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ANNEX

on the financing of the Commission Decision on the individual measure in favour of the Republic of Mozambique

**Action Document for Rural Development through Improved Rural Transport in Mozambique (Promove Transporte)**

<b>1. Title/basic act/ CRIS number</b>	<b>Rural Development through Improved Rural Transport in Mozambique (Promove Transporte)</b> CRIS number: MZ/FED/040-040 Financed under the 11 <sup>th</sup> European Development Fund			
<b>2. Zone benefiting from the action/location</b>	Republic of Mozambique The action shall be carried out at the following locations: Maputo and the Provinces of Zambézia and Nampula			
<b>3. Programming document</b>	National Indicative Programme (NIP) 2014-2020 for Mozambique			
<b>4. Sector of concentration/ thematic area</b>	Sector 2: Rural Development	DEV. Aid: YES		
<b>5. Amounts concerned</b>	Total estimated cost: EUR 124 000 000 Total amount of EDF contribution: EUR 124 000 000			
<b>6. Aid modality and implementation modality</b>	Project Modality Indirect Management with the Republic of Mozambique			
<b>7 a) DAC code(s)</b>	43040 - Rural Development 21020 - Road transport 21010 - Transport policy and administrative management			
<b>b) Main Delivery Channel</b>	Public Sector Institutions - 10000 Recipient Government - 12000			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/ good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women in Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>9. Global Public Goods and Challenges (GPGC) thematic flagships</b>	N/A			
<b>10. Sustainable Development Goals (SDGs)</b>	<p>Main SDGs - 2 (End hunger, achieve food security and improved nutrition and promote sustainable agriculture) and 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all).</p> <p>Secondary SDGs - 1 (End poverty), 5 (Gender Equality), 9 (Industry, Innovation, Infrastructure) and 13 (Climate Action).</p>			

## SUMMARY

Promove is a comprehensive EU approach to rural development in the provinces of Nampula and Zambézia under the 11<sup>th</sup> EDF that includes support to energy, agriculture, biodiversity, nutrition and rural roads. Promove Transporte will be a key component of this and will specifically focus on rural roads.

As part of the Rural Development Component of the National Indicative Programme (2014-2020), the action will contribute to the new European Consensus on Development<sup>1</sup> and the United Nations 2030 Agenda for Sustainable Development. The improvement of the infrastructure network will contribute to create a more favourable business environment: the rehabilitation of the rural roads will establish a reliable and durable access from the fertile agricultural lands along the route to the markets and service providers. This will clearly contribute to jobs creation especially in the field of agribusiness, directly contributing to the Mozambican Jobs and Growth Compact. This road rehabilitation has strategic relevance for the regional and international (Malawi and Zambia) integration in Mozambique.

Rural road works will be implemented in Zambézia and Nampula Provinces of Mozambique to support Rural Development, as part of a targeted and integrated approach to rural development as decided in the NIP, Sector Intervention Framework for Sector 2. The overall objective of the action is to contribute to sustainable, inclusive and broad-based economic growth and to poverty reduction in the context of national food and nutrition security (FNS) and climate change through: i) improved food security and nutrition status and ii) improved rural competitiveness. The specific objectives are to improve access: i) to food and ii) to public goods and services (including social) in the rural areas of the Provinces of Nampula and Zambézia.

The programme will allow for works that will be implemented on low traffic rural roads providing climate adapted all weather access to areas of economic growth, particularly in the agriculture and fisheries sectors. The works will include a mix of routine and periodic maintenance and upgrading selected gravel roads to paved standard. Existing rupture points on the network will be resolved through climate adapted hydraulic structures and/or other

<sup>1</sup> OJ C 210 of 30.6.2017.

measures adequate to the specific characteristics of each site, providing market access which is essential for jobs creation and economic growth in the provinces targeted.

Firstly, routine maintenance will be implemented in selected districts in Nampula Province, encouraging local private sector participation, jobs creation and sustainable Area-Based maintenance. Secondly, the programme will ensure periodic maintenance interventions on parts of the road network in Nampula and Zambézia to bring the roads to a maintainable state. In the third component, selected gravel roads will be upgraded to Low Volume Sealed Road standard in both provinces, Nampula and Zambezia, to reduce vehicle operating costs, wasteful use of natural gravel resources, dust nuisance, and travel times.

Accompanying measures will be implemented through the road works contract to deliver secondary benefits to communities especially women and girls to ensure gender inclusiveness along the roads. This will include road safety, health awareness and small community infrastructure. The accompanying measures will directly support other interventions under the Rural Development Component of the NIP for the 11<sup>th</sup> EDF where these are being implemented in the same geographical area.

Technical assistance and capacity building at the central and provincial level will address all requirements for sustainable rural road asset management.

## 1 CONTEXT

### 1.1 Sector/Country/Regional context/Thematic area

Mozambique has enjoyed robust economic growth as a result of an extractive industry boom. Promising **natural resource** discoveries (coal, minerals and gas) led to impressive economic growth averaging 7% annually over a decade until 2015 but this trend could not be maintained from 2016 onwards. However, this growth has not been translated into poverty reduction.

According to the fourth National Poverty Assessment<sup>2</sup>, economic gains have not contributed to a convergence in welfare levels between rural and urban zones (37% urban poverty and 50% rural poverty) or geographical regions (Maputo Province 19%, Zambézia 57%, Nampula 57%, Niassa 61%). Substantial differences in welfare levels persist with living conditions in the South being generally much better than those in the North and the Centre of the country. About 46.1% of the population of 28 million still live in poverty (52% women), with income of under USD 1.25 per day. In 2003, the high-density population of Nampula and Zambézia jointly represented 38% of the population and 42% of the country's rural poor. In 2009, their share of total population had remained the same, while their share of the poor had increased to 48%, an alarming trend in terms of population density and rural poverty. There is as well an increasing feminisation of poverty. 63% of female-headed households are poor, compared to 52% of male-headed households, with significant differences between the regions: in the southern and urban areas, women have greater access to economic opportunities than in the northern and rural areas.

With an area of about 802,000 km<sup>2</sup>, Mozambique has a predominantly rural economy. About 68% of the population lives in rural areas. The agricultural and fisheries sectors represent about 25% of the national Gross Domestic Product (GDP) and 75% of the population depend on them as the main source of food and income (83% in the case of women). Some 3.86 million smallholder farmers out of a total 3.9 million farms in the country have less than 10 hectares of land for agricultural production<sup>3</sup>. Women and girls in particular are locked out of economic opportunities. Even though 83% of women living in rural areas work in the

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<sup>2</sup> Ministry of Economics and Finance. Directorate of Economic and Financial Studies. Poverty and well-being in Mozambique. October 2016.

<sup>3</sup> Based on IAI, Integrated Agriculture Survey, 2012.

agricultural sector, due to socio-cultural factors their access to and ownership of land is very limited.

Agricultural output is low. Production relies on rain-fed agriculture with low application of technology and is vulnerable to external shocks such as floods and droughts, pests and diseases. Post-harvest losses are high due to inadequate storage facilities and inadequate post-harvest treatment. Production is not focussed on market demands and crops are of poor quality. Agricultural production has not reached the economy of scale necessary to attract investment in agricultural processing. A significant part of the population is unable to produce sufficient food to cover their own annual needs. Food insecurity remains chronic with a critical child-stunting rate of 43.1% in 2015<sup>4</sup>.

Mozambique is highly vulnerable to climate change. Although overall rainfall is projected to increase during the rainy season, longer dry periods as well as delayed rainy seasons are expected, in addition to more frequent extreme weather events. These will directly impact on the food availability of rural households as well as their ability to produce competitively. The two target provinces of Nampula and Zambézia have been severely affected by floods during the past years, the road network is highly vulnerable to disruption during the rains due to washouts of drainage structures and embankments, some of which are being rebuilt/repared under the current programme and some are included in this new programme.

Non-agricultural income generating opportunities are limited in rural areas. The informal sector (small traders, transporters, etc.) dominate the rural economy but this sector is characterised by low financial inclusion and low taxable income. The national business climate and investment promotion are weak.

The target areas under the National Indicative Programme (NIP) for the 11<sup>th</sup> EDF are Nampula and Zambézia Provinces. These provinces cover a variety of agro-ecological zones, with conditions generally favourable for agricultural production. Current activities include small-scale (mostly subsistence) farming, a few large commercial investments (forestry, fruit production, tea) and artisanal fisheries on the coast. Off farm activities in the rural areas are mostly related to collecting firewood or other forestry products and charcoal production.

The classified road network comprises 30,464 km of road (7,344 km surfaced; 23,120 un-surfaced) of which 64% is considered to be in good or reasonable condition, 21% in poor condition, 9% in very poor condition and 6% not transitable. In addition, there is a network of unclassified roads, mostly rural roads in very poor condition. The length is not known but estimated to be >20,000 km<sup>5</sup>. Road density is 4 km/100 km<sup>2</sup> of land, compared with 28 km/100 km<sup>2</sup> in Kenya and 9 km/100 km<sup>2</sup> in Tanzania<sup>6</sup>. Estimates for the Rural Accessibility Index (RAI<sup>7</sup>) for Mozambique are about 19% compared with 58% in Kenya<sup>8</sup>. The road network is generally well planned, with classified roads provided to all significant population centres and administrative posts, but there is a shortage of roads in some rural areas, especially in the poorest parts of the country, where most roads connecting villages to district centres remain unpaved and in poor condition. About 14.5 million Mozambicans are isolated from the main urban centres, markets and public infrastructure. Most of the classified road network receives some annual maintenance but some roads remain in a poor condition. Rough roads contribute to high transportation costs and damage to produce between farm and market.

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<sup>4</sup> UNICEF (2016). The State of the World's Children 2016: A fair chance for every child.

<sup>5</sup> Evaluation of EU support to the transport sector in Africa 2005-2013 – Ecorys – Volume 4B - 5 Mozambique case study. June 2016

<sup>6</sup> Source: World Data Atlas at <https://knoema.com/>

<sup>7</sup> The RAI is the proportion of people living within 2km of an all-season road.

<sup>8</sup> Iimi, Atsushi, and Kulwinder Rao. Mozambique: Spatial Analysis of Transport Connectivity and Growth Potential. Transport and ICT Global Practice, World Bank. 2015.

Mozambique had some successful programmes for women in agriculture production and even in trading but the majority of women remain disadvantaged. Due to poor road conditions and little access to independent transport services, their business development is over proportionally constrained by high transport costs between production and processing or marketing sites. Many women remain dependent on a male relative in this dimension. Both men and women play important roles in agriculture production and sustainable use of natural resources. However, women tend to be excluded from many related income generating activities.

The unsustainable and inefficient uses of natural gravel resource are main threats to the Mozambique environment. Similar to the application of outdated construction technologies, it reduces the future availability of materials for road maintenance in the rural environ. CO<sup>2</sup>-induced global climate change creates a risk to road infrastructure. Particularly low traffic gravel roads that are not built on high embankments are subject to more rapid deterioration due to erosion of the gravel surface by exceptional rainfall. The subsequent energy intensive rebuilding, potentially sourcing materials from further away, opens the vicious cycle of even higher energy input and CO<sup>2</sup> emissions to maintain service levels.

### ***1.1.1 Public Policy Assessment and EU Policy Framework***

The Mozambican Government's five-year development programme is known as the Programa Quinquenal do Governo 2015-2019 (PQG). The objectives of the PQG include improving the country's competitiveness, transforming agriculture, accelerating industrialisation, expanding infrastructure networks, promoting exports and developing human resources. It defines priority areas to guide the Government's actions over the programme period as follows:

- Consolidation of national unity, peace and sovereignty;
- Development of human and social capital;
- Promotion of employment, productivity and competitiveness;
- Development of economic and social infrastructure; and,
- Sustainable and transparent management of natural resources and the environment.

A revised draft Road Sector Strategy (RSS-3) was developed in 2015 and is awaiting formal adoption. The purpose of the strategy is to guide the management of road and bridge infrastructure during the implementation of the PQG. The strategy includes 3 pillars:

- Pillar 1: Asset Preservation through Proper Maintenance.
- Pillar 2: Interurban Connectivity through a Strong National Core Network.
- Pillar 3: Rural Mobility by Ensuring Transitability on Rural Roads.

The RSS-3 supports the Government's objectives by facilitating reliable road connectivity to all major economically productive zones. Linking provincial capitals, ports and border crossings through upgraded and expanded main arterial and connecting roads is the coherent long-term vision. Effective road maintenance will result in reduced travel times and lower vehicle operating costs. The RSS-3 commits the road sector to the principles of good governance and quality technical performance. This includes transparent and accountable management and appropriate devolution of authority for roads to the provinces and districts. The strategy highlights the importance of secure financing and appropriate technical solutions, good planning for maintenance and investment, improving the use of local materials and labour, resilience of the network, promoting private sector involvement, improving road safety and protecting the environment.

In addition, and common to all 3 pillars, the RSS-3 subscribes to Good Governance as a principle for a good management of the road sector. Identifying Cross-Cutting Objectives, the road sector takes into account and mitigates potential negative environmental impacts in the

planning and execution of works. It also evaluates and mitigates the potential impact on the spreading of HIV/AIDS to workers and communities in road works. The road sector will continue to promote the involvement of women in road-related activities. All major projects will continue to require a social impact assessment addressing such matters as resettlement, employment and contributions to rural development

The PQG is aligned with the objectives of the Strategic Development Plan for the Agricultural Sector, 2011 (PEDSA), and the National Investment Plan for the Agricultural Sector, 2013-2017 (PNISA). The objectives of the PEDSA and PNISA include building a "prosperous, competitive, equitable and sustainable agrarian sector" which contributes to food security and increased market-oriented agricultural production.

Mozambique has well-developed constitutional and legal rights aimed at ensuring gender equality. The Constitution of 2004 explicitly recognises the principle of equality before the law for men and women. The 2005 Family Law removed formal discriminatory regulations and the 2009 Domestic Violence Law made violence against women a public and not a private offence. The Five-Year Government Plan (2015-19) promotes gender equality in all development, economic, social, and cultural areas and the Ministry of Gender, Children and Social Welfare has the mission to coordinate and promote actions towards gender equity.

At the provincial level, Nampula has developed a Provincial Strategic Plan (2010-2020) under the guidance of the Coordination Development Unit of Nampula (UCODIN). The plan covers the programming and budgeting of development interventions at the provincial level. It incorporates specific project proposals, notably with respect to improvement in the classified road network.

The PQG is consistent with the EU Agenda for Change<sup>9</sup> and the EU Consensus on Development. It is aligned with the EU Communication on "A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries"<sup>10</sup> (2014). EU policy promotes inclusive and sustainable economic growth, employment and skills development, cooperation of value chain actors including non-state actors and smallholder agriculture producers, as well as climate mitigation and adaptation. The new EU Consensus on Development will support resilience at all levels and the promotion of shared prosperity<sup>11</sup>.

The Promove programmes and more specifically this rural transport programme, will contribute to the objectives of the PQG by promoting rural employment, productivity and competitiveness and developing economic and social infrastructure. The Promove Transporte is consistent with the Agenda for Change, and will contribute to the new EU Consensus for Development and the 2030 Agenda for Sustainable Development. The Rural Development Component of the NIP, including this rural transport project, supports Pillars 1, 2 and 3 of the RSS-3.

The action will also contribute to the Jobs and Growth Compact, the improvement of the infrastructure network will contribute to create a more favourable business environment: the rehabilitation of the rural roads will establish a reliable and durable access from the fertile agricultural lands along the route to the markets and service providers. This will clearly contribute to jobs creation especially in the field of agribusiness, directly contributing to the Mozambican Jobs and Growth Compact. This road rehabilitation has strategic relevance for the regional and international (Malawi and Zambia) integration in Mozambique. In line with this the government is implementing a Growth and Employment Program (GEP) for district roads. The programme aims to increase access to areas of productive potential by improving

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<sup>9</sup> Increasing the impact of EU Development Policy: an Agenda for Change COM(2011)637 final of 13.10.2011.

<sup>10</sup> COM(2014)263 final of 13.5.2014

<sup>11</sup> Proposal for a new European Consensus on Development. Our World, our Dignity, our Future. SWD (2016) 389 final.

roads using labour intensive methods and micro and small enterprises for implementation of the road works to generate employment in rural areas<sup>12</sup>.

The rural transport programme is also consistent with the EU Framework for "Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020" (GAPII) approved by the Council in October 2015, specially with the objectives 16 "equal access and control over clean water, energy, transport infrastructure, and equitable engagement in their management, enjoyed by girls and women".

Mozambique is one of the 8 countries selected in Africa for implementation of the Spotlight Initiative, an EU – UN global partnership to eliminate all forms of violence against women and girls. The programme will focus on sexual gender-based violence (GBV) and early marriage. Considering that one of the target provinces will be Nampula, there is a potential for complementarity and synergies with the roads programme. The Spotlight integrated approach of addressing all the cultural factors that trigger gender based violence against women and girls, will reinforce communities and government response to cases of abuse, in a longer term women and girls from the roads implementation sites zones will benefit from the improvement and strengthened response mechanism to GBV in Nampula.

### *1.1.2 Stakeholder analysis*

The institutional setup for roads is largely consistent with that advocated by the Sub-Saharan Africa Transport Policy Program (SSATP) under the Road Management Initiative (RMI). Institutional reforms in the 1990s and 2000s resulted in the establishment of the National Road Administration (Administração Nacional das Estradas - ANE) and the Road Fund (Fundo de Estradas - FE) as separate institutions. These institutions are semi-autonomous but fall under the responsibility of the Ministry of Public Works, Housing and Water Resources (MOPHRH).

ANE is responsible for the management of the national classified road network. Investment projects and periodic maintenance on primary and secondary roads are managed at central level (ANE headquarters). Periodic maintenance of classified tertiary roads and all routine maintenance are managed by the ANE provincial delegations.

The FE manages road user charges as well as state budget allocations and development partner contributions. The road user charges (mainly a fuel levy) covers routine maintenance and a portion of periodic maintenance requirements. The FE makes direct payments to contractors on invoices approved by ANE.

Non-classified roads fall under the responsibility of district administrations and municipalities. The Road Fund makes annual allocations to the local authorities for basic maintenance and improvements. ANE provides technical support through its provincial delegations. The non-classified district roads are generally in poor condition.

Despite progress with the institutional reforms, the management of the roads sector continues to be constrained by the low capacity of the institutions. ANE staff has grown in experience in terms of project management but large and regular staff turnover undermines a cooperative office culture where timely, confident technical and managerial decision-making can be independently undertaken. The Government policy of rotating staff through senior management positions in ANE and FE every two or three years does not seem to be beneficial to the long-term development of the institutions. As an example, the General Director of ANE and the President of the Board of the FE were both replaced in 2017. Senior managers are not able to develop long-term strategic plans and see them through to completion. This leads to a paralysis in the operations, delays on construction projects, and ultimately claims against the

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<sup>12</sup> Source: Integrated Road Sector Program (PRISE) Annual Report 2017.

Government by contractors and losses to the national economy. Day-to-day operations of the sector are too lengthy and involve too many decision makers.

Policy dialogue between Government and the development partners active in the road sector takes place in the framework of semi-annual Integrated Road Sector Program (PRISE) reviews. However, the organisation of these reviews stalled in 2016. Donors meet in the framework of the Transport Sector Working Group but the frequency of meetings has been somewhat erratic given the drastic reduction of donors being active in the sector. EU road sector collaboration on a programme level takes place in a Steering Committee chaired by the Road Fund and with participation of ANE, the National Authorising Officer (NAO) and the MOPHRH. The committee meets periodically and meetings are generally well attended.

Stakeholders at the local level include government administrators, political leaders, small business operators and small scale farmers. These groups are generally supportive of road improvements as they result in an increase in the availability of transport and lower transport costs. Rural road investment and maintenance programmes provide opportunities for local entrepreneurs to participate as sub-contractors. Temporary and longer term employment opportunities are provided for local residents on the work sites and the maintenance camps.

For the preparation of this action document, a Pre-Feasibility Study was conducted, the purpose of which was to provide the Government of Mozambique and the European Union with sufficient information and analysis to identify and select projects for funding under the rural transport component. Consultations were held with stakeholders at the central and provincial levels. This included wide stakeholder consultations and interviews with key informants including government officials, private sector traders and transporters, and development partners. The national level workshops were attended by representatives of the principal road sector organisations, representatives of the national level road sector agencies and the NAO. These were followed by stakeholder workshops in Nampula and Zambézia provinces attended by representatives of the provincial road sector agencies, related sectors (health, education, agriculture and tourism), the Association of Transporters, local contractors organisations and consultants.

During the technical design of the roads, additional stakeholders will be identified, focusing on women's community-based organisations (local water committees, community savings groups, cooperatives of agricultural producers, etc). These groups will participate in the discussions that will be held to identify and design the small community infrastructures to be funded under the Accompanying Measures. Women's groups will also be encouraged to participate actively during the implementation of the works contracts through the liaison committees.

### ***1.1.3 Priority areas for support/problem analysis***

Two main areas of support were identified:

- Institutional capacity (financial, organisational and technical issues).
- Backlog of maintenance works.

Road maintenance in Mozambique has improved since the end of the civil war. There are, however, significant inefficiencies in the maintenance systems. For example, ANE implements routine maintenance mainly through small short-term maintenance contracts, which are management intensive, resulting in high overhead costs. The role of the ANE Provincial Delegates is unclear. The ANE Delegates provide a direct link between the General Director of ANE in Maputo and the provincial authorities but do not report to the central Directorate of Maintenance (DIMAN) in Maputo. DIMAN has responsibility for setting policy and standards and for coordinating the annual maintenance programme. Road fund revenues are inadequate to cover all maintenance requirements.

The rural transport programme will address these problems by maintaining classified rural roads in selected districts for the duration of the project, undertaking periodic maintenance and spot improvements of prioritised paved and unpaved roads, upgrading higher traffic gravel roads to paved standard and building sustainable institutional capacity for the management of rural roads while raising awareness on ANE policy on women in roads projects. All of the above will be achieved by applying more efficient and cost effective processes to manage services and works contracts, and by addressing other institutional, financial, organisational and technical issues concerning sustainable rural road asset management.

Routine maintenance is required on all roads to maintain the expected level of service for road users. Drainage systems must be maintained to prevent water ponding on the road surface or in the side drains. Cross-drainage structures must be kept free of silt and debris so the rain water can safely cross the road. Off carriageway maintenance, in particular grass cutting, is necessary to ensure good visibility and safety for road users.

Periodic maintenance on paved roads includes resealing of the surface to ensure it is impermeable. On unpaved roads, periodic regravelling is required to replace wearing course material lost through the action of traffic and the weather and to keep the roads in a maintainable condition. Failure to implement timely periodic maintenance leads to premature failure and high reconstruction costs. Government and FE resources are currently inadequate to finance periodic maintenance, except on a small scale.

High-traffic unpaved rural roads have high maintenance costs due to the need for frequent grading and regravelling. Dust caused by traffic on unpaved roads is a health and safety hazard for local communities. However, paving of rural roads is expensive and beyond the reach of the government budget.

**1.2 Other areas of assessment**

N.A.

**2 RISKS AND ASSUMPTIONS**

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Significant increase in cost of periodic maintenance of paved roads due to further pavement deterioration during project preparation.	M	Utilise contingencies to meet additional costs and/or reduce level of interventions on lowest traffic unpaved roads.
Shortages of good quality gravel in existing borrow pits affects periodic maintenance on unpaved road.	M	Conduct extensive materials prospecting at formulation stage.
International management contractor fails to sub-contract routine maintenance works to local firms.	M	Include appropriate incentives and penalties in works contract.
Local communities affected by road improvements disrupt the works while demanding compensation.	M	Close follow up of the resettlement plan.
Lack of capacity of the public administration to manage the various components of the action.	M	Technical assistance and capacity building to direct beneficiaries

Contractor fails to address issues related to women sexual abuse and exploitation which may result on risks to women and girls living in surrounding communities.	M	Awareness campaigns on site for prevention of gender violence and HIV/AIDS
Increase of fatalities caused by vehicles of the construction site and the users of the road, specifically taking into account women and children.	M	Awareness campaigns on site on road safety for the drivers of the construction equipment and for the communities, targeting specially women and children
Local firms fail to take up sub-contracting opportunities or fail to perform.	L	Main management contractor organises maintenance works.
Recommendations for improved rural road asset management not adopted by government or Road Fund after end of project.	L	Advocate for improved asset management (including sustainable road financing) at the central level through the TA; publicise project achievements.
Significant escalation of civil unrest in the project areas disrupts project activities.	L	Engage with local authorities and security forces on appropriate security measures for site personnel. Sustained dialogue and conflict-prevention activities with local/community leaders (women and men) and representatives of affected communities (women and men).
<b>Assumptions</b>		
<ul style="list-style-type: none"> <li>• Normal levels of security and social dialogue maintained in the project area for local communities and transporters (both women and men);</li> <li>• Road access and road works not interrupted by widespread extreme climate events;</li> <li>• Successful tender process (contractors mobilised in time and with adequate capacity to complete the works);</li> <li>• Road Fund continues to finance road maintenance in target provinces;</li> <li>• ANE implements agreed modifications to institutional and organisational arrangements for maintenance in the target provinces;</li> <li>• ANE and Road Fund personnel are receptive to capacity building activities including gender and diversity training;</li> <li>• General Elections in 2019 do not slow the decision making process during the technical design of the roads which could delay the launch of the works contract.</li> </ul>		

### 3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

#### 3.1 Lessons learnt

The upgrading of the Milange to Mocuba Road in Zambézia Province is being financed under the 9<sup>th</sup> and 10<sup>th</sup> EDF. The lessons learnt on the project include:

- The time required for the mobilisation of contractors for road works projects in remote areas of Mozambique is often under-estimated. Works contracts should include a more accurate and realistic estimate of implementation periods;

- Compensation for communities affected by road works might be carried out within the road project and funded from directly project resources only in those cases where the implementation could be affected. Funding for this activity will be included in the works contracts;
- Where large road works contracts include a mixture of trunk road works and rural road works, the (international) contractor will tend to favour the trunk road works and therefore appropriate incentives are required within the Contract to encourage more attention to the rural roads;
- Naturally occurring road building materials found in northern Mozambique often do not comply with conventional specifications but they may be used successfully in road pavements if appropriate precautions are taken;
- Additional prospecting for materials during the design phase gave increased confidence for using unstabilised gravels in the sub-base layer, which has led to cost savings and reduced risk of on-site delays;
- Road works contracts incorporating mainly works on regional trunk roads provide few opportunities for the participation of small local sub-contractor firms. Mechanisms for increasing the participation of local/national construction firms should be investigated;
- Road projects can be used as a vehicle for complimentary activities in the communities along the road, but the Accompanying Measures should be identified and designed in advance.
- Adaption to extreme climate events needs to be incorporated in rural road design standards for Mozambique.
- In order to ensure women's groups active participation during the implementation, their voices and needs will be included through the liaison committees.

A third-generation EU-funded Road Sector Budget Support programme started in Mozambique in March 2011 with an initial 72-month execution period. It includes Sector Budget Support (SBS), Capacity Building (CB) and Technical Assistance (TA). Lessons learnt include:

- As a main conclusion of the Note on Implementation Modalities prepared at the inception phase, budget support is in the current situation not suitable for Mozambique; project approach is the only implementation modality feasible and appropriate under current conditions.
- Results expected to be achieved through TA must be focussed and realistic since TA is unable to influence high level political support needed for significant institutional change in a short time frame and with limited resources;
- Supervision of TA contracts should be by the main recipients of the technical support in the target institution;
- TA needs to be placed at a high level in the target institution as TA at the technical levels may be ineffective since the staff receiving the support are unable to make decisions;
- ANE's contract management unit should receive dedicated TA support for contract administration.

### **3.2 Complementarity, synergy and donor coordination**

Improved road conditions in the project area will support 11<sup>th</sup> EDF funded interventions in agriculture, agribusiness, energy, nutrition and biodiversity (Promove). Coordination and complementarity with the GCCA+ programme and Spotlight initiative will be ensured. Improving rural transport will be key to facilitate economic activities and smallholders'

farmers will be supported in the context of an ambitious rural competitiveness, in alignment with the Mozambique Growth and Jobs Compact. Promoting economic development will increase biodiversity protection. Greater availability of transport and lower transport costs will support increased agricultural production and strengthen value chains through more efficient agricultural marketing. Accompanying measures implemented through this programme will deliver secondary benefits to communities (especially women) along the roads and will directly support other interventions under the Rural Development Component of the NIP.

The World Bank is supporting a rural roads investment and maintenance programme in Zambézia and Nampula. Coordination between the EU Delegation and the World Bank during the identification phase has ensured an optimal geographic distribution of transport interventions. This coordination is expected to be maintained through bi-lateral meetings with the World Bank as well as through the Transport Sector Working Group. Japan is funding the upgrading of high-level bridges in Zambézia on the Gurue to Nampevo Road, which is earmarked for resealing under this rural transport project. The planned road works will improve connectivity between Zambézia Province and the Nacala Corridor trunk road network being upgraded with support from the Africa Development Bank.

The proposed Area Based Maintenance (ABM) scheme in Nampula Province, combined with technical assistance at the central and provincial level, will build on existing experience in rural road maintenance in Mozambique and optimise its effectiveness by addressing all aspects of sustainable rural road asset management. The establishment of ABM in Nampula will complement previous interventions supported by KfW (Kreditanstalt für Wiederaufbau) (German Development Bank) to develop the existing ABM operations in Zambézia and other provinces in Mozambique.

Climate adaptive measures on rural roads will incorporate guidelines produced through recent research in Mozambique funded by the UK Department for International Development (DFID) under the Africa Community Access Partnership (AfCAP). Approaches to the design of low volume sealed roads, and improved road asset management at the provincial level, will also learn from regional research being carried out under AfCAP.

There is an EU coordination group on gender which is at the moment trying to expand to other development partners. The topics dealt by the group are general. An effort will be made to include more discussion on gender and infrastructure in the agenda.

### **3.3 Cross-cutting issues**

*Environment and climate change:* An Environmental and Social Impact Assessment (ESIA) will be carried out on all road works interventions. This will include preparation of an Environmental Management Plan (EMP) to guide the works on site. With regards to climate change, road designs will be adapted to climate risk including larger openings in culverts and bridges. Investments in improved drainage of rural roads will reduce the risk of roads being flooded and the loss of surfacing material. Sealing of gravel road surfaces will reduce erosion. Innovative and climate-adapted designs of road embankments will allow overtopping during extreme rainfall events, without complete loss of access when the flood subsides. Road sections that are vulnerable to flooding will be upgraded to ensure all-weather access. A more responsive road maintenance regime will be established that ensures better functioning drainage systems. The project aims to improve access of the population to all-season roads through rehabilitation, upgrading and maintenance of the classified network.

Climate change projection for Mozambique indicates a rise of average annual temperatures by 1.5°C to 3°C by 2065 (with stronger increases in the interior of the country) and an increased number of days above 35°C. Although overall rainfall is projected to increase during the annual rainy season December to April (with increased frequency of intense rainfall events)

longer dry periods within this season as well as a delayed start and earlier end of the rainy season (especially in northern Nampula) are expected.

The increased occurrence of high-intensity rainfall events creates a risk to road infrastructure, particularly low traffic roads that are not built on high embankments and rely on low level crossings of water courses. Unpaved roads will be subject to more rapid deterioration due to erosion of the gravel surface.

Road designs will be adapted to climate risk including larger opening in culverts and bridges, embankments designed for overtopping, and improved (erosion resistant) surfaces for low traffic roads. Climate adaptive measures on rural roads will incorporate guidelines produced through recent research in Mozambique funded by the UK Department for International Development (DFID) under the Africa Community Access Partnership (AfCAP). A more responsive road maintenance regime will be established that ensures better functioning drainage systems.

#### *Gender:*

Women play a crucial role in agriculture production and sustainable use of natural resources. Due to poor road conditions and little access to independent transport services, their business development is over proportionally constrained by high transport costs between production and processing or marketing sites. Women will directly benefit from the programme, improved road conditions will lead to increased availability of transport services, lower prices and better quality (security).

Specifically, some of the small community infrastructures to be funded under the Accompanying Measures will target women, during the technical design of the roads women's community-based organisations will be encouraged to participate in the discussions to identify and design these infrastructures.

Women's participation will be encouraged in community liaison groups and other representative groups on road works sites. As per ANE's policy on women in roads projects, statistics are collected mainly through the National Institute for Statistics and ANE receives monthly reports from road construction sites on the number of women participating in the workforce and in awareness activities on site.

*Governance:* TA at central and provincial level will strengthen existing management systems in the road sector resulting in greater accountability and transparency in the award of road maintenance contracts, and more effective supervision of works on site.

*Human Rights:* As for human rights standards, the project is fully in line with the National Resilience Strategy for natural disasters that protects the population's development and subsistence methods, in order to have the possibility of guaranteeing economic and social rights. Similarly, disparities to the detriment of vulnerable groups will be addressed through equal rights employment contracts for workers. The contractor will carry out awareness activities with the workforce and communities for HIV/AIDS and other sexually transmitted diseases. Accompanying Measures, including road safety awareness, will focus on the specific needs of vulnerable groups to ensure that they are able to benefit equally from the project.

## **4 DESCRIPTION OF THE ACTION**

### **4.1 Objectives/results**

This project is relevant to the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of Goal 2 (End hunger, achieve food security and improved nutrition and promote sustainable agriculture) and Goal 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) but also promotes progress towards Goals 1 (End poverty), 5 (Gender

Equality), 9 (Industry, Innovation, Infrastructure) and 13 (Climate Action). This does not imply a commitment by the Government of Mozambique benefiting from this programme.

**Objective:**

**The overall objective** of the action is to contribute to sustainable, equitable, inclusive and broad-based economic growth and to poverty reduction in the context of national food and nutrition security (FNS) and climate change.

**Specific Objectives:**

The specific objectives are to improve i) equitable access to food and ii) equitable access to public goods and services in the rural areas of the Provinces of Nampula and Zambézia.

**Results:**

**Result Component 1 – Rural Road Works:**

R1.1 Higher traffic rural roads are upgraded to low volume sealed road standard with optimal utilisation of locally occurring materials in the pavement layers and surfacing and installation of horizontal and vertical road markings and other road furniture.

R1.2 Embankments on rural roads are reconfigured for improved adaption to climate risks, in particular the effects of periodic overtopping.

R1.3 High-level bridge is re-constructed on selected road link of project area.

R1.4 In selected Districts of Nampula, road maintenance of rural roads is carried out through an Area Based System using permanent maintenance camps established in selected districts, and operated by emergent local firms sub-contracted to an international contractor.

R1.5 Periodic maintenance of selected unpaved roads is carried out including re-gravelling, improvements to cross-drainage structures and restoration of road signs and other road furniture.

R1.6 Periodic maintenance of selected paved roads is carried out including clearing drainage systems, patching defects in the carriageway, repair of edge break, resealing the surface, and restoration of horizontal and vertical road markings and other road furniture.

**Result Component 2 – Accompanying Measures:**

Secondary benefits provided to local communities in the project area through Accompanying Measures, entailing:

R2.1 As part of the Accompanying Measures, the impact of other Rural Development interventions under the NIP will be enhanced through small infrastructure works implemented through road works and supervision contracts. Some of these small infrastructure works will target women.

R2.2 Gender responsive awareness creation on health, road safety and road protection. The awareness on the importance of roads within the communities will be increased and this is expected to result in fewer incidences of vandalism of road furniture and other damage to the roads. Local communities will be protected against health and road safety risks due to interaction with the transient workforce on the roads, and higher vehicle speeds due to the road improvements.

During the technical design of the roads a gender analysis will be carried out to identify the areas where Accompanying Measures should focus to ensure that women's strategic needs are well addressed.

**Result Component 3 – Asset Management:**

R3.1 Institutional capacities for sustainable road asset management will be improved at provincial and central levels.

R3.2 Sustainable road asset management systems will be put in place in the targeted project areas. Employment opportunities will be provided to local residents and local SMEs.

## 4.2 Main activities

### Result Component 1: Rural road works

Rural road works activities will be implemented through three sub-projects:

- i) Area Based Maintenance (ABM) scheme in South - East Nampula Province, Angoche Triangle with upgrading of the Namilate to Angoche Road;
- ii) Upgrading/periodic maintenance/spot improvement of road links in Northern - Central Zambezia, Gurue area;
- iii) Upgrading/periodic maintenance of road links in Northern Zambezia, Milange area.

The sub-projects will implement maintenance and improvement works on selected rural roads including:

- Routine maintenance on 1200km unpaved rural roads carried out through an Area Based System using permanent maintenance camps established in selected districts, which will be operated by emergent local firms sub-contracted to an international management contractor and using a combination of labour-based methods and small intermediate equipment;
- Periodic maintenance on 682km selected unpaved roads including re-gravelling, improved surfacing on steep slopes, improvements to cross-drainage structures and restoration of road signs and other road furniture;
- Periodic maintenance on 176km selected paved roads including clearing drainage systems, patching defects in the carriageway, repair of edge break, resealing the surface, and restoration of horizontal and vertical road markings and other road furniture;
- Upgrading of 142km higher traffic rural roads to low volume sealed road standard with optimal utilisation of locally occurring materials in the pavement layers and surfacing; installation of horizontal and vertical road markings and other road furniture;
- Reconfiguration of 1.2km embankments on rural roads for improved adaption to climate risks, in particular the effects of periodic overtopping;
- Reconstruction of a high-level bridge (with a total length of 90m).

### Result Component 2: Secondary benefits to local communities in the project area through Accompanying Measures

Accompanying Measures will be implemented through the road works projects. They will include:

- Provision/rehabilitation of small community infrastructure, including small infrastructure that directly complements the 11<sup>th</sup> EDF funded interventions in agriculture, energy, nutrition, biodiversity and GCCA+ programme where these are implemented in the same geographical area. Some of these small infrastructures will target women and youth;
- Innovative measures to promote rural transport services in the project areas;
- Awareness campaigns in local communities on the importance of the road to their economic and social livelihoods (gender responsive);
- Road safety awareness campaigns in local communities (gender responsive);
- Awareness campaigns on the dangers of HIV/AIDS and other sexually transmitted diseases (gender responsive).

### **Result Component 3: Sustainable rural road asset management established in project areas**

TA at the central and provincial levels will be targeted at strengthening existing road asset management by addressing all key aspects of asset management including the institutional set-up for the road sector (central and provincial levels), management systems and human resources, contracting arrangements for maintenance (operations), technical standards and specifications for rural roads, and sustainable financing. The activities will include:

- Clarification of institutional responsibilities for road maintenance;
- Advocacy at the national level for sustainable financing of road maintenance;
- Designed and operational management systems at provincial level;
- Road maintenance with participation of local contractors;
- Development of improved contracting arrangements for road maintenance to improve efficiency including appropriate technical specifications.

#### **4.3 Intervention logic**

Rural road works, as detailed in R1.1 – R1.6, will ensure that i) the number of people with equal access to an all-season road will increase in the geographically targeted areas, ii) there will be an increase in the availability of good vehicles between productive areas and the main market sites, iii) there will be a decrease in average transport costs between productive areas and the main market sites and iv) the adaption of rural roads in project areas to climate change risks will be achieved.

By improving road conditions, it is expected that there will be greater availability of transport for local communities and reduced transport costs. Farm gate prices will increase as transporters pass on some of their transport cost savings to farmers and transport of food from surplus areas to food deficit areas will be more affordable. Women in rural areas work mainly in agriculture production and not in commercialisation, due to, among others, the poor status of the roads that results in high transport costs. The implementation of the project will represent an opportunity for women to get access to markets. The cost of transport and travel times for government and NGO services in rural areas will be reduced. Access will be less susceptible to disruption during the rains. The establishment of a permanent Area Based Maintenance System in the project area will result in long term employment opportunities for local residents.

An in-depth analysis of alternative implementation modalities was conducted by independent consultants under the framework of the Prefeasibility Study for Rural Development through Improved Rural Transport. Sector budget support and blending modalities through EU financial instruments were compared against the conventional project approach. The conclusion of the analysis was that "project approach is the only implementation modality feasible and appropriate under current conditions in Mozambique for financing the rural transport component of the rural development programme under the NIP of the 11th EDF". Consideration was also given to using a grant administered by the Mozambique Road Fund to support the Area Based Maintenance component. However, it was found that the Road Fund is still operating as first-generation facility and does not have direct control over road user charges and other funds for road maintenance. The funds are managed by the central Treasury. Mozambique is experiencing severe lack of liquidity in the economy which has led to delayed payments on road maintenance projects by the treasury and cuts to the Road Fund budget.

The project approach will be used as the implementation modality for the Action. This will enable the proactive participation of the EU Delegation in the oversight of this complex project, ensuring that all of the expected outputs are achieved. It will allow the EU Delegation to react rapidly to unexpected events. The Action will be implemented through a small

number of works and services contracts to ensure that the administration workload for EU Delegation staff remains at manageable levels. Coordination with complementary programmes such as the GCCA+ will be ensured.

The project incorporates components to create the necessary conditions to envisage alternative modalities of Sector Budget Support and/or blending with the Road Sector at a later stage, for example, in the financing of the construction of the Licungo Bridge. The sustainability of the interventions will be enhanced by building capacity for effective road asset management at the national and provincial levels.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is **72** months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) 2015/322.

### **5.3 Implementation of the budget support component**

N.A.

### **5.4 Implementation modalities**

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation<sup>13</sup>.

#### **5.4.1 Indirect management with the partner country**

This action with the objective of contributing to sustainable, equitable, inclusive and broad-based economic growth and to poverty reduction in the context of national food and nutrition security (FNS) and climate change may be implemented in indirect management with the Republic of Mozambique according to the following modalities:

The partner country will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement and grant procedures.

Payments are executed by the Commission.

The partner country shall apply the Commission's rules on procurement and grants. These rules will be laid down in the financing agreement concluded with the partner country.

### **5.5 Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

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<sup>13</sup> [https://eeas.europa.eu/sites/eeas/files/restrictive\\_measures-2017-04-26-clean.pdf](https://eeas.europa.eu/sites/eeas/files/restrictive_measures-2017-04-26-clean.pdf)

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

## 5.6. Indicative budget

<b>Result Area and modality</b>	<b>EU contribution (in EUR)</b>
<b>5.4.1 Indirect management with the Republic of Mozambique composed of (indicative amounts):</b>	<b>112 200 000</b>
<i>Works contracts</i>	<i>99 700 000</i>
<i>Supervision Service Contracts Works contracts</i>	<i>9 000 000</i>
<i>Technical Assistnace Service Contract</i>	<i>3 000 000</i>
<i>Accompanying Measures Service Contract</i>	<i>500 000</i>
<b>5.9 Evaluation, 5.10 Audit</b>	<b>330 000</b>
<b>5.11 Communication and visibility</b>	<b>200 000</b>
<b>Contingencies</b>	<b>11 270 000</b>
<b>TOTAL</b>	<b>124 000 000</b>

\* The Government of Mozambique will co-finance the action in the form of compensations (to be determined after the technical design of the roads is concluded), payment of VAT and exemption of taxes and duties as per Tax and customs arrangements (Article 31 from Annex IV to the Cotonou Agreement, signed on 23rd of June 2000).

## 5.7 Organisational set-up and responsibilities

The National Authorising Officer (NAO) of the EDF in Mozambique is the Contracting Authority. The NAO will provide the relevant delegation to the Ministry of Public Works, Housing and Water Resources (MOPHRH). The MOPHRH will give implementation responsibility to its executive arm the National Roads Administration (ANE), which will be the Project Supervisor to manage the works and service contracts. The Supervisor is expected to delegate some of the roadwork supervisory functions to the Supervisor's Representative. Accompanying Measures will be implemented through service and works contracts.

Oversight for the project implementation will be provided by the EU/Road Sector Steering Committee chaired by the Road Fund and with participation of ANE, NAO and the MOPHRH. Provincial representation will be introduced on the Steering Committee.

## 5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality). The report shall be laid out in such a way

as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.9 Evaluation**

Having regard to the nature of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability, assessment of women and youth group's engagement and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under a framework contract in year 6.

## **5.10 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, two contracts for audit services shall be concluded under a framework contract, being a Technical Audit in year 3 and a Financial Audit in year 4.

## **5.11 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Visibility will be contracted by way of procurement under direct management. One service contract shall be concluded in 2021.

## APPENDIX - INDICATIVE LOGFRAME MATRIX<sup>1</sup>

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
<b>Overall objective: Impact</b>	To contribute to sustainable, equitable, inclusive and broad-based economic growth and to poverty reduction in the context of national food and nutrition security (FNS) and climate change	<ul style="list-style-type: none"> <li>• Real GDP growth rate** PQG; END; SDG</li> <li>• Proportion of population living below USD 1.25 (PPP) per day** ESAN; SDG</li> </ul>	<ul style="list-style-type: none"> <li>• 7.5% (2017, forecast)</li> <li>• National: 46.1%</li> <li>• Nampula: 57.1%</li> <li>• Zambézia: 56.5%</li> </ul> <p>(2015)</p>	<i>No government-defined targets available (to be determined at inception)</i>	<p><b>Sources:</b></p> <p>Country Reports (SDGs; Economic progress reports);</p>	
<b>Specific objective(s): Outcomes</b>	To improve i) equitable access to food and ii) equitable	<ul style="list-style-type: none"> <li>• Number of people (sex disaggregated) with access to all season roads (climate risks) in geographically targeted</li> </ul>		<ul style="list-style-type: none"> <li>• TBD in inception phase</li> </ul>	<p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• Baseline, Endline</li> <li>• Project M&amp;E data/reports;</li> </ul>	<ul style="list-style-type: none"> <li>• Government partners, stakeholders and local communities (inc. women's</li> </ul>

	<p>access to public goods and services in the rural areas of the Provinces of Nampula and Zambézia.</p>	<p>areas**SDG;NIP; GAPII</p> <ul style="list-style-type: none"> <li>• Availability of goods vehicles between the productive areas and the main markets sites in the geographically targeted areas.</li> <li>• Average transport costs between the productive areas and the main markets sites in the geographically targeted areas.</li> </ul>	<p>Gender responsive baseline survey in geographically targeted areas at inception</p>		<ul style="list-style-type: none"> <li>• Country statistics and sectoral policy/ programme progress reports</li> </ul> <p><b>Means:</b> Quantitative/qualitative data analysis; Surveys; Traffic counts.</p>	<p>organisations) take active part and ownership of project activities.</p> <ul style="list-style-type: none"> <li>• Road works not disrupted by extreme climate events</li> <li>• Stable security conditions (armed conflict) in the geographical targeted areas</li> </ul>
	<p><b>RESULT COMPONENT 1 – RURAL ROAD WORKS</b></p>					
<p><b>Outputs</b></p>	<p><b>R1.1</b> Higher traffic rural roads are upgraded to low volume sealed road standard with optimal utilisation of locally occurring materials in the pavement</p>	<p>Total length (km) of road rehabilitated PQG (with EU support)**NIP</p>	<ul style="list-style-type: none"> <li>• 0</li> </ul>	<ul style="list-style-type: none"> <li>• 142 km by the end of year 5</li> </ul>	<p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• Baseline, Endline</li> <li>• Project M&amp;E data/ reports;</li> <li>• Provincial data and statistics (SEDAE)</li> </ul> <p><b>Means:</b> Quantitative/qualitative</p>	<ul style="list-style-type: none"> <li>• Existence of synergies and complementarities among different stakeholders (Government, development partners, private sector, civil society, including women's</li> </ul>

	layers and surfacing and installation of horizontal and vertical road markings and other road furniture.				data analysis	organisations) within the rural road sub-sector
	<b>R1.2</b> Embankments on rural roads are reconfigured for improved adaption to climate risks, in particular the effects of periodic overtopping.	Total length (km) of embankments rehabilitated <sup>PQG</sup> (with EU support)** NIP	• 0	• 1.2 km by the end of year 5		•  • National Road Agency (ANE) implements agreed modifications to institutional and organisational arrangements in the targeted provinces.
	<b>R1.3</b> High-level bridge is re-constructed on selected road link of project area.	Total length (km) of bridges rehabilitated <sup>PQG</sup> (with EU support)** NIP	• 0	• 90 m by the end of year 5		
	<b>R1.4</b> In selected Districts of Nampula routine maintenance of rural roads	Total length (km) of road maintained <sup>PQG</sup> (with EU support)** NIP  Proportion of routine maintenance	• 0  • 0	• At least 1200 km under maintenance each year		

	is carried out through an Area Based System using permanent maintenance camps established in selected districts, and operated by emergent local firms sub-contracted to an international contractor.	works subcontracted to local firms		<ul style="list-style-type: none"> <li>• 100%</li> </ul>		
	<b>R1.5</b> Periodic maintenance of selected unpaved roads is carried out including re-gravelling, improvements to cross-drainage structures and restoration of road signs and other road furniture.	Total length (km) of road maintained PQG (with EU support)** NIP	<ul style="list-style-type: none"> <li>• 0</li> <li>• 0</li> </ul>	<ul style="list-style-type: none"> <li>• 682 km by the end of year 5</li> </ul>		
	<b>R1.6</b> Periodic	Total length (km) of road maintained	<ul style="list-style-type: none"> <li>• 0</li> </ul>	<ul style="list-style-type: none"> <li>• 176 km</li> </ul>		

	<p>maintenance of selected paved roads is carried out including clearing drainage systems, patching defects in the carriageway, repair of edge break, resealing the surface, and restoration of horizontal and vertical road markings and other road furniture.</p>	<p>PQG (with EU support)** NIP</p>		<p>by the end of year 5</p>		
<b>RESULT COMPONENT 2 – ACCOMPANYING MEASURES</b>						
	<p>Secondary benefits provided to local communities in the project area through Accompanying Measures,</p>	<p>Number of people (disaggregated by sex) reached by the awareness campaigns</p>	<ul style="list-style-type: none"> <li>• 0</li> </ul>	<ul style="list-style-type: none"> <li>• At least 1200 reached in both provinces (&gt;40% women) by the end of year 5</li> </ul>	<p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• Gender Responsive Baseline, Endline</li> <li>• Project M&amp;E data/reports;</li> </ul> <p><b>Means:</b></p>	<ul style="list-style-type: none"> <li>• Strong mobilization and sensitization of target groups and beneficiaries before project start and during inception phase</li> <li>• Local</li> </ul>

	<p>entailing:</p> <p><b>R 2.1</b> Small rural infrastructure is set up or improved (energy, biodiversity, nutrition, GCCA+,..).</p> <p><b>R 2.2</b> Gender responsive awareness created on health, road safety and road protection.</p>	<p>Number of small community infrastructure provided/rehabilitated including infrastructures targeting women.</p>	<ul style="list-style-type: none"> <li>• 0</li> </ul>	<ul style="list-style-type: none"> <li>• At least 15 discrete community infrastructure provided or rehabilitated by the end of year 5</li> </ul>	<p>Quantitative/qualitative data analysis</p>	<p>population and target groups willing to change behaviours, and to adopt and retain new knowledges, attitudes and practices.</p> <ul style="list-style-type: none"> <li>• Sound and effective project M&amp;E system in place</li> </ul>
<b>RESULT COMPONENT 3 – ASSET MANAGEMENT</b>						
	<p><b>R3.1</b> Institutional capacities for sustainable road asset management improved at provincial and central levels.</p>	<p>Number of Government officials (disaggregated by sex) benefiting from on-the-job training and provided with adequate tools (e.g. planning, budgeting, monitoring, etc.) to enhance their skills and capabilities on sustainable road asset management</p>	<ul style="list-style-type: none"> <li>• 0</li> </ul>	<ul style="list-style-type: none"> <li>• At least 20 (&gt;20% women) by the end of year 6</li> </ul>	<p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>• Baseline, Endline</li> <li>• Project M&amp;E data/reports;</li> <li>• Provincial data and statistics</li> <li>• AFCAP roads agency performance assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Road Fund continues to finance road maintenance in target provinces</li> <li>• Public institutions and Government officials willing</li> </ul>
		<p>Number of discussion initiatives (e.g. seminars, debates, workshops, etc.)</p>	<ul style="list-style-type: none"> <li>• 0</li> </ul>	<ul style="list-style-type: none"> <li>• At least 3, including</li> </ul>		

		focusing on clarification of institutional responsibilities for road asset management as well on gender mainstreaming in the roads sector		both central and provincial levels by the end of year 6	<b>Means:</b> Quantitative/qualitative data analysis; Surveys	to participate in “on-the-job” trainings and to adopt improved knowledges, attitudes and practices.  • Sound and effective project M&E system in place
<b>R3.2</b> Sustainable road asset management systems in place in the targeted project areas.	Performance of road agencies in road asset management in target provinces	• 0	• 25% improvement in overall performance assessment by the end of year 6 • Designed and operational by the end of year 6			
	Status of the management system for road asset management including routine assessments of climate vulnerability of road links	• 0				
	Status of contract arrangements defined and including local SME operators.	• 0	• Signed and operational by the end of year 3			

<sup>i</sup> Indicators aligned with the relevant programming document are marked with '\*', followed by the respective acronym (PQG - Five-Year Government Program; END - National Development Strategy; PNDRS – National Programme for Sustainable Rural Development (Estrela), NIP – National Indicative Programme, GAP - Gender Equality and Women's Empowerment 2016-2020 ). Indicators aligned with the EU Results Framework are marked with '\*\*'. Indicators aligned with the SDG targets are marked with <sup>SDG</sup>.