated by the knowledge that they already have of the products.

Carbon and non-carbon benefits and existence of a transparent Benefit Sharing Mechanism – In addition, smallholders' revenues will also be increased, during the terms of the ER-PA, by the ER payments generated by the Program. Such ER payments, through the existence of an efficient and transparent Benefit Sharing Plan (see section 15), will be channeled back to the smallholders in the ER Program area, enabling concrete and immediate perception of benefits linked to the adoption of sustainable practices. However, although carbon payments may help to initiate their change of behavior, the non-carbon benefits are expected to contribute to the maintaining of sustainable practices way after the application of ERPA and carbon payments. Non-carbon benefits will therefore be crucial to ensure smallholders' commitment on the long run. They will have to be clearly presented to local communities to ensure the clear perception of non-carbon benefits for stakeholders at long term and especially beyond the terms of the ERPA.

Implementation of an efficient and large enough land titling and delimitation process to ensure stability of land rights in the long run – Finally, as explained in sections 4.4 and 11, land tenure is a key element to ensure communities' involvement in the ER Program: stronger community land rights are expected to increase incentives for investments in long-term land use and for the adoption of sustainable land use practices. It is also likely to lead to greater benefits for local communities, including through win-win partnerships with the private sector. Accordingly, the ER Program provides for a significant component based on an integrated landscape management through securing land tenure regularization at the community and individual levels.

Finances

12. CFPs note that financial support for the programme has been provided by other World Bank programmes. Could Government of Mozambique provide co-financing? This would be a good show of political commitment.

Answer inserted in the final ER-PD, in section 6.2

Although, as shown above, financial support for the ER Program has been provided by World Bank projects, the GoM is assuming a significant part of this investment through in-kind contribution and financial involvement. First, the political commitment of the GoM to the ER Program was demonstrated in section 2 of this ER-PD. It was especially obvious in the creation of the MITADER and of the FNDS, but also in the creation and operationalization of AQUA - currently developing a new strategy for forest law enforcement in the country[8] - and in relevant actions that were undertaken by the GoM in the past two years[9] - *see section 2 for more details*.

In addition, in-kind contribution will be provided via the GoM's support to the staff that will be mobilized through the ER Program implementation, may it be in terms of salaries and/or time allowance. They include the technical team at central and provincial levels (FNDS, UT REDD+, PIU) the provincial and local governmental staff in Zambézia (DPTADER, SDAE), but also the extension agents engaged in land-based activities – *see section 4.3 for ER interventions.*

Finally, with the exception of the Mozbio project, the other projects that are being implemented as part of the ZILMP encompass a significant part of loan contracted by the GoM. The loan part of the MozFip project represents 70.5% of its total budget; the loan part of the Sustenta project represents 35% of its budget. Those loans can arguably be considered as co-financing from the GoM.

In USD	**Total budget**	**Credit**		**Grant**	
		Volume	*Percentage*	*Volume*	*Percentage*
Sustenta	40	14	**35%**	26	65%
MozFip	40	28.2	**70.5%**	11.8	29.5%
MozDGM	4.5	0	0%	4.5	100%
Mozbio	46.3	0	0%	46.3	100%

[8] *It is notably responsible for the activities of forest patrolling and inspection, prevention and detection, including through the regular assessment of forest concessions and forest operators.*

[9] *MITADER already adopted several strategic actions to address challenges in the forest sector, including a participatory audit of all forest concessions, the suspension of new requests for exploration areas, a ban on log exports, the updating of forest policies and regulations, and an ambitious project called "Floresta em Pé" (already mentioned in 2.1), which aims to promote sustainable integrated rural development though the protection, conservation, valorization, creation and sustainable management of forests – see section 4.1*

13. It is positive that there is no financing gap expected before 2022. However, we would appreciate information on how double financing with the numerous World Bank programs, and FIP, has been avoided. How will results paid for by the FCPF be additional to what would have been expected without ZILMP?

Answer inserted in the final ER-PD, in section 6.2

Since the totality of ER Program interventions and enabling activities are those already defined and budgeted in the World Bank projects, no risk of double financing with ER payments from the FCPF is forecasted. Indeed, for now, no additional activity is planned under the ER Program that is not already clearly budgeted in the financial plan of the associated projects. In other words, the ER payments will not be used to finance the ER Program interventions and enabling activities described in section 4.3. However, results paid for by the FCPF will represent an additional source of income that will be used for benefit sharing purpose, according to the Benefit Sharing Plan, but also to enable a possible upscale of the ER Program to incorporate new and additional land-based activities and projects or, if relevant, to extend the ER Program interventions to additional areas.

14. ERI-D2: Structuring of key sustainable value chains – over $19m of the total $51m budget has been allocated to this ERI. Improving the position of smallholders in value chains may not address the market failure. Given "cash crops are still not valorized enough in the ER Program area and, currently, producers' commercial strategies are based on minimum risk taking due to significant prices volatility" (92), willingness of producers to accept technical assistance and engage with market information platforms, which are both important for establishing value supply chains, may be limited. CFPs ask that Mozambique provide concrete evidence that smallholders have been responding to the incentives to produce cash crops suggested in the ERPD, and outline a strategy for increasing the valorization of cash crops.

Answer inserted in the final ER-PD, in section 4.3, in table "ERIs related to sustainable production, livelihood and income generation"

The current under-valorization of cash crops in the ER Program area is mainly explained by producers' commercial strategies being based on minimum risk taking, due to significant prices volatility, depending on global market and of the local structure of the value chain: they sale the majority of their products immediately after harvesting, in the numerous outlets on the roads that serve the area. This strategy is coherent with local constraints: limited market information and limited time for selling in certain parts of the ER Program area, which can quickly be landlocked during the rainy season (Mercier et al, 2016).

As a consequence, one could argue that willingness of producers to engage into activities aiming at valorizing cash-crops production and establishing value supply chains may be limited, representing a risk for the ER Program effectiveness. **However, this risk is considered as low and there are already concrete evidence showing that smallholders in the ER Program area have been responding positively to early activities incentivizing cash-crops production**: a real infatuation for cashew-nuts production was observed in the ER Program area, with an increase of prices, production, and number of plants distributed.

First, one of the main challenge for producers to actively engage in ERI-D2 may be

prices volatility. **However, the four main cash-crops of the ER Program area (cashew nut, pigeon peas, sesame and groundnuts) have been benefiting those last few years from high international demand that is expected to be maintained in the future**, meaning that the current market will absorb increases in acreage or productivity. This high demand is likely to push traders and exporters towards a supply strategy focused on quantity (Griffon, 2016), therefore leading smallholders to increase their production.

Given this, one of the remaining reasons that may hinder smallholders' commitment to sustainable cash-crops production may be the perceived (as opposed to the real) limited market opportunities, linked to their lack of information on market trend: "Since producers do not have the elements to anticipate market trends, it is particularly risky to store. Moreover, as local buyers are the unique market information providers, information could easily be biased to traders' benefits. This situation curbs any new marketing initiatives as information on market trends and opportunities are not easily available" (Griffon, 216). **In order to overcome this challenge, a market information service (called Kohiwa) was created as a pilot in the ER Program area**, as part of the Mozbio project around the GNR. It is, for now, focusing on pigeon peas and cashew-nuts markets, but should be extended in the future to other commodities. The general objective of the market information system is to provide essential market information (market trends and advises) to value chains local stakeholders (from producers to export companies) in order to help them in their decision-making process towards marketing issues (sales, buys, storage and investment decisions), through the collection of both quantitative and qualitative data[10]. The information is disseminated to beneficiaries through: cellphone (text messages); community radio (with messages in both Portuguese and local languages); newsletters; human resources, via Mozbio field team and INCAJU's districts officers and service providers, receiving market information through text message and then sharing it with community members. **Early results on the ground show that there is a real interest from smallholders to receive such information**. In one year, the list of smallholders receiving Kohiwa text messages has reached 357 people in the two districts of Gile and Pebane, while 90 people are receiving the weekly Kohiwa newsletter.

In the same way, the cashew-nuts processing sector significantly increased between 2004 and 2010. Although it has been stable in output since 2011, processing companies are now currently investing to increase their cashew kernel output[11] (Griffon, 2016), showing **a real change in favor of increased production**. According to INCAJU, during the 2016-2017 campaign, **the production of cashew in Zambézia province increased by 92,3%** compared to the 2015-2016 campaign (from 10,435 tones to 16,809 tones), and the average purchase price increase by 75% (from 30.75 Mt/kg to 53.97 MT/kg). Accordingly, first results on the ground show that **smallholders in the Mozbio project in the ER Program area demonstrated a real interest in engaging in agro-forestry systems with cashew-trees:** in Zambézia province, 299,730 and 300,561 grafted cashew-trees were distributed to smallholders in, respectively, 2016 and 2017 (INCAJU data).

[10] Minimum and maximum prices practiced during the week, quantities of RCN exchanged and stored, any events affecting RCN production, trade and processing and policies affecting the cashew sector, issues faced by producers, traders, exporters and processors, opinions, feelings and analysis of cashew sector stakeholders, etc.

[11] *Condor* plans to increase its processing capacity up to 15,000 MT/year (+5,000 MT/year compared to present setup). ETG wants to start processing cashew (they trade from 10,000 to 20,000 MT of RCN per year) and has invested in 2 plants to process a total of 15,000 MT (one in Nampula and one in Chiure)

Reference Level

15. Forest area: p. 156 - Could you explain why mangroves were excluded, if data exists? We would suggest including all forest area in the RL, including forests with no change (eg. mangroves).

Answer inserted in the final ER-PD, in section 8.3. Mangroves have been included in the carbon accounting using the data from the national grid.

16. Carbon pools: Argument for exclusion of degradation should be expanded and made more precise– should be worked on to be included in the monitoring but not in the accounting. From an accounting perspective: there is no indication that measures intended to reduce deforestation would result in leakage towards degradation, rather that both would be reduced (argument should be strengthened) – this means that leaving out degradation is indeed conservative.

Answer inserted in the final ER-PD, in section 7.1

More explanations have been added in the ER-PD on why degradation is not a significant source and why it is conservative to exclude it. In the ER Program area, forest degradation is mainly caused by forest exploitation and, to a lesser extent, by charcoal production. Emissions related to those two sources were estimated in the ZILMP Background Study (Mercier et al., 2016). However, it is likely that emissions related to charcoal production have been overestimated because tree cuts for this production were accounted for separately from slash-and-burn agriculture whereas, on the fields, it can actually be observed that charcoal is produced on land areas that would deforested for agriculture purpose the same year or the year after. Hence, charcoal production is more to be considered as part of the slash-and-burn cycle (occurring at the beginning of the cycle) and as a by-product of agriculture, which is itself the main cause of deforestation.

As a consequence, the impact of charcoal production on the ER Program emissions is already accounted for in the estimation of emissions due to deforestation and it was decided to not include it as a source of emissions related to degradation (which is conservative).

Two options to estimate emissions related to forest exploitation were considered and are summarized hereafter. The analysis based on exploited volume (as presented in the ZILMP Background Study) is detailed in Annex 3 of the ER-PD. Since those emissions represent less than 10% of global program emissions, it was decided not to include forest degradation in the sources of emissions for the ER Program. Moreover, small-scale agriculture being the main cause of deforestation, there is no indication that measures intended to reduce deforestation would result in leakage towards degradation. Rather, with the ER Program enabling activities such as land tenure clarification or national policies to reduce illegal logging, both deforestation and degradation would probably be reduced if the program succeeds. Hence, it is conservative to not account for degradation and it is estimated to not be a significant source for the following reasons:

- While analyzing the factors to delimitate intact and degraded forest, we considered distance to anthropic activities (i.e. distance to deforestation patches of deforestation) or to forest edge in relation to carbon stocks – from biomass

inventory data for the present program. It shows that proximity to anthropic activities or to forest edge does not have a significant impact on carbon stocks. Moreover, carbon stocks have an unexpected negative correlation to distance of deforestation patches. On this basis, it is not possible to delimitate degraded forest with the indirect approach of the GOFC-GOLD.

- As a consequence, the method presented in the ZILMP Background Study (Mercier et al., 2016) using exploited volumes seems to be the most suitable. Based on estimation of exploited volumes in Zambezia (legal and illegal logging) with secondary data from the literature, it gives an estimation of emissions due to forest exploitation in the accounting area of 37,945 tCO_2e (Mercier et al., 2016), which corresponds to less than 10% of emissions due to deforestation. The method to estimate those emissions is described in Annex 3 of the ER-PD.

As mentioned in the TAP report (ind 3.3 and ind 4.1), the MF does not accept the inclusion of new activities or pools in the actualization of the historical reference level. **So, even if degradation will be analyzed at national level, it will not be included in the program REL.** The method used at national level was however added in the section describing the MRV process for information (section 9 of ER-PD). **In the same way, monitoring of dead organic matter and SOC in the framework of the NFI have been described as per requested by the TAP but they will not be include in the baseline in the future.**

17. CFPs have noted a potential underrepresentation of change strata in the systematic sample for activity data. 167 gives an indication for that (no deforestation detected in 2015) – permanent grid might also be problematic when actors adapt, however, from a CF perspective the REL appears conservative – since it might also lead to an underestimation in the REL.

The sampling design used is a probabilistic design (all points in the region of interest have the same chance to be selected) for estimating a variable of interest (deforestation in year 2015, for instance), consisting on systematic sampling of the region of interest. Inference has been done using the simple random sampling formulae as recommended by Cochran (1977), which may be used for systematic grids, yet the variance estimator is not an unbiased estimator, i.e. overestimates variance in the case of systematic sampling (Kangas, 2006). In the current case it is not correct to state that there is underrepresentation of strata as indicated by the comment shared simply because in this case we are not using a stratified sampling design, but we are using an equal probabilistic design where the estimates given are representative of the region of interest and the year given. If this comment implies that the design will not give a representative estimate of the variable of interest, this is simply not correct as this is a robust design. The estimate gives a proportion of zero in 2015 simply means that in 2015 the proportion of deforestation is very close to zero. Also if the estimate is close to zero, the confidence intervals may enclose zero, meaning that it cannot be rejected the null hypothesis that deforestation is zero. Increasing the sampling intensity of the grid would likely give values different from zero but these would be probably not significant from zero anyway as indicated previously. The current design is a robust design which has been implemented in several multi-resource inventories throughout the world and is suitable for situations where there are multiple variables of interest as is the current case (these data is used to estimate data on the IPCC land use categories and land use change categories).

On the comment on the adaptation from actors, this is a classical problem when using permanent sampling units, in particular in forest inventory where plots are monumented and could induce different management practices occurring on that plot biasing the results as a result of (trees are not logged in these areas, etc.). **The current case is different because we are talking about "remote sensing" plots which are not monumented in any form**. If it is suggested that small-scale agents are going to vary their behavior just because of the existence of a sampling grid, this is clearly out of this world I may say. Anyway, **this concern is not applicable because biennial monitoring of deforestation will be done through a stratified design using forest cover change maps for stratification purposes, while the systematic sampling using the same grid will be repeated every 5 years in order to update the national GHG inventory**.

MRV

18. Consistent approach chosen for reference period and reporting period – gradual improvements intended. The intended work on a stratified area estimator could prove very useful –initial comparison with current results could be tried with a tool like SEPAL.

It is indeed considered to use SEPAL in the future. The MRV section was updated to explain how it will be used to build mosaic for the production of LULC maps.

19. CFPs support the TAP recommendation that community participation in MRV be tested in the next stage of the programme.

Answer inserted in the final ER-PD, in various sections, including section 14.3

It is indeed still planned, as explained in section 14 of the ER-PD, that the complete PRMV system for REDD+ and the ER Program, including the SIS and FGRM, be tested as a pilot in 2017-2018, in 15 districts of the provinces of Zambézia and Cabo Delgado.

20. When will the national MRV system be fully operational?

Answer inserted in the final ER-PD, in various sections, including in sections 2.1, 9.2 and 14.3

The web platform that will include the various components of the PMRV system (SIS, FGRM, etc.) is almost ready. It is managed by the FNDS at central level and will include the REDD+ Project and Data Registry (but not the ER Transactions registry). Its implementation will start in some districts at the end of this year and the PMRV system as a whole is expected to by fully operational by July 2018.

The current timeline for the MRV system and the chronological plan for MRV are presented in the following figure and table.

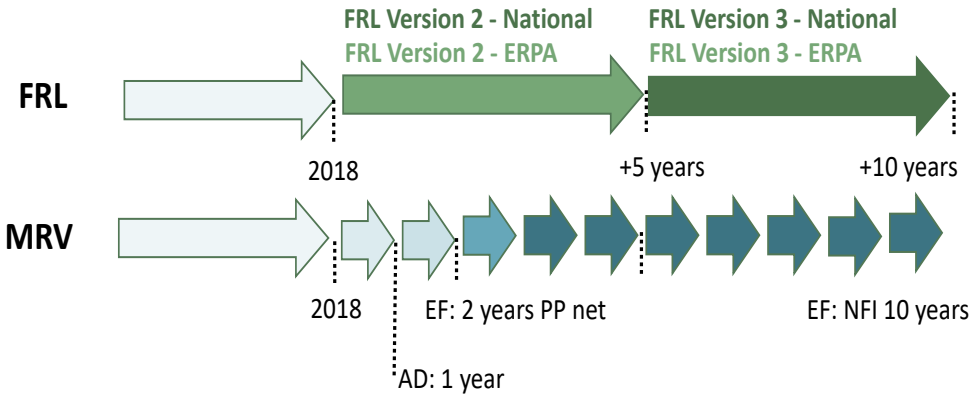


Figure 1: national MRV timeline

Table 1: Chronological MRV plan as scheduled by FNDS

Tasks		2016	2017	2018	2019	2020	2021	2022
National Forest inventory	Preparation							
	Training							
	Launch							
	Field work							
	Data analysis							
	Report							
	Dissemination of results							
LULC map 2016 Sentinel 2	Preparation							
	Sampling Collection							
	Segmentation and classification							
	Report							
	Dissemination of results							
Activity data Sampling method	Training							
	Data collection and classification							
	Report							
	Verification							
	Validation							
	Dissemination of results							
Permanent Sampling Plot Project	Creation of RNPAP							
	Production of PSP manual							
	Project Design							
	Establishment of PSPs							
	Monitoring of PSPs							
	Reporting							
Participatory MRV	Concept project							
	Detailed project design							
	Implementation							
	Reporting							
Knowledge management	Needs assessment for training							
	Training							
	Development of manuals and Standard procedures							
	Dissemination of information							
MRV equipment/ Infrastructure	Needs assessment							
	Procurement							
	Equipment maintenance							
Coordination	Need assessment for coordination							
	Establishment of mechanism of coordination							

	Monitoring							
Platform for SMF	Assessment needs for the platform							
	Development/ Improvements on the platform							
	Monitoring							
	Reporting							
Improvement methodologies for estimation of carbon stocks	Assessment needs for methodologies and studies							
	Prioritization							
	Acquisition							
	Implementation							
	Monitoring							
	Reporting							

Reversal/Uncertainty

21. Due to the chosen methodology Mozambique have not performed a proper accuracy assessment for the activity data (confusion matrix) but used quality assurance criteria to ascertain correctness of classification – as pointed out above, the chosen approach does likely tend to an underestimation of deforestation – cross-checking with a stratified sampling approach might be an useful exercise.

The term “accuracy assessment” is given to the assessment of accuracy of thematic maps. In the context of AD estimation, maps (pixel counts) cannot be used for inference because they do not accommodate classification errors, so in this case the information of confusion matrices commonly used in “accuracy assessments” may be used to provide estimations and associated uncertainty. Following the best practices described in Olofsson et al. (2014) or the GFOI MGD Version 2, the sampling reference data is used to accommodate classification errors via a probabilistic sampling design and a stratified estimator where the stratification criteria is the forest cover change map.

In the current case, there is no need to conduct an “accuracy assessment” because the interpretations themselves are considered to represent the ground reference condition, as reference samples collected as part of an “accuracy assessment”. Requesting this to be done in this case would be equivalent to requiring to conduct an “accuracy assessment” of the sample reference data collected for conducting the “accuracy assessment” of the map, i.e. an accuracy assessment of the accuracy assessment which is redundant.

These interpretations are considered to represent the ground reference condition because enough QA/QC measures have been put in place: SOPs have been set in place, enough training have been provided to interpreters; a reduced number of interpreters have been used (4) working in the same conditions; interpretations have been focused on change detection and using all the information available per sample, 100% of the samples were checked by another interpreter to confirm inconsistencies; 10% of the samples were revisited by all team members to confirm the adequate implementation of QA/QC procedures, the work was done without time pressure (i.e. 8 months, 75 points per day in averae), etc.

22. Could you explain table 8? We weren’t quite clear whether the 90% CI row represents the tones +/- the average or standard deviation, or something else.

Answer inserted in the final ER-PD, in section 3.2

Yes, it is in tC or tCO2eq per ha. A line with results in % has been added and units were specified for the table to be clearer, as shown below:

	Aboveground	**Belowground**	**Total**
Carbon stocks in tC/ha			
Average	65.9	18.4	84.3

Standard deviation	28.3	7.7	36.2
90% CI [tC/ha]	4.7	1.3	6
90% CI [%]	7	7	7
Carbon stocks in tCO_2e/ha			
Average	241.6	68.2	309.8
Standard deviation	103.7	28.3	131.8
90% CI [tCO_2/ha]	17.1	4.7	21.7
90% CI [%]	7	7	7

23. The total uncertainty for the REL (15%) is lower than both the individual uncertainties for semi-deciduous (18%) and evergreen (28%) since those are discreet classes it does not become apparent why this would be the case – similarly this applies for the calculations/table on p. 224We would underscore the TAPs comment (p.15) to make a more detailed calculation of the relative uncertainties

This is due to the equation used for the propagation of error in the case of an addition (see section 12.2, p.231). This equation is the one recommended by IPCC 2006 (Ch3 Uncertainties) or other standards such as VCS for addition among combined strata. It corresponds also to the formula from the IPCC (2006 – Ch 3 – table 3.2) for the contribution to the global variance and the calculation of overall uncertainty (see hereafter). The example for Norway GES inventory given in the IPCC document also gives an overall uncertainty lower than the discrete values for each strata or pools. **When we sum two different estimates, the resulting value is higher, so the relative uncertainty of this value is lower as we divide the absolute uncertainty of the resulting value by the resulting value, which is higher. In the case of a subtraction, the impact is the opposite as the equation is exactly the same: the resulting value is lower so the same uncertainty would be divided by a lower value leading to a much higher uncertainty. The fact that overall uncertainty can be, in some conditions, lower than combined uncertainties is a property of the equation**.

The results p.224 correspond to the results calculated at national level with the method for uncertainties estimation presented in the document. It gives the same results when applying IPCC equation for propagation of errors in the case of an addition.

A	B	C	D	E	F	G	H	I	J	K	L	M
Category	Gas	Emissions or removals in year 1	Emissions or removals in year 2	Area uncertainty	Emission factor uncertainty	Combined uncertainty	Contribution to variance by category in year 2	Type A sensitivity	Type B sensitivity	Uncertainty in trend by introduced emission factor uncertainty (Note ii)	Uncertainty in trend introduced by area uncertainty (Note iii)	Uncertainty introduced to the trend in total emissions/
		Mg CO_2	Mg CO_2	%	%	$\sqrt{E^2 + F^2}$	$\frac{(G*D)^2}{(\sum D)^2}$	Note i	$\frac{D}{\sum C}$	$I*F$	$J*E*\sqrt{2}$	$K^2 * L^2$
E.g. Forest converted to Cropland	CO_2											
E.g. Forest converted to Grassland	CO_2											
Etc	...											
Total		$\sum C$	$\sum D$				$\sum H$					$\sum M$
					Level uncertainty		$\sqrt{\sum H}$				Trend uncertainty	$\sqrt{\sum M}$

Safeguards/FGRM

24. Feedback and Grievance Redress: we would like to see a clearer process (cf. Indicator 26.2) specified in the final ERPD.

The section 14.3 of the ER-PD related to the FGRM was updated as presented below.

Main Actors of the FGRM

FNDS safeguard team: National supervision and coordination – The FNDS safeguard team, at central level, is responsible for ensuring the national supervision, coordination and monitoring of the FGMR system at every step of the process, from local to regional and national scale, for all projects that fall under the responsibility of the FNDS – which includes those funed by the WB in Zambézia province, namele Sustenta, Mozbio, MozFIP and DGM.

FNDS and PIU safeguard teams: Management of the FGRM – The FGRM focal points are located at two levels: (i) the FNDS safeguard team at central level; (ii) the PIU safeguard team at provincial level - the PIU being a representation of FNDS at landscape level.

Both units are responsible for receiving, processing (classification of complaints) and investigating the complaints and queries that are sent to them, knowing that, at the beginning of the string, the PIU safeguard officers will receive the complaints addressed through specific forms, during community meetings or in person by complainants, while the FNDS safeguard officers will receive the complaints sent by emails or received through the green line.

Both units are also responsible for registering every step of the grievance resolution in the FGRM web platform.

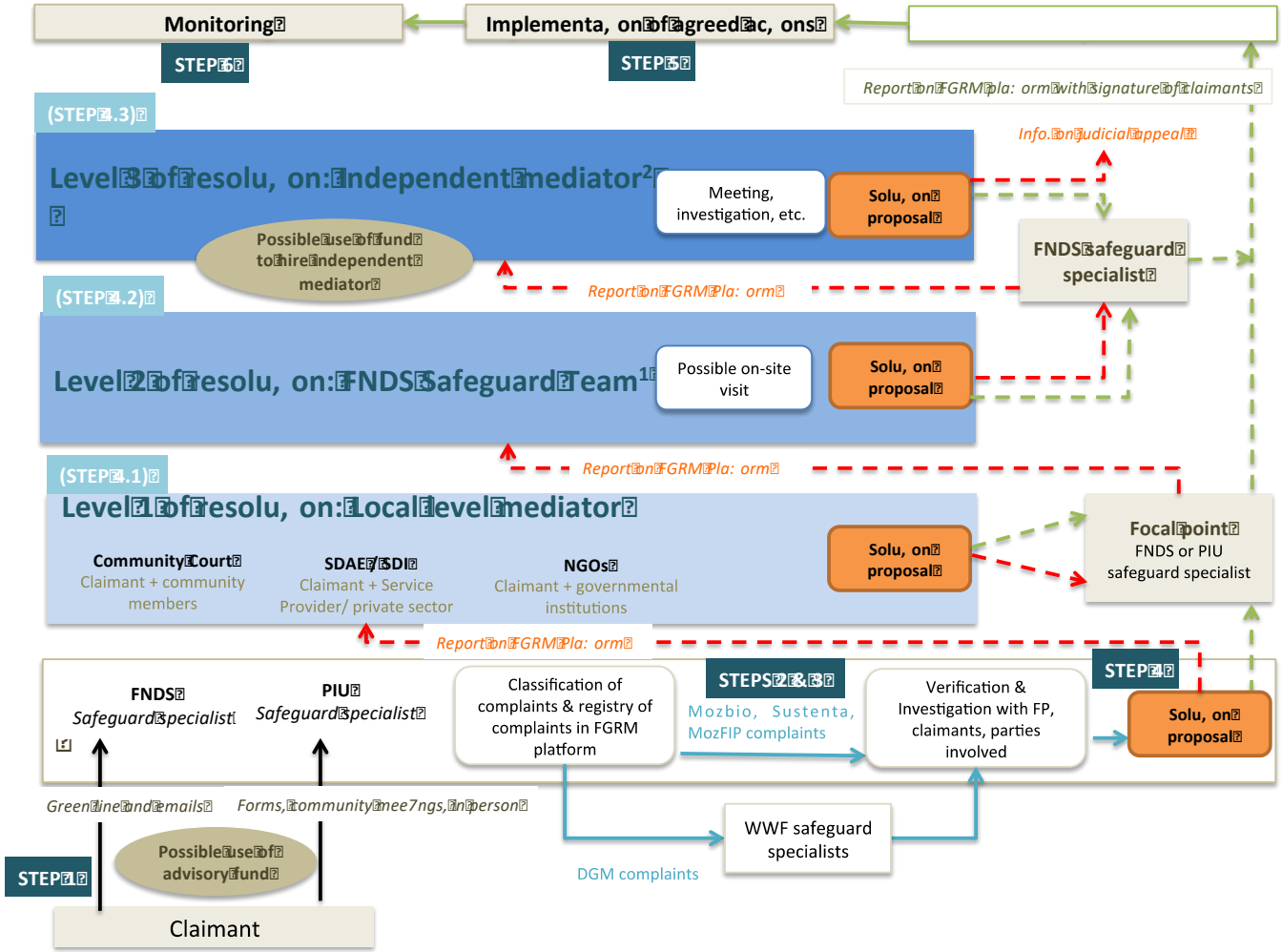
Mediators: Support for resolution – If a solution cannot be immediately reached and the process has to engaged in step 4.1, 4.2 or 4.3 (see figure 38), the FGRM focal points (safeguard officers in PIU at provincial level, or in the FNDS at national level) may also be supported by mediators at local level and by independent technicians, to assist in cases that could not be resolved at community level. A specific fund to cover their logistic cost is available within the FNDS.

FGRM procedures for the ER Program

Accordingly with criterion 26 of the FCPF MF (FCPF, 2016a), and as shown in the description of its procedures (see below), the FGRM for REDD+ and the ER Program will demonstrate: legitimacy, accessibility, predictability, fairness, rights compatibility, capability to address a range of grievances - including those related to benefit-sharing arrangements – and transparency. FGRM procedures are set in the PF and have recently been updated by the MRV team in FNDS - see FNDS (2017d).

The FRGM fully respects the criterion of accessibility and fairness. Any person or group of people who has a relationship with the ER Program or is affected by its activities may submit a query or complaint, may they be communities, service providers, NGOs, local governments or any individual or group affected.

The successive steps of the FGMR are represented in the figure below and described after.



1: For queries related to MozDGM project, Level 2 mediator is the DGM National Committee (NSC); 2: For queries related to MozDGM project, Level 3 mediator is the Complaints Sub-committee of the DGM Global Committee (GSC).

Figure 2: FGRM system for the ER Program and responsibility of main actors

Step 1: Gather suggestions and complaints

Those suggestions, queries and complaints can be sent to the PIU safeguard team (provincial focal point) or to the FNDS safeguard team (national focal point) according to the means available to the complainants. Four main channels can be used. Two of them are managed by the FNDS safeguard team at central level (meaning that the focal point to whom the complaint is sent is the FNDS safeguard team), while the three others are managed by the PIU safeguard team at provincial level (meaning that the focal point to whom the complaint is sent is the FNDS safeguard team):

- **The use of a "Green Line" (free call)** ***(complaints managed by the FNDS safeguard team)***: claimants will receive a text message or an email for them to be able to follow up the complaint;
- **The use of emails** ***(complaints managed by the FNDS safeguard team)***: claimants will receive a text message or an email for them to be able to follow up the complaint;
- **The use of specific forms** ***(complaints managed by the PIU safeguards team)****:* they will be placed in strategic places in order to be easily accessed (headquarters of Conservation Areas, CGRN headquarters, schools) where a responsible authority (president, secretary, teacher, etc.) will be identified; (see Annex).
- **Community meetings** ***(complaints managed by the PIU safeguards team)***: complaints may also be presented at meetings with traditional community leaders or CGRNs. A secretary must be appointed to record the suggestions and complaints.
- **Personally** ***(complaints managed by the PIU safeguards team)***: the FGRM team, community officials, service providers, NGO staff and local government technicians will be able to assist people with difficulties writing or without access to the phone to complete the forms and submit complaints.

For step 1, a small advisory fund, managed by the FNDS, is available for highly vulnerable claimants who need support to present their cases. Claimants in need of such support should ask for it to the FGMR focal point (PIU or FNDS safeguard team).

Anonymous complaints are accepted. The FP will carry out the research, including with independent experts if necessary and, if possible, seek a solution. It will be included in the platform and shared through community meetings, local radio, etc. or implemented in the most effective manner and protecting the claimant's identity.

Step 2: Registration and Categorization of suggestions and complaints

When receiving the queries and complaints, the FGRM focal points (safeguard officers in PIU at provincial level, or in the FNDS at national level) will classify them into various categories and register them in the FGRM web platform. For the ER Program, those categories are[12]:

- ***Zambézia projects***: Suggestions and complaints concerning the MozBio, Sustenta and MozFIP projects (ER Program activities) will be classified in three main sub-categories:

[12] *The FGRM is intended to be upscales at national scale and, as such, two other categories might be used (i) Conservation areas: applies to suggestions and complaints linked to conservation areas (expect those involved in the MozBio project), to be forwarded and managed by the Conservation Areas administration; (ii) Other: applies to suggestions and complaints that are not concerning the MozBio, Sustenta, MozFIP and MozDGM projects and which should be forwarded and managed by the relevant institution, depending on the nature of the subject.*

- Environment: this category applies to suggestions and complaints concerning the impact of ER Program activities on the environment, such as disappearance of specific species, deforestation, erosion, contamination of water, etc.;
- Social: this category applies to suggestions and complaints regarding the impact of project activities on community life, such as restrictions on access to natural resources, protection of sacred sites, disputes related to land use rights, etc.;
- Project performance: this category applies to suggestions and complaints regarding the performance of the ER Program and associated project and their staff, such as lack of presence of staff on the ground, poor supervision of activities, delays in delivery of funds and materials, etc.;

- ***DGM:*** *S*uggestions and complaints concerning the MozDGM project will be forwarded and managed by the National Executing Agency[13].

Step 3: Confirmation

After classification and registry of queries and complaints, the FGRM focal point (safeguard officers in PIU at provincial level, or in the FNDS at national level) will inform the claimants (through text messages, letter or in person) on the reception of their claims, according to the type of queries and complaints received:

- *For inappropriate suggestions or claims:* applicants will be informed within 5 working days after receiving the complaint regarding the reasons for the invalidity and, if relevant, other channels of resolution will be suggested;
- *For suggestions or requests for clarification*: applicants will be contacted to clarify the doubts or questions presented and, if relevant, indicate the follow-up actions that should be agreed with applicants and relevant actors of the project, along with respective deadlines. This process must be carried out within 10 working days after receiving the query.
- *For grievances and complaints*: applicants will be informed that their case has been registered within 5 working days after receiving the complaint. ***The FGRM focal point then proceeds to step 4.***

Step 4: Verification, investigation, action of complaints

For relevant grievances and complaints, the FGRM focal point (safeguard officers in PIU at provincial level, or in the FNDS at national level) organizes a meeting together with the complainant and the other parties involved (service provider, contractors, project coordinator, etc.) in order to carry out an investigation, and verify the validity of the complaint and seek a friendly solution. The meeting should take place within 5 working days after notification

If the claimant is satisfied, the FGRM focal point (safeguard officers in PIU at provincial level, or in the FNDS at national level) prepares a report that has to be signed by the parties and downloads it onto the FGRM web platform.

If the claimant is not satisfied, the FGRM focal point informs the complainant about the different levels of resolution of the complaint, including the judicial appeal, and on the delay for its query to be treated[14]. **The case then moves to the first level of resolution (level 1):**

---

[13] The MozDGM project is a special case, with the technical and administrative execution being the responsibility of WWF as the National Executing Agency (NEA). WWF has expressed an interest in using the FGRM described in this section but with some modifications in Step 4, described in footnotes n. 16 and n. 17.

- **LEVEL 1: LOCAL LEVEL OF RESOLUTION** – step 4.1

  - The FGRM focal point (safeguard officers in PIU at provincial level, or in the FNDS at national level) informs the relevant mediator of the nature of the complaint, the results of the investigations and the proposed solutions and results. Those mediators can be: (i) *Community Court*: for disputes arising between individuals or groups of individuals; (ii) *District Service for Economic Activities (SDAE) or District Service for Planning and Infrastructures (SDPI)*: for disputes arising between individuals or groups of individuals or community and service provider, private sector or ER Program staff; (iii) *NGO not attached to the ER Program*[15]: for disputes arising between individuals or groups of individuals or the community and governmental institutions.

  - The mediator attempts to reach an amicable solution within 15 working days (or other period agreed by the parties).

  - *If the claimant accepts the proposed solution*, the FGRM focal point (safeguard officers in PIU at provincial level, or in the FNDS at national level) prepares a report that has to be signed by the parties and download it onto the FGRM web platform. *The case moves to step 5 (implementation of agreed actions)*.

  - If the claimant does not accept the proposed solution, the FGRM focal point (safeguard officers in PIU at provincial level, or in the FNDS at national level) prepares a report explaining the reasons of the refusal, downloads it onto the FGRM web platform and refers the case to the FNDS Safeguards Department. *The case moves to Level 2 of resolution*.

- **LEVEL 2: TECHNICAL LEVEL (FNDS - DEPARTMENT OF SAFEGUARDS)**[16] – step 4.2

  - The FNDS safeguards department assigns the processing of the complaint to a safeguards officer who carries out the analysis based on all the information available in the FGRM web platform;

  - At the request of the complainant, or if considered as necessary, the FNDS safeguards officer responsible for the case will arrange a site visit to hear the parties involved;

  - The FNDS safeguards department has a maximum of 20 days to report on its findings and propose a solution;

  - *If the claimant accepts the proposed solution*, the responsible FNDS safeguards officer prepares a report that has to be signed by the parties, downloads it onto the FGRM web platform and informs the FGRM focal point at provincial level of the results. *The case moves to step 5 (implementation of agreed actions)*.

  - *If the claimant does not accept the proposed solution*, the responsible FNDS safeguards officer prepares a report explaining the reasons of the refusal and downloads it onto the FGRM web platform. *The case moves to Level 3 of resolution*.

---

[14] The default time frime is 15 days but an alternative time frame can be agreed between the parties concerned.

[15] For mediators who are not part of the government (NGOs), the FNDS will assume the financial costs of their actions in the FGMR, as planned in the the financial operationalization of the FGRM.

[16] For queries related to MozDGM project, Leval 2 mediator is the DGM National Commitee (NSC).

- **LEVEL 3: INDEPENDENT (NEUTRAL AND INDEPENDENT MEDIATOR)**[17] – step 4.3
  - The case is presented to an independant mediator[18] who carries out the analysis of the complaints based on all the information available in the FGRM web platform;
  - If necessary, the independant mediator may call the parties involved to a meeting or request additional documentation or investigations;
  - The independent mediator has a maximum of 20 working days to deliberate and propose another solution;
  - *If the claimant accepts the proposed solution*, the FNDS safeguards officer who was responsible for the case in level 2 prepares a report that has to be signed by the parties, downloads it onto the FGRM web platform and informs the FGRM focal point at provincial level of the results. *The case moves to step 5 (implementation of agreed actions)*.
  - *If the claimant does not accept the proposed solution*, the FNDS safeguards officer who was responsible for the case in level 2 follows the same process and additionally informs the complainant of his rights and the means of appeal against the mediator's decision in court.

The judicial system – it should be reminded that, although the use of judicial remedies should be avoided as much as possible due to delays in resolving cases, the judicial system does exist parralel to the FGMR and remains an available option for all complaints regarding the ER Program. It should be reminded to claimants from the beginning of the process that it can be used at all time in the process if the Claimants requires it.

If community interests are nullified or invalidated by other government actions, there are legal provisions to appeal to a higher level, such as national directors and ministers. Finally, all citizens have the right to refer their complaints to the Public Prosecutor, the responsible institution to ensure that the law is correctly applied.

Step 5: Implementation of agreed actions

Upon completion of each process, the FGRM focal point (safeguard officers in PIU at provincial level, or in the FNDS at national level) will take the necessary actions to implement the agreements reached within 15 working days after the signature of the agreement. For agreements requiring permanent modifications of projects and/or processes, or measures requiring more time, the agreement should include an action plan with a timetable. It should also indicate the budget required for its implementation and the actors responsible for each activity. Agreed actions should be communicated upon through various channels, including local radios, internet, and the use of the Zambézia MSLF – *see next sub-section*.

[17] *For queries related to MozDGM projet, Level 3 mediator is the Complaints sub-committee of the DGM Global Commitee (GSC).*

[18] *For this level of conflict resolution, a fund, managed by the FNDS, is available to hire the services of the independent mediator. This fund will cover the logistic costs of its intervention. The FNDS safeguard team will manage the use of the fund.*

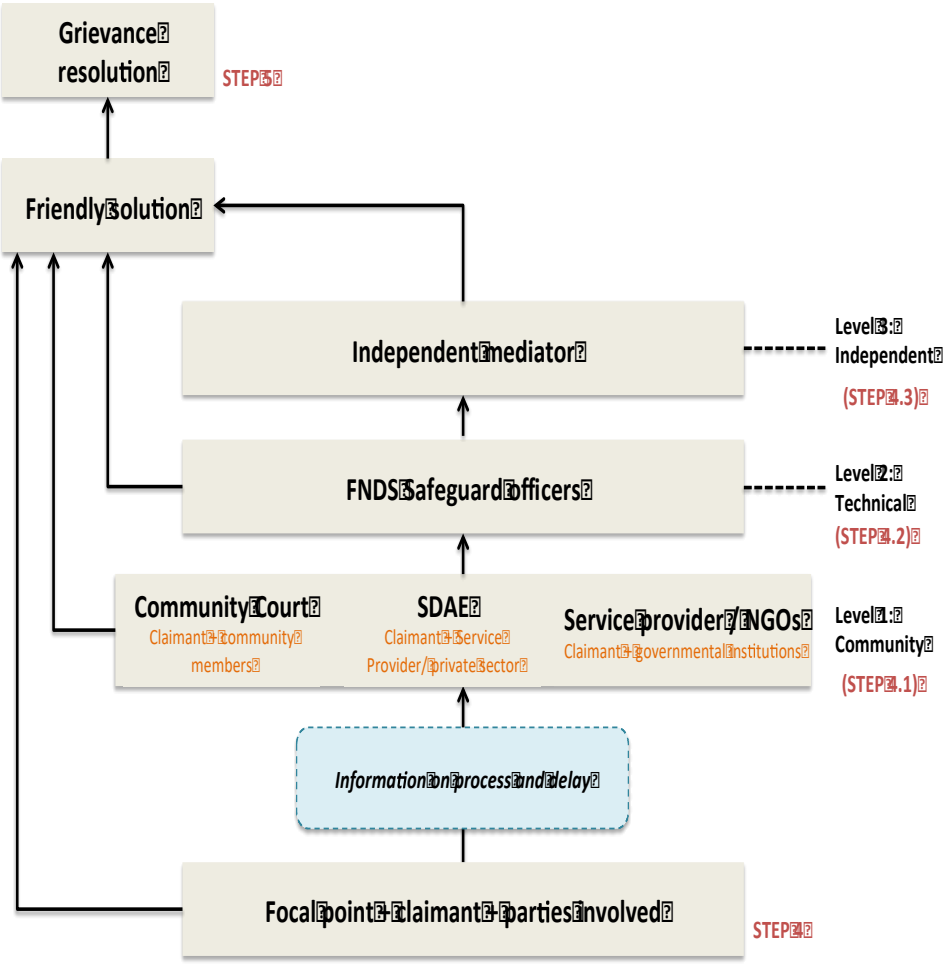


Figure 3: level of resolution within step 4 of the FGRM

Step 6: Monitoring and Evaluation

The FNDS safeguard staff will carry out the monitoring of the FGRM at central level. Monitoring will follow-up of the complaints and their resolution, in order to (i) monitor the number and type of complaints to take proactive action to avoid future claims; and (ii) monitor the effectiveness of the FGRM in terms of use (number, type, origin of cases, trends), efficiency of response (answers and conclusions in time) and overall effectiveness (level of satisfaction of users).

In order to assess the effectiveness of monitoring and resolution of complaints, the following indicators will be used:

- Number of complaints registered;
- Percentage of complaints answered within the deadlines;
- Level of community and users satisfaction regarding the FGRM (perception survey).

The monitoring will generated lessons- learnt and should actually help to make strategic and operational decisions in the implementation of the ER Program and subprojects, as well as political decisions, which may avoid actions resulting in similar claims in the future.

The key results of the system and monitoring will be disseminated among communities to increase transparency, credibility and confidence in the system, trough the use of brochures, community radio messages and meetings with communities.

25. Communication on the FGRM

While the system is being operationalized and the main actors (focal points, community officials, SDAE technicians and service providers) are being trained in the management of the FGRM mechanism, an information campaign will be organized in the ER Program area through its associated projects in order to present (FNDS, 2017e):

- The type of complaints that may be submitted;
- The channels to submit complaints and the Green Line number;
- The progressive process and step of actions, including and deadlines;
- The options that claimants have if they are not satisfied with results (including legal);
- The opportunity to solve problems with ER Program and subprojects staff;
- The seriousness of the system and the importance of putting together documents and information and presenting grievances in good faith and before any escalation; etc.

The dissemination of information and of the results of the FGMR process will be ensured, all along the process, through the web platform that records and manages information in real time (as shown in Figure 34) with full public access. **In addition, because not all the stakeholders have access to internet, communication will also be made in locally relevant languages and use appropriate channels for the messages to reach the most marginalized groups**, at community level, including through community radio, videos, community meetings and meetings of the Zambézia MSLF, posters, specific meetings with focal point and community leaders, local leaders, etc.

Table 2: Players' responsibility in FGRM according to steps and levels in the process

Step	Level	Players	Action/responsibility
Step 1 *Gathering complaints*	Local, provincial, national	Any person or group of people who have a relationship with the ER Program or is affected by its activities (communities, service providers, NGOs, local governments, etc.)	- Send complaints through chosen channel: green line, email, specific forms, community meetings, in person, etc. - (*Possible use of the advisory fund for highly vulnerable claimants*).
	Provincial	PIU Safeguard team	- Gather suggestions and complaints addressed through specific forms, during community meetings or in person by complainant; - ***Continue to step 2***.
	National	FNDS Safeguard team	- Gather suggestions and complaints sent by emails or received through the green line; - Answer to claimants with a text message or an email for them to be able to follow up the complaint at local level; - ***Continue to step 2.***
Step 2 *Registering and categorizing complaints*	Provincial	PIU Safeguard team	- Categorize the suggestions and complaints addressed through specific form, during community meetings or in person: o Un-relevant suggestions and complaints; o Suggestions and complaints concerning Zambézia projects; o Suggestions and complaints concerning the MozDGM project; o Suggestions and complaints linked to conservation areas (expect those involved in the Mozbio project); o Other suggestions and complaints. - Register in the FGRM platform the suggestions and complaints addressed through by specific

		form, during community meetings or in person, in the right category; - ***Continue to step 3.***
National	FNDS Safeguard team	- Categorize the suggestions and complaints sent by emails and received through the green line: o Un-relevant suggestions and complaints; o Suggestions and complaints concerning Zambézia projects; o Suggestions and complaints concerning the MozDGM project; o Suggestions and complaints linked to conservation areas (expect those involved in the Mozbio project); o Other suggestions and complaints. - Register in the FGRM platform the suggestions complaints sent by emails and received through the green line in the FGRM platform in the right category; - ***Continue to step 3.***

Step 3 *Confirming relevance of complaints*	Provincial	PIU Safeguard team	- For **un-relevant complaints** addressed through specific form, during community meetings or in person: (i) answer to claimant within 5 working days through text messages, letter or in person; (ii) explain the reasons for the invalidity and, if relevant, (iii) suggest other channels of resolution; - For **suggestions and requests for clarification** addressed through specific form, during community meetings or in person: (i) answer to claimant within 10 working days through text messages, letter or in person; (ii) indicate the follow-up actions that should be agreed with applicants and relevant actors of the project, along with respective deadlines; - For **relevant grievances and complaints** addressed through by specific form, during community meetings or in person: o *For grievances and complaints concerning Zambézia projects*: (i) inform the claimant within 5 working through text messages, letter or in person that the case is registered; (ii) ***continue to step 4***; o *For grievances and complaints concerning the MozDGM project*: (i) inform the claimant within 5 working through text messages, letter or in person that the case is registered; (ii) forward to WWF safeguard specialists for them to organize meeting with the parties involved to investigate complaint; and propose a friendly resolution; o *For grievances and complaints linked to conservation areas* (expect those involved in the Mozbio project): (i) inform the claimant within 5 working through text messages, letter or in person that the case is registered; (ii) forward to Conservation Areas administration for them to organize meeting with the parties involved to investigate complaint and propose a friendly resolution; o *For other grievances and complaints*: (i) inform the claimant within 5 working through text messages, letter or in person that the case is registered; (ii) forward to relevant institutions for them to organize meeting with the parties involved to investigate complaint and propose a friendly resolution.

National	FNDS Safeguard team	- For **un-relevant complaints** sent by emails and received through the green line: (i) answer to claimant within 5 working days through text messages, letter or in person; (ii) explain the reasons for the invalidity and, if relevant, (iii) suggest other channels of resolution; - For **suggestions and requests for clarification** sent by emails and received through the green line: (i) answer to claimant within 10 working days through text messages, letter or in person; (ii) indicate the follow-up actions that should be agreed with applicants and relevant actors of the project, along with respective deadlines; - For **relevant grievances and complaints** sent by emails and received through the green line: o *For grievances and complaints concerning Zambézia projects*: (i) inform the claimant within 5 working through text messages, letter or in person that the case is registered; (ii) ***continue to step 4***; o *For grievances and complaints concerning the MozDGM project*: (i) inform the claimant within 5 working through text messages, letter or in person that the case is registered; (ii) forward to WWF safeguard specialists for them to organize meeting with the parties involved to investigate complaint; and propose a friendly resolution; o *For grievances and complaints linked to conservation areas* (expect those involved in the Mozbio project): (i) inform the claimant within 5 working through text messages, letter or in person that the case is registered; (ii) forward to Conservation Areas administration for them to organize meeting with the parties involved to investigate complaint and propose a friendly resolution; o *For other grievances and complaints*: (i) inform the claimant within 5 working through text messages, letter or in person that the case is registered; (ii) forward to relevant institutions for them to organize meeting with the parties involved to investigate complaint and propose a friendly resolution;

Step 4 *Verification, investigation, action of complaints*	Provincial	PIU Safeguard team	For **relevant grievances and complaints** addressed through by specific form, during community meetings or in person and concerning the Zambézia project: - Organize meeting with the claimant and the parties involved to investigate complaint; - Propose a friendly resolution; **(i) If the solution is accepted by claimant**: - Issue report to summarize the case and submit it for signature to claimants and involved parties; - Download report on FGRM web platform; - ***Continue to step 5***. **(ii) If the solution is not accepted by claimant**: - Inform the complainant about the different levels of resolution of the complaints; - ***Forward the case to local level mediator (level 1 of resolution)*** and inform the mediator of the nature of the complaint, the results of the investigations and the proposed solutions and results.
	National	FNDS Safeguard team	For **relevant grievances and complaints** sent by emails and received through the green line and concerning the Zambézia project: - Organize meeting with the claimant and the parties involved to investigate complaint; - Propose a friendly resolution; **(i) If the solution is accepted by claimant**: - Issue report to summarize the case and submit it for signature to claimants and involved parties; - Download report on FGRM web platform; - ***Continue to step 5.*** **(ii) If the solution is not accepted by claimant**: - Inform the complainant about the different levels of resolution of the complaints;

	- ***Forward the case to local level mediator (level 1 of resolution)*** and inform the mediator of the nature of the complaint, the results of the investigations and the proposed solutions and results.

Step 4.1 *Level 1 of conflict resolution*	Local	Community Court	For **disputes arising between individuals or groups of individuals**: - Organize meeting(s) with the claimant and the parties involved to investigate complaint; - Propose another friendly resolution within 15 working days.
		District Service for Economic Activities (SDAE) or District Service for Planning and Infrastructures (SDPI)	For **disputes arising between individuals or groups of individuals or community and service provider, private sector or ER Program staff**: - Organize meeting(s) with the claimant and the parties involved to investigate complaint - Propose another friendly resolution within 15 working days.
		NGO not attached to the ER Program	For **disputes arising between individuals or groups of individuals or the community and governmental institutions**: - Organize meeting(s) with the claimant and the parties involved to investigate complaint - Propose another friendly resolution within 15 working days.
	Provincial	PIU Safeguard team	For **relevant grievances and complaints** addressed through specific form, during community meetings or in person and concerning the Zambézia project **(i) If the solution is accepted by claimant**: - Issue report to summarize the case and submit it for signature to claimants and involved parties; - Download report on FGRM web platform; - ***Continue to step 5.*** **(ii) If the solution is not accepted by claimant**: - Prepare short report explaining the reasons of the refusal and download it onto the FGRM web platform; - ***Forward the case to the FNDS safeguard department (level 2 of resolution)***
	National	FNDS Safeguard team	For **relevant grievances and complaints** sent by emails and received through the green line and concerning the Zambézia project:

	(i) **If the solution is accepted by claimant**: - Issue report to summarize the case and submit it for signature to claimants and involved parties; - Download report on FGRM web platform; - ***Continue to step 5.*** **(ii)** **If the solution is not accepted by claimant**: - Prepare short report explaining the reasons of the refusal and download it onto the FGRM web platform; - Keep the case within the FNDS safeguard department ***(and move to level 2 of resolution).***

Step 4.2 *Level 2 of conflict resolution*	National	FNDS Safeguard team	- Assign the processing of each complaint to a safeguards officer; - Analyze the complaints with possible on site visit to hear the parties involved; - Propose another solution within 20 working days. **(i) If the solution is accepted by claimant**: - Issue report to summarize the case and submit it for signature to claimants and involved parties; - Download report on FGRM web platform. - For relevant grievances and complaints addressed through by specific form, during community meetings or in person, inform the PIU safeguard officer of the result of the process; - ***Continue to step 5.*** **(ii) If the solution is not accepted by claimant**: - Prepare short report explaining the reasons of the refusal and download it onto the FGRM web platform; - Download report on FGRM web platform. - ***Forward the case to the independent mediator (and move to level 3 of resolution)***
Step 4.3 *Level 3 of conflict resolution*	National	Independent mediator	- Analyze the case with possible call to the parties involved for a meeting or request of additional documentation or investigations; - Propose another solution within 20 working days.
		FNDS Safeguard team	**(i) If the solution is accepted by claimant**: - Issue report to summarize the case and submit it for signature to claimants and involved parties; - Download report on FGRM web platform; - For relevant grievances and complaints addressed through by specific form, during community meetings or in person, inform the PIU safeguard officer of the result of the process;

			- ***Continue to step 5.*** **(ii) If the solution is not accepted by claimant**: - Prepare short report explaining the reasons of the refusal; - Download it onto the FGRM web platform ; - For relevant grievances and complaints addressed through by specific form, during community meetings or in person, inform the PIU safeguard officer of the result of the process; - Inform the complainant of his rights and the means of appeal against the mediator's decision in court.
Step 5 *Implementation of agreed actions*	Provincial	PIU Safeguard team	For **relevant grievances and complaints** addressed through specific form, during community meetings or in person and solved: - Take the necessary actions to implement the agreements reached within 15 working days after the signature of the agreement; - Communicate the solution through various channels, including local radios, internet, and the use of the Zambézia MSLF.
	National	FNDS Safeguard team	For **relevant grievances and complaints** sent by emails and received through the green line and and solved: - Take the necessary actions to implement the agreements reached within 15 working days after the signature of the agreement; - Communicate the solution through various channels, including local radios, internet, and the use of the Zambézia MSLF.
Step 6 *Monitoring and Evaluation*	National	FNDS Safeguard team	- Monitoring of: (i) number of complaints registered; (ii) percentage of complaints answered within the deadlines; (iii) percentage of complaints resolved at each level / step; (iv) level of community and users satisfaction regarding the FGRM (perception survey); - Dissemination of monitoring results through the use of brochures, community radio messages and meetings with communities, etc.

Registry/Transfer of Title

26. The TAP report notes that there is currently no means of avoiding double-payment for the numerous deforestation programmes operating in the programme area. Mozambique should consider means of integrating the smaller projects in the programme area into the FCPF programme (through nesting, for example).

Answer inserted in the final ER-PD, in section 18.1

In the ER Program accounting area, the totality of the projects currently aiming at reducing deforestation is part of the ER Program itself (Sustenta, Mozbio, MozFip and MozDGM). The only other project that has planned to transfer ERs to other GHG mitigation initiatives (so-called FFEM project) ended in September 2017 and has a different crediting period. **Consequently, there is no need of nesting under the ER Program and the risk of double payment is considered as inexistent**, ax explained below.

As stated in section 3, the ER Program accounting area includes the Gilé National Reserve (GNR) – *see section 3 for the map of the accounting area*. The GNR and its surroundings have been part of the Gilé REDD+ Pilot project to mitigate deforestation and forest degradation (Gilé REDD+ pilot project), which definitively ended in September 2017. It was financed by the FFEM with a total budget of EUR 2 millions.

The goal of this project was to implement, with local communities, agro ecological techniques that foster both food security and forest conservation. Along with improved surveillance and management of the GNR, those activities contributed to lower deforestation rate in the buffer zone of the GNR, promoting both economic development and forest conservation.

This project has registered to the CCB and VCS standards to sale carbon credits on the voluntary carbon market, under the project ID PL1674. The project was registered on the Markit registry under the ID 104000000012419 and is currently listed as "under validation" on the VCS site, where the project description documents are made public. After validation of the final report of the project by Ecocert SA, 358,000 credits will be available for sale on the voluntary carbon market (at each sale of credits, one part is retained by the register - from 0.10 to 0.15 $ - and By the standards: $ 0.10 / credits for the VCS and $ 0.05 / credit for the CCB).

It should be noted that the FFEM project is complementary to the ER Program, which was partly designed as an upscale of this pilot project. Most of the activities that were comprised in the FFEM project are now carried on by the Mozbio project, as part of the ER Program, which furthers and extends them over the two districts of Gilé and Pebane.

Of importance for the ER Program is that the reference period of the FFEM project goes from 01/01/2012 until 31/12/2016 - that is, before the start of the ER Program (2018) and before the application of any ER-PA. **Consequently, from 2018 onwards, the ERs generated in the GNR and its surrounding will be fully and exclusively accounted for in the ER Program accounting area**.

Neither double counting nor multiple claims to ERs titles linked to the GNR project are therefore expected to arise and no nesting is needed. Any remaining risk of double accounting will, finally, be mitigated by the planned implementation of an efficient Data Management and Registry Systems by the UT REDD+ - *see section 18.2*

27. Mozambique should also develop a national REDD+ database and be able to demonstrate a clear pathway to an operational registry (either a national one, or with the support of a third party, such as the World Bank, for the purposes of the FCPF programme).

Answer inserted in the final ER-PD, in section 18.2

REDD+ Program and Project Data Management System within the FNDS In order to register and report on REDD+ projects/programs in the country the GoM has, accordingly with criterion 37.1 of the FCPF MF (FCPF, 2016a), decided to maintain its own comprehensive national REDD+ Program and Projects Data Management System: **Mozambique will implement and maintain its own comprehensive national REDD+ Program and Projects Data Management System**, linking this system with:

- The National Forest Monitoring System for REDD+, specifically with the Participatory MRV System, to check consistency regarding national/program/project FRELs, MRV data (AD and EFs), and Safeguards Information;
- The GHG Inventory, to check consistency on Forest related emissions;
- The National Appropriate Mitigation Actions (NAMA) and Clean Development Mechanism (CDM) Registries, to track other mitigation initiatives, thus avoiding double accounting;
- The carbon project standards registries, including:
    - The Markit Registry, providing tool for managing global carbon, water and biodiversity credits. The Markit Registry enables to track environmental projects and to issue, transact and retire serialized credits. Markit Registry includes: Plan Vivo, VCS and Gold Standard.
    - VCS (Verified Carbon Standard) projects database, acting as a central storehouse of information on all VCS, CCB (the Climate, Community & Biodiversity Standards) and California projects managed by VCS.

As stated the new REDD+ Decree (Governo de Moçambique, 2017), **the UT REDD+ is responsible for (vi) managing the national REDD+ Programs and Projects Data Management System[19]** and for (**vii) communicating to the entity in charge of the ER Transactions Registry (MITADER) all information related to ERs generated by REDD+ projects[20]**.

Admittedly, the REDD+ Program and Project Data Management System is considered as part of the REDD+ MRV system in Mozambique and will for be located on the same web platform, along with the NFMS, PMRV, SIS and FGRM mechanisms. If it is necessary, it will easily be transferred to another institution later on.

Administrative procedure for the REDD+ Program and Project Data Management System - Indicator 37.4 of the FCPF MF requires administrative procedures to be defined for

19 Implement, coordinate and keep up-to-date the REDD+ Programs and Projects Data Management System, including with information on projects' geographical limits, proponents, baseline, carbon stocks, and annual monitoring

[20] This is specified in Articles 9 and 11 of the current draft of the new REDD+ Decree (November 30th, 2017). Although this content is definite, the articles heading may be modified in the final draft of the Decree.

the operations of a national or centralized REDD+ Programs and Projects Data Management System. Although a dedicated document establishing such procedure is not yet available, the MRV team within FNDS is currently working on it and should make it available in the coming months. In the same way, the new UT REDD+ (Governo de Moçambique, 2017) specifies the content that the Registry should comprise (see below) and give responsibility to the UT RDDD+ for its management and hosting, in cooperation with DINAF for information gathering. The information that will be made available in the REDD+ Programs and Projects Data Management System are related to the PMRV process, of which the administrative procedures were defined in section 6.1 and 9.2 of this ER-PD.

In addition, Indicator 37.4 of the FCPF MF also requires an audit of the operations to be carried out by an independent third party periodically. This will have to be agreed on with the FCPF during ERPA negotiations.

Content of the REDD+ Program and Project Data Management System - The REDD+ Program and Project Data Management System will cover the whole country and, therefore, it is clear that the information and non-double counting mechanisms will cover the ER Program Area. The REDD+ Program and Project Data Management System will comprise the following functionalities:

- Registering and Managing official approvals and collecting/distributing information on REDD+ project/program proponents;
- Checking, evaluating and validating this information with reference to other records from other linked registries related to emission reduction projects and programs.

As required by criterion 37.2 of the FCPF MF (FCPF, 2016a), the information collected and distributed via the Internet MRV platform will include:

- The entity that has Title to ERs produced (the full legal and beneficial title and exclusive right to ERs contracted for under the ERPA);
- Geo- referenced information on the location of REDD+ projects/programs (boundaries, buffers, zoning, areas of intervention, etc.);
- The scope of REDD+ activities and Carbon Pool;
- The reference levels at different scales;
- MRV data to specific REDD+ projects/programs;
- Safeguards plans in specific REDD+ projects/programs;
- CF payments and benefit sharing for specific REDD+ projects/programs.

Accordingly with criterion 37.3 of the FCPF MF (FCPF, 2016a), the information contained in this system will be made available to the public via the Internet, in Portuguese (national official language in Mozambique). However, this will only be achieved by next year.

28. Mozambique should provide a clear timeline for the revision of the REDD+ Decree in order to clarify the State's right to carbon credits from different kinds of land or jurisdiction.

Answer inserted in the final ER-PD, in various sections, including in section 17.2

The new REDD+ Decree is already well advanced, with a working group created and an advanced draft already available. Consultations have already been conducted and concluded with stakeholders in various provinces of Mozambique. The Advanced REDD+ Decree Draft was presented in November 2017 to the Technical Committees of MITADER. The next steps are its approval by the Consultative Committee of MITADER and by the Council of Minister. The Decree should therefore be approved early 2018 and, in any case, before the start of the ER-PA negotiations.

Benefits Sharing

29. We would welcome an opportunity to see the advance draft benefit-sharing plan along with the final ERPD, as outlined in the timetable on pp265.

Answer inserted in the final ER-PD, in section 15

In accordance with criterion 29 of the FCPF MF (2016a), the section 15 of the ER-PD provides a description of the planned benefit-sharing arrangements for the ER Program, on which the BSP will build. As required by criterion 30.1 of the FCPF MF (2016a), an advanced draft of the BSP will be made publicly available prior to ERPA signature, and as soon as it is approved by the GoM.

Following the TAP visit that took place in April 2017 in Maputo, a Benefit-Sharing Working Group was created. This group is composed of representatives of the main ministries, directorates and specialists of various governmental bodies involved in the ER Program and in activities related to rural development and relation with communities. Its main objective it to help design an efficient and transparent BSP, which will take into account all stakeholders' interests.

This working group is meeting in order to progress as fast as possible on political decisions associated with the BSP. When key elements are already well discussed by the BSP working group and a first draft available, the discussions will be extended to the civil society, through public consultations and/or workshops. In between, consultations of local stakeholders, especially in Zambézia, will be organized.

Those options are currently being discussed in order to reach an Advanced Draft of BSP in the coming weeks. In any case, and as required by criterion 30.1 of the FCPF MF (2016a), it will be made publicly available prior to ERPA signature, and as soon as it is approved by the GoM. *Those options are summarized in section 15.1 on the ERPD.*

Non-carbon benefits

30. Following from the table in pages 78-79, the two principle interventions to bring socio-economic benefits to local communities are: (i) support to commercial agricultural development in the forestry zone, and (ii) the development of value-chains for non-timber forest products and commercial cultures notably through financing agri-business. What is the definition of commercial agriculture and agri-business finance? There is a risk that will result in inequalities.

Answer inserted in the final ER-PD, in section 16.1

Admittedly, long-term employment opportunities and the direct increase of income for smallholders will be enhanced by the ERI-D2, aiming at structuring key sustainable supply chains for cash crops production, based on (i) support to commercial agricultural development in the forestry zone and (ii) the development of value-chains for non-timber forest products and commercial cultures, notably through financing agri-business.

In this context, commercial agriculture refers to agricultural production of which the outcomes are not only used for self-consumption: it has a market orientation and focus on private sector delivery in common, such that the share of production that is consumed at home is reduced. In the ER Program, commercial agriculture is a private sector driven model, relying on the identification and support to entrepreneurial individuals with grassroots-level networks that enable business-based delivery of inputs.

Such model involves supporting the Small Emerging Commercial Farmers (SECF) network, including through agribusiness finance to value-chain actors, which can here be defined as services increasing their access to credit and assistance to prepare viable and bankable business plans enabling them to establish their business. This may encompass training in best practices related to agronomy, business development, risk mitigation and marketing; support to the development of business plans that enable access to finance from commercial finance institutions; enabling linkages with key financial institutions supporting agriculture in the ER Program area and provide advice related to mutually beneficial arrangements; facilitate linkages between SECFs and output buyers and markets, etc.

The model is based on the identification of lead farmers with entrepreneurial drive, who are supported to develop business linkages with 80–250 rural households. **Far from creating any type of inequalities, the SECF-based model enables covering a wider number of smallholders and aims to promote sustainability after the ER Program's implementation period**, because of its private sector driven nature (profit-making incentive for both the smallholder and SECF).

In addition, **any risk of creating inequality is considered as covers by the Safeguard plans that were prepared for the ER Program** – *see section 14*. In particular, it should be reminded that the Involuntary Resettlement (OP/BP 4.12) policy was triggered, since this ERI could necessitate involuntary land acquisition, such as land delimitation and/or expansion, land-use planning, rehabilitation of small-scale irrigation schemes for agriculture, construction/rehabilitation of small-scale infrastructure (storage and administrative facilities), possibly resulting in the involuntary resettlement of people and/or loss of (or loss of access to) assets, means of livelihoods, or resources. **This risk was acknowledged and, in order to ensure that proper mitigation measures were set forth, a Resettlement Policy Framework (RPF) was prepared to guide the preparation of site-specific Resettlement Action Plans (RAPs)**. Similar to the Environmental and Social Management Framework (ESMF) and Integrated Pest Management Plan (IPMP), the RPF was fully consulted upon, reviewed, and cleared by the World Bank, and publicly disclosed both in-country and in the Bank's InfoShop before the appraisal of the Sustenta project – *see section 14 for more details on Safeguard plans*. **Should any unforeseen social, economic and environmental outcome negatively impact the ER Program area, it is expected to be efficiently dealt with through the FGRM** (see section 14), which will enable quick adaptation of ER Program activities, if deemed necessary.

31. NCB appear to have been defined based on a « don't harm » approach: could Mozambique explain why this has been chosen, rather than measuring genuine improvements in livelihoods?

Answer inserted in the final ER-PD, in section 16.1

All in all, **non-carbon benefits do include a genuine improvement in livelihood, which can be measured in various elements described above, showing that non-carbon benefits associated with the ER Program are realized positively with an improvement of actual living conditions**.

For instance, the promotion of alternative and sustainable energy sourcing is linked to real health benefits which, combined with the environmental benefits forecasted in the ER Program area through soil conservation and the maintenance of high-value biodiversity and of forest resources, are expected to contribute improving the quality of life of forest-dependent communities in the ER Program area on the long-run, helping them to secure their long-term access to resources they highly depend on. In the same way, the clarification of land tenure is an important component and non-carbon benefit, which will be measured in the number of DUAT and community delimitations issued as part of the ER Program. Also, the diversification and actual increase of income for beneficiaries engaged in ERI-D2, as well as the diversification and increase of agriculture production for beneficiaries engaged in ERI-D1 are considered as concrete measures of livelihood improvement in the ER Program area.

Granted, those could have been valorized through the definition of an indicator that would enable to properly monitor the increase in income of the local population, specifically farms households. However, it was indeed decided not to integrate an indicator to assess the income of local population, for the reason explained below (question 31).

32. We recommend to add an indicator on increase in the incomes of the local population, specifically the farmer households.

Answer inserted in the final ER-PD, in section 16.1

It was indeed decided not to integrate an indicator to assess the income of local population, as this may to too difficult for both financial and technical reasons. However, the actual improvement of livelihood in the ER Program area will be monitored through proxy-indicators that are defined in the Result Frameworks of the WB projects that compose the ER Program (Mozbio, Sustenta, MozFip and MozDGM). They include, for instance, the number of community delimitation certificates issued, the assessment of smallholders' satisfaction with services provided by SECFs, the number of value chain development business plans implemented by SECFs, the monitoring of smallholder yields in priority value chains, the perception of improved access to markets, etc. **Such indicators are expected to be good proxies to assess the efficiency of the ER Program in terms of key value chains structuring, which is the main ERI aiming at increasing smallholders' revenues in the ER Program area**. In the same way, section 14 provides a list of indicators that will be monitored as part of the Safeguard Information System (SIS) and which will help to assess the non-carbon benefits associated to the ER Program.