



Netherlands Commission for
Environmental Assessment

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Advice on Scoping for the ESIA for the Water4Nampula Project

Part II:

Updated scoping reports for Nametil and Namapa
Scoping reports for Malema and Namialo



15 December 2021
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Advisory Report by the NCEA

Title	Advice on Scoping for the ESIA for the Water4Nampula Project Part II: Updated scoping reports for Nametil and Namapa Scoping reports for Malema and Namialo
To	Invest International
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Request by	Invest International
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1. Introduction

1.1 The project & request to the NCEA

The Government of Mozambique (GoM) received funding from the Government of the Netherlands, through Invest International (INVEST)¹, for the Water4Nampula project. The project involves the rehabilitation and expansion of the water supply to the four towns of Nametil, Malema, Namialo and Namapa in Nampula Province. The Administração de Infraestruturas de Água e Saneamento (AIAS) of the Ministry of Public Works, Housing and Water Resources is the Executing Agency for this project.

The current challenges are low water and sanitation infrastructure coverage, and inadequate maintenance and operation of the existing bulk and potable water facilities. There is a scarcity of water to the users reliant on the existing schemes and an insufficient capacity to meet the projected future demands and intended expansion of the schemes towards improving access to water of potable standards. The schemes have also been impacted by in-operational or non-existent treatment facilities. To address the status quo and to provide for the future growth in water requirements, the intention is:

- to expand the current reach of the schemes and to improve the assurance of supply through the development of new water sources; and
- to rehabilitate and expand the bulk water supply infrastructure, treatment capacity, storage and distribution network.

For each town standalone deliverables are envisaged, consisting of:

- A feasibility and conceptual design study of the water supply system;
- An Environmental and Social Impact Assessment (ESIA); and
- Detailed designs and tender documents.

In Mozambique, the procedural requirements for ESIA are provided by the Environmental Impact Assessment Regulations, Decree 54/2015. According to the Decree, information needs to be provided to the Ministry of Land and Environment (MTA) so that a pre-evaluation of the project can be performed to determine what ESIA requirement and category is applicable, i.e. a full ESIA (for Category A+ and A), Simplified Environmental Assessment (Category B), or no specific environmental assessment required (Category C).

The scoping studies refer in section 6.3. to the assumption that the project will be categorized as Category A, in agreement with Annex II of the Decree: (Category A: 2.1 Infrastructure (a) All activities that require resettlement and/or (m) Water pipelines > 0.5 m diameter and longer than 10 km). However, no formal decision seems to have been taken yet².

For a category A-project, a scoping study (or EPDA, Estudo de Pré-Viabilidade Ambiental e Definição do Âmbito) is required to determine whether the project has 'fatal flaws' and what

¹ Since October 2021, the Water4Nampula project is managed by Invest International. This is the successor of the Netherlands Enterprise Agency (RVO). Although in the scoping documents the abbreviation RVO is used, in this advisory report by the NCEA will refer to Invest International.

² The categorisation letter is normally an annex to the EPDA.

needs to be assessed in the ESIA. A ToR for the ESIA needs to be submitted together with the scoping study to MTA. The ESIA can subsequently start upon approval of both by the MTA.

For each of the four towns, an ESIA scoping study/ToR for the final ESIA has been prepared in conjunction with the feasibility study and conceptual design phase. The scoping study needs to meet the content requirements specified by the Mozambican EIA Decree. The scoping study/ToR will be discussed with AIAS and INVEST and presented to stakeholders in a workshop together with the feasibility study. As part of the scoping study/ToR, an IFC Performance Standards gap analysis was also requested by INVEST. The outcomes of the feasibility study and the scoping study/ToR will inform INVEST and potential other donors in the go/no go decision regarding the financing of the project for each town.

INVEST requested that the NCEA independently review the scoping studies/ToR. Once these are approved by AIAS, MTA and INVEST, the project will move to the next phase in which the final designs of the water systems and the full ESIA's will be developed.

In July 2021, the NCEA issued an advisory report on the scoping studies/ToR for Nametil and Namapa. INVEST subsequently shared the NCEA advisory report with AIAS with the request to the consultant to respond to the NCEA recommendations with a focus on the issue for water abstraction and improve the scoping reports accordingly. The updated scoping reports/ToRs for Nametil and Namapa and the new scoping reports/ToRs for Malema and Namialo³ were submitted for NCEA review on November 8, 2021.

1.2 Approach by the NCEA

In order to carry out this review, the NCEA formed a working group with members covering different areas of expertise, including water and sanitation, water governance, environmental and social performance management, social sciences and ESIA application. The composition of the working group is similar to the one that performed the review in July 2021. The background of the individual experts is presented in the Colophon. Because of Covid-19 and resulting travel restrictions, the NCEA working group was unable to visit the project area to interact with various stakeholders and perform site verifications. It has been agreed with INVEST that a site visit can still take place when the NCEA would be requested to also review the full ESIA reports (in case of a favourable go/no go decision by INVEST and AIAS).

As benchmarks for their review, the working group made use of the following:

- Mozambican EIA regulations: Decree 54/2015
- International Finance Corporation Performance Standards (IFC PS) (2012)
- Working group members' expertise in reviewing ESIA's for comparable projects.

The purpose of the review and recommendations by the NCEA is to advise and guide INVEST, the proponent and the consultants in carrying out an ESIA that is complete, correct and relevant for decision making and includes a transparent and inclusive process. Note that the working group does not express an opinion on the feasibility or acceptability of the project

³ As the scoping studies/ToR for Malema and Namialo were not ready in July, it was agreed with INVEST that the review of their quality would be presented together with the review of the updated scoping reports for Nametil and Namapa.

itself, but comments on the project impacts and quality and completeness of the scoping studies/ToR.

2. Summary conclusions and recommendations

2.1 Overall conclusion

The NCEA appreciates the efforts made by the consultant to provide responses to the remarks made by INVEST (including those of the NCEA) in a comment/response matrix⁴ which has been helpful in summarising how concerns were addressed. The NCEA has focused on the key recommendations provided in its advisory report of July 2021⁵ and comes to the conclusion that some recommendations have been partially addressed, but a substantial number unfortunately still insufficiently. As the NCEA recommendations for Nametil and Namapa received insufficient follow-up, there are similar shortcomings in the scoping reports for Namialo and Malema. This is due the fact that many chapters in the four EPDAs are identical: it is mainly the descriptions on project interventions and options that vary.

In short, the quality of all four scoping reports falls short for decision-making.

The justification for this conclusion is found in Chapter 3. For each shortcoming, the NCEA gives recommendations, indicating whether this should be remedied in a revised EPDA, and/or should be specifically included in the ToRs as an issue to be further assessed in the subsequent ESIA's.

2.2 Potential red flags

The NCEA sticks to its main conclusion drawn before: during parts of the year the current river flow and storage volume is insufficient for Nametil, meaning that the system will have no water then. The same will potentially be the case for Namialo and Malema. When that happens, the effects on the water users in Nametil, Namialo and Malema, as well as on the downstream water users are expected to be grave. Effects can also impact biodiversity, ecosystems and living natural resources and in turn, livelihoods that depend on these resources. This is currently not addressed in any of the EPDAs. Without clarity on the issue, it will be hard to move decision making on the projects – and the ESIA's – forward in a justifiable way.

For Namapa there is no problem as the Lurio river contains sufficient water all year round.

⁴ For Nametil and Namapa only

⁵ We have not checked again whether detailed observations (Chapter 4 of our July 2021 advice) have been addressed.

2.3 Other essential shortcomings

The NCEA considers the following shortcomings as essential to decision-making and therefore recommends to remedy these in the scoping reports and ToRs:

- In addition to the issue of water abstraction/availability mentioned above, key issues that need to be addressed at least in the ToRs are:
 - land use and land ownership
 - social impacts as a results of potential (economic) resettlement and influx of people, and;
 - impacts on riverine ecosystems and habitats.
- The impact assessment rating methodology of the scoping studies is not understandable, neither transparent nor complete. Furthermore some impacts seem to be rated overly positive and some impacts seem to have been downplayed. This may have serious consequences for the conclusion in the scoping documents that there are no fatal flaws. In addition it hampers the development of tailor-made ToR, which are meant to steer the ESIA team in assessing the key impacts during the stage of the full ESIA.
- Information now added to the scoping reports lacks an analysis in terms of consequences for the specific projects at their specific locations.
 - This is the case for the IFC Performance Standards and the legal and institutional framework, but this can be remedied in the ESIA stage.
 - Another example is that, although maps have now been provided on extreme climate events, no conclusions have been drawn vis-à-vis possible implications for the four projects.
 - A third example is the Stakeholder Engagement Plan, which has been added, but lacks information on engagement activities conducted during scoping and planned future activities.

3. Key findings and recommendations

3.1 Review approach taken by the NCEA

Below the NCEA describes its key findings, following the sequence of topics as presented in the EPDAs. This implies that they are not necessarily presented in order of importance.

- Each paragraph starts with a reiteration of the NCEA recommendations (in boxes) from its July 2021 advisory report for Nametil/Namapa;
- This is followed by NCEA's conclusion as to whether the recommendation has been given insufficient/partial/sufficient follow up;
- This forms the basis for NCEA's recommendations for further action/follow up.

As the scoping studies/ToR resemble each other to a great extent⁶, a large number of the NCEA's observations will be applicable to all four scoping studies/ToRs. Whenever a recommendation is only applicable for Nametil, Namapa, Malema or Namialo this will be indicated. If new issues arise in the scoping reports/ToRs for Malema or Namialo (which were not subject to NCEA review before), this is also addressed specifically.

3.2 ESIA as a decision making tool: process and form

NCEA recommendation July 2021

- include in the scoping report a gap analysis benchmarking local environmental and social requirements against the IFC PS, as was also requested by INVEST;
- include a legal and institutional framework chapter, following best practice;
- provide a clear outline for the ESIA process and its integration into project planning, design and decision making. An indicative schedule of implementation for the short, medium- and long-term works may be helpful too;
- present clear figures, tables and maps of the project's target area, planned infrastructure and locations, indicating sensitivities, impacts and solutions.

NCEA conclusion after review of (re)submitted EPDAs: has been given INSUFFICIENT follow up

A gap analysis between Mozambican and IFC PS requirements has been inserted indeed in section 6.5, including bridging strategies (Table 6-14). These bridging strategies should have implications for the ToR for the ESIA, which does not seem to be the case yet.

PS 1 (p. 45) regarding water resources states: 'There are no specific national regulations concerning environmental flows from hydraulic structures.' And in the proposed remedy: 'However, there is no clear guidance in Mozambique on environmental flows. In this case, best environmental practice should be followed.' In addition, PS 6 (p. 59) states: 'Environmental concerns should also be considered in the context of water use/abstraction but there are no specific national regulations concerning environmental flows from hydraulic structures.' And in the proposed remedy: 'Water requirements for biodiversity should be carefully considered including international guidelines concerning environmental flows for

⁶ For instance the chapters on legal and institutional framework, IFC PSs, Land use patterns, Biophysical setting, Stakeholder engagement plan and ToRs are largely identical for all four towns. The differences are mainly in the chapters on the project interventions.

dam projects'. Both statements are not translated into a specific conclusion on what this means in practice for the four projects.

All IFS PS (except PS 8 on cultural heritage) are described and included in the gap analysis, however at the end of section 6.3.1, it concludes that only PS1 is applicable to the project. On the gap analysis table, under PS6, mention is made of fish passages, as something to be investigated. It remains unclear why this is relevant, and furthermore, there is no reference to it under the section on Ecosystems and habitats, nor impact identification in the ToR.

A legal and institutional framework chapter, including an overview of the licensing process in Mozambique, has now been included in all EPDAs (as Chapter 6). However, this chapter presents merely information and lacks an analysis as to the specific implications for the four projects. Table 6–7 on resettlement and compensation regulations relevant to the project lacks the most important piece of legislation on resettlement (Decree 31/2012). Also the reference to hazardous waste regulations is missing.

The same applies for the ESIA process, public participation and resettlement requirements (Section 6.3). The information is provided but no project-specific translation has been made in terms of (approval) decisions to be taken by whom (e.g. INVEST, MTA and AIAS) and when.

Regarding maps, the consultant has made an effort to improve and correct observations made by the NCEA (see Chapter 4 of July 2021 advisory report). Legends have now been included for most maps, but often the quality of the image remains very low, thus making the legend and other information in the map unreadable⁷.

NCEA recommendation

Although improvements have been made, implications of the findings of the gap analysis should be part of the ToRs for further elaboration during the full ESIA. The same holds true for the (very long sections) on legal and institutional framework: summarise main findings and move the tables themselves to the annexes.

The previous NCEA recommendation regarding maps and legends remains valid (fourth bullet in box above). It is advised to review all village names and rivers in each EPDA report (currently there are copy/paste errors).

Finally, all changes made in the scoping reports should also be adjusted in the summaries.

3.3 ESIA team

NCEA recommendation July 2021

The NCEA recommends to provide an overview of the proponent's capabilities for conducting this activity in line with IFC PS5. This shall include an organogram and CV's of their E&S team, key staff required for implementing the land acquisition and compensation and clear definitions of roles and responsibilities between the ESIA and project proponent teams. Considering the potential extent of resettlement caused during project construction, the inclusion of a resettlement specialist in the ESIA team is required.

⁷ E.g. **Nametil**: Fig. 3–1 on p.4: no legend for colours, P.24 (35/244) table 5–13: unreadable. Maps showing the different options still not readable; Table 8.3 – option 1 has no rating. **Namapa**: Legend on maps for options (light blue, dark blue, green?). **Namialo**: Reference to Meluli River on the Executive Summary should be Monapo. P.88: where is gauge 120 on map 7–8? Table 8.3 –the difference in ratings for option 3 unclear. **Malema**: P.20 fig 5–6: no legend

NCEA conclusion after review of (re)submitted EPDAs: has been given PARTIAL follow up
CV's have been added. The consultant argues that the team leader is largely experienced on resettlement. The CV indeed demonstrates that he is experienced with resettlement. However, the lack of dedicated social expertise is visible in the EPDAs: social impacts, economic resettlement and stakeholder engagement aspects are insufficiently considered.

NCEA recommendation:

Include sufficient expertise on social and resettlement issues in the ESIA team.

3.4 Indirect area of influence

NCEA recommendation July 2021

The NCEA recommends to more clearly indicate the direct and indirect area of influence on a map, including a justification for the chosen boundaries.

NCEA conclusion after review of (re)submitted EPDAs: has been given INSUFFICIENT follow up
Maps indicating area of (in)direct influence have been adjusted, but the areas are still not properly described. The map of the area of direct influence is not understandable (e.g. term 'não aplicável'). In addition, the area of indirect influence does not consider the impacts on downstream users. Taking into account the likely in-migration resulting from the projects (due to improved water access and employment opportunities in the projects itself), the indirect area of influence is also potentially much larger, as the four projects might attract residents from the broader region and neighbouring administrative posts.

NCEA recommendation

Revise the (in)direct area of influence accordingly for all four scoping reports and make sure this will also be reflected correctly in the subsequent ESIA's.

3.5 Land use and landownership

NCEA recommendation July 2021

The NCEA recommends to improve the description of current land use and land rights to prevent issues around compensation at a later stage. Reformulate and be more specific about the compensation structures that are envisioned to be established. This description is critical to ensure that the proposed governance structure and compensation mechanism will be established in accordance to IFC PS5 requirements.

NCEA conclusion after review of (re)submitted EPDAs: has been given INSUFFICIENT follow up
The land use description for Nametil has improved and provides further insights on the land use in/around the proposed sites. It includes some pictures to support the land use description, but it is still insufficient to assess the potential impacts to local livelihoods in accordance to IFC PS5. Page 8/9 includes new text, stating that use of space still needs to be

negotiated with local leaders and district planning services. The land use descriptions in the Malema, Namapa and Namialo EPDAs are all very incipient. The consultant refers to a Voluntary Land Donation (VLD) process (in the comments/response matrix) as the manner by which locals would transfer ownership/right of use to the projects. However, the VLD process is not mentioned in either of the EPDA documents.

NCEA recommendation

Clarify the land use and land ownership issues for all four projects in the EPDAs and have a clear approach to be outlined in the ToRs and followed in the ESIA. In addition, indicate whether a Livelihoods Restoration Plan or Resettlement Action Plan will be required, following the negotiations that apparently still have to take place around the issue of use of space.

3.6 Project activities and intervention options

NCEA recommendation July 2021 in line with IFC PS 3 and 4:

- include information on water abstraction quantities
- provide a better explanation of the phasing choices e.g. in phase 1 only standpipes, in phase 3 only house connections
- include a map showing the electricity infrastructure
- clarify the choice for the preferred option, not only based on costs but also taking into account environmental and social variables
- complete the description of all related project activities, and quantify if possible.

NCEA conclusion after review of (re)submitted EPDAs: has been given PARTIAL follow up

Information on water abstraction quantities has indeed been added by the consultant in section 4.3.1 for Nametil and Namapa, but should be added in the summaries too. The information on water abstraction is poor for Namialo and Malema (see below).

Information on phasing has been added (section 5.2.4 Nametil and 5.2.5.1 Namapa) but the information for Nametil is more complete (table 5–6) and comprehensive than for Namapa.

Maps on electricity infrastructure have not been included, but the justification given by the consultant that these will be added later is acceptable.

The choice of the preferred option is slightly better substantiated for Nametil. However this is not the case for Namialo. In addition, the choice for preferred option has still not been yet justified by explicitly considering environmental and social aspects.

Par. 5.3.1 (p. 6) provides more details on the construction phase, workers camps etc. The EPDAs state that a small number of workers is expected, without providing an indication of the actual number. Malema is the only EPDA with limited consideration for the need of constructing new access roads and/or repairing existing ones.

NCEA recommendation

The consultant has included more information in the EPDAs on the project activities and interventions. Options can be further studied in the full ESIA, with explicit attention for environmental and social impacts of each option in parallel with information coming from the detailed design. This should be clearly reflected in the ToRs.

NCEA recommendation July 2021 (for Nametil specifically)

- include technical details about the dam/dike, including the option to raise the crest
- explain if and how the 2019 project links to the current planned project
- show that river flow is sufficient to meet expected abstractions

NCEA conclusion after review of (re)submitted EPDAs: has been given INSUFFICIENT follow up

Technical details about the dam/dike including options to raise the crest have not been provided. The consultant states that ‘they don’t have As-Built drawings of the dam which hampers the technical details and consequently the analysis of raising the dam’.

The consultant has also not been able either to show that the river flow is sufficient to meet expected abstraction for Nametil.

As no water will be present for the Nametil water supply system during prolonged periods, both from a feasibility and an environmental and social perspective, the NCEA does not agree with the conclusion that there are ‘no fatal flaws’ (Summary conclusion and repeated on p.86 section 8.1). The information to draw such conclusion has not been provided.

Specifically for Namialo: Regarding water availability and abstraction, section 7.1.5.1 states: ‘The main watercourse, Monapo River, has zero surface flow for significant periods during most dry seasons..... An estimated storage volume of 810,000 m³ is required to provide a 99% assurance of supply to users (Figure 7-11). This storage is currently not included in the proposed scheme and costing; however, it can be added if required by the Client’. In addition, p.113 section 8.4 states: ‘The other significant difference between Option 3 and the first two options is that the abstraction site is located after the confluence of the Mesica and Monapo Rivers, where above the former is the Mugica Dam which guarantees a release of flow even during the dry season into the natural lake there’. Furthermore p.116 section 8.5 states: ‘However, Options 1 and 2 abstraction points are unlikely to provide water to satisfy the demand during dry season unless a storage infrastructure is projected in those sites. Option 3 is likely to provide water through the discharge of water from Mugica Dam’ and lastly on p.117 section 9 states: ‘However, in an interview with ARA-Norte we found that the Mugica Dam is also being considered to reinforce the water supply to Nampula City and supply the town of Monapo. Additionally, it is a private infrastructure and with plans to expand banana production. The Mugica Dam will be in position to strategically satisfy three main towns’.

The above clearly shows the need to study the water availability in more detail because potentially the location of option 3 cannot guarantee water availability year round (p.117). Thus the conclusion in section 10 stating: ‘Most of the impacts identified and assessed will be of low significance, and no fatal issues were found for implementation of the project’ is doubtful. No study into the water availability is mentioned in the ToR for the ESIA. (p.120).

Specifically for Malema:

P. 23 section 5.2.1.2. on raw water abstraction lacks an analysis of the sufficiency of the water source. On p. 26 and onwards, option 2, section 5.2.2.1 a case is made for a second abstraction point from the Malema river, in addition to the existing one on the Mutivasse river. However, no quantitative analysis is presented of its need, nor a phasing proposal (until when is the present source sufficient, by when is the second source needed?). The description

of the sources for the water supply is insufficient to come to the conclusion that there are no fatal flaws (section 8.1 on p.111).

NCEA recommendation

The consultant lacks information to respond to the NCEA recommendations made in July 2021 on Nametil. This leaves the issue on sufficient water availability unaddressed in the EPDAs. For Namapa the water availability issue is not relevant as the abstraction will take place from Lurio river with sufficient water all year round. For Malema and Namialo it is, like Nametil, doubtful whether water availability will be sufficient. The NCEA recommends to include water availability studies as a key issue to be included in the ToRs and further studies in the full ESIA's for at least Nametil, Malema and Namialo.

3.7 Biophysical and socio-economic setting

3.7.1 Biophysical (river gauges, river flow, hydrology, climate) baseline

NCEA recommendations July 2021

- include a map showing gauging stations for Nametil
- indicate whether or not the storage capacity at the Meluli river for Nametil is expected to be sufficient, insufficient, or if this needs to be investigated (and included in the ToR)
- provide more information about the flow regime of the Lurio river for Namapa.
- include more information on climate related extreme events.

NCEA conclusion after review of (re)submitted EPDAs: has been given PARTIAL follow up

The map 7-9 on p. 68 shows gauging station E-127 not on the river Meluli but in the village centre, this seems incorrect. Gauging station 126 (used for the comparison) is not indicated nor mentioned where it is. As the locations of the two gauging stations have not been clarified, it remains difficult to understand the description of stream flows.

The ToR for the ESIA does not mention the need to investigate the raw water storage capacity need for Nametil by raising the dam on the Meluli river. Without such investigation the required storage (p.70) cannot be designed and built.

The additional information on the flow regime for Lurio river is sufficient.

Maps on climate related extreme events have been included (section 7.4). P.66 cyclone risk map: the 2007 information is outdated. INGC has published several reports later, saying that cyclone paths would be shifting due to climate change which indeed happened since then.

NCEA recommendation:

As stated above in 3.6., water storage capacity of Nametil, Namialo and Malema requires further study in the ESIA and should therefore be part of the ToRs. In addition, include up-to-date information on climate related extreme events.

3.7.2 Biotic baseline

NCEA recommendations July 2021

The NCEA recommends to provide more information on biotic baseline, paying specific attention to identification of possible biodiversity issues, including riverine ecosystems, protected areas and endangered species, but also other (non-protected) sensitive areas and species that may suffer or benefit from the project (in line with IFC PS 6).

NCEA conclusion after review of (re)submitted EPDAs: has been given INSUFFICIENT follow up

The section on ecosystems and habitats (p. 74) remains very poor. It is understood that the project is to be implemented in an urban area, but what about aquatic ecology, riverine forest? Also, the baseline description of ecosystems and habitats does not match with the impact identification. Again, no reference to ecosystem services is made in the biotic baseline, whereas it is mentioned in the ToRs (with a little bit of more detail this time).

NCEA recommendation:

As the biotic baseline description in the EPDAs is insufficient, this should be improved in the ESIA and thus be included in the ToR for the ESIA. As part hereof, the water requirements of riverine ecosystems should be key aspects of analysis.

3.7.3 Socio-economic baseline

NCEA recommendations July 2021:

- Include a more detailed description of the socioeconomic contexts, addressing at minimum the following content and including various pictures to be able to understand the local context (can be added to the ToR, section 11.4):
 - Administrative Political Organization of the municipality
 - National State Organization and representation at the Local Level
 - Community Organization (Community associations, NGOs, Churches, etc.)
 - Population
 - Socio-Demographic Indicators, including willingness and ability to pay
 - Wellness Indicators (Housing, Access to energy, Access to water, Sanitation)
 - Social Equipment and Infrastructure (Education, Healthcare, Communications, Road Network)
 - Economic Activities (Agriculture and Livestock, Fishing, Industry and Services, Trade)
 - Land Use and Occupation Patterns
 - Vulnerable Groups and Traditional Livelihoods

NCEA conclusion after review of (re)submitted EPDAs: has been given PARTIAL follow up

Additional information (p.76-85) has been provided on the socio-economic baseline (10 p. instead of 1p.). However, the full content as mentioned in the box above has not yet been included in any of the scoping studies or scoped in the ToRs to be further investigated during the ESIA. The consultant mentions that the socioeconomic baseline will be further elaborated based on a (still pending) willingness to pay for water survey, but there is no mention for a willingness to pay survey in either of the EPDAs. Downstream water users and their water requirements should also be included.

NCEA recommendation:

The socio-economic baseline should be further elaborated in the ESIA's. The ToRs should therefore be improved first, explicitly including the items mentioned in the box (as was already recommended by the NCEA previously) and including downstream users.

3.8 Impacts

The chapter on impacts for Nametil and Namapa (p. 86 and onwards) has changed as compared to the previous version of the EPDAs. Tables with impact scores and evaluation have been deleted and impacts are now summarized under the headings positive and negative impacts for the various options. However the reference to positive impacts is not correct: what is described as a positive impact it is in fact not⁸. Remarkably some of the impacts have been downplayed as compared to the previous version of the EPDAs (e.g. on water availability, habitat loss etc.). Impacts therefore appear to be less severe, some information has been deleted and other information is new (e.g. interference with local commerce and other services, migrant labour rights, community conflicts).

Section 8.4 describes the impact rating and in Table 8.3 impact scores are compared for the three options. However, the methodology applied now is not transparent, nor correct: the amount of positive and negative impacts are now added and compared. However, character and significance of impacts are no longer considered. Therefore this comparison is without any meaning, but leads to the inimitable conclusion that all impacts are acceptable and can be easily mitigated. The previous version of the EPDAs contained an overview of issues that required further study (e.g. on the water availability), which is no longer present in the current versions. Section 12.2 (p. 103) just mentions that specialised studies are required for the specific impact on cropland loss where the transmission mains will be installed. In summary, conclusions on impact significance are not understandable, neither transparent nor complete, which may have consequences for the conclusion in the scoping documents that there are no fatal flaws.

NCEA recommendation:

Although it is understandable that the full impact assessment will take place as part of the ESIA's, it is at this scoping stage important to know if any fatal flaws exist and which impacts require further study in the ESIA. As this information is currently not available, this is considered an essential shortcoming. The EPDAs should therefore be revised in order to be able to develop tailor-made ToR for the subsequent ESIA's.

3.8.1 Physical impacts

NCEA recommendation July 2021

The NCEA recommends to justify the conclusion that abstraction impacts will be low, and to adapt the scores. Minimum (environmental) flow requirements will need to be established in the ESIA for both human use and riverine ecosystems (according to IFC PS 3, 4 and 6).

⁸ E.g. there are various examples such as; 'The Distribution Centre will be located in an open area with no housing around, so it will have little impact in terms of noise and vibration'. Little impact is subsequently phrased as 'positive impact'.

NCEA conclusion after review of (re)submitted EPDAs: has been given INSUFFICIENT follow up

The NCEA observes that the water availability is not sufficient for Nametil in the dry season, unless the dam wall is raised by 1 m (but this does not appear to be part of the project). For Namapa this is not an issue. For Malema, despite stating that the 'Malema River is also important for other upstream and downstream users and aquatic fauna and flora, which will be impacted by water abstraction for the project' it is proposed that the project will have a positive impact by improving the 'availability of sufficient water to meet demand in 2042, without significantly affecting downstream uses', but without any substantiation on how this significance has been established and what should be a minimum (ecological) flow. The Namialo EPDA only states as a potential negative impact on the physical component, 'that the rivers where abstraction is proposed are important for downstream users'. No further description nor preliminary assessment of this impact is provided.

Therefore the NCEA sticks to its previous conclusion that two critical impacts have still not (sufficiently) been considered in the scoping documents for Nametil, Malema and Namialo: (i) the impact of increased abstractions on downstream water users and (ii) the impact of no flow on the water users in Nametil, Malema and Namialo.

A statement like the one on p. 88 under section 8.2.1.2.2.: 'No reduction in downstream water availability is expected as it is only intended to make efficient use of the existing source' does not take away the concerns regarding this matter.

NCEA recommendation:

The NCEA reiterates its observations of July 2021: Dry spells in combination with the insufficient storage capacity means that abstractions will also take place when river flows are very small or equal to the abstraction rate, causing drying up of the river and severe downstream effects to communities in the dry season that are increased in comparison with the situation without the project. If the projects are to go through, these negative downstream impacts on people (and possibly riverine ecosystems) would have to be considered for mitigating measures. The absence of sufficient storage is expected to lead to longer periods of no water in the system. The positive impacts of the system may be strongly and seriously offset by this. As stated several times already in the previous paragraphs, the NCEA recommends to address this issue in the ToRs and subsequent ESIA's.

3.8.2 Biological/ecological impacts

NCEA recommendation July 2021

The NCEA recommends to include more information on potential impacts on biodiversity, ecosystems and living natural resources (in line with IFC 6)

NCEA conclusion after review of (re)submitted EPDAs: has been given INSUFFICIENT follow up

The issue is not addressed in any of the EPDAs. There is very little consideration for assessing the minimal ecological flow and potential impacts to ecosystem services.

NCEA recommendation:

Consideration of potential impacts to biodiversity, downstream ecosystems is a critical issue and should therefore be addressed in the ToRs and the subsequent ESIA's.

3.8.3 Socio-economic impacts

NCEA recommendation July 2021

- The NCEA recommends to conduct a full consideration about the potential social impacts, in line with IFC PS1 to 5, Potential impacts shall include at least the following:
 - Project induced in-migration and associated effects
 - Impaired access to public services and properties during construction
 - Impacts to ecosystem services (e.g. fisheries) due to water abstraction (operations)
 - Disruption of road traffic (construction)
 - Noise, vibration and dust emissions (construction)
 - Public safety (due to influx of workers and in-migration)
 - Disposal of construction waste materials (pollution)
 - Lack of access to water during operations, in case (vulnerable) community members are unable to pay for piped water
 - Impact of loss of crops, breaking it down for potentially affected stakeholders (shop owners, subsistence farmers, residences, etc.), especially on the long term.
 - Induced impacts as a result of inadequate waste water management and sanitation
 - Visual impacts of electricity poles

Also reflect new included impacts in Table 6-23 and include these in the ToR.

NCEA conclusion after review of (re)submitted EPDAs: has been given PARTIAL follow up

Although some items have been included to a certain extent (e.g. on noise, vibration and dust emission, public safety, disposal of construction waste, social inclusion and impact of loss of crops), the other content has not yet been included in any of the scoping studies or scoped in the ToRs to be further investigated during the ESIA. Table 6-3 (now 8-3 in all EPDAs) still lacks several of these impacts. Despite that in the impact descriptions the temporary loss of crops (and some permanent, such as cashew trees⁹) is mentioned, table 8-3 does not list it as a potential significant impact in Nametil, while for Namapa it is listed as an impact with low severity. In general, the EPDAs contain contradictory information regarding impacts to livelihoods/economic resettlement.

NCEA recommendation:

Considering the influx of people to the region, which can be caused by the projects, an indication of likely impacts from project induced in-migration (besides the influx of migrant workers already mentioned) is important. This can result, for example, in local inflation and changes on existing social dynamics. These aspects should receive due consideration in the ToRs and subsequent ESIA. In addition, temporary loss of crops and trees must be further assessed in the ESIA and properly mitigated during project construction.

3.9 Options and choice of option

NCEA recommendation July 2021

The NCEA recommends to, in line with IFC PS1, provide the rationale for choosing the existing barrage for Nametil as the most suitable location and properly justify why other options were not considered. This also applies to comparison of the reservoir locations.

⁹ For Namialo it is stated on p. 10 that many large trees will have to be removed.

NCEA conclusion after review of (re)submitted EPDAs: has been given INSUFFICIENT follow up

The Nametil section 4.3.1 (p. 6) states: ‘The existing barrage is considered to be the most suitable abstraction point; thus, no alternative abstraction points are investigated further.’

This is insufficient in terms of justification, in particular with the insufficient storage capacity at that point. The same holds true for Namapa (recommended option 1A).

The EPDA for Malema now includes some discussion and rationale considering social, environmental and affordability aspects for the selected option. In the Namialo EPDA this explanation is not provided, and an option selection is not made.

NCEA recommendation:

Other options should be further studied in the full ESIA, with explicit attention for environmental and social impacts of each option in parallel with information coming from the detailed design. This should clearly feature in the ToRs.

3.10 Terms of Reference

NCEA recommendation July 2021

The NCEA recommends to include in the ToRs as part of the specialised studies (11.2 and 11.3.1) a Resettlement Action Plan (RAP)/Livelihood Restoration Plan (LRP) and Stakeholder Engagement Plan (SEP) in line with IFC PS1 and PS5 requirements, because of the long-term risk of economic (and potentially physical) resettlement. Considering the potential environmental, health and safety impacts, a HSE Management Plan may also be required. The draft SEP should list and indicate past and future engagement activities.

NCEA conclusion after review of (re)submitted EPDAs: has been given INSUFFICIENT follow up

The ToR for the ESIA of Namapa, Namialo, Malema and Nametil still do not require any (additional) specialised studies reflecting the issues mentioned as part of 3.4 to 3.9 above. It is just indicated that there is a need to ‘assess the specific impact on cropland loss where the transmission mains will be installed’ – without naming it as LRP or RAP. There is no requirement for a HSE-Management Plan in any of the ToRs, but the newly added draft Labour Management Plan (LMP, Appendix 3, which seems to be a copy of a World Bank template only) does address some HSE aspects. However, this is not to the same extent as a dedicated HSE-MP would have, for example, towards the safety of local residents or environmental management best practices during construction.

A template SEP is now included in Appendix 2, but no actual identification of local stakeholders has been undertaken (except a very high-level identification of institutional stakeholders). The SEP also lacks key information regarding engagement activities conducted during the scoping studies and planned activities in future.

The ToRs are still very generic and not tailored to the findings of the scoping studies. They also still show inconsistencies with the scoping studies.

NCEA recommendation:

The ToRs should indicate specific aspects (following the recommendations in 3.4. to 3.9 above) to be assessed in the ESIA. In line with IFC PS1 requirements, include in the SEP information about previous engagement activities and an indication of future planned engagement.

4. Additional comments for Malema

The quality of the Malema report in terms of readability and completeness is less than the other EPDAs. Important information comes late in the report. However the consultant has made laudable efforts to provide insight in the local situation via photos. Some comments are:

- P.7 and further, section Water Supply Development Options: the description is very poor: no distances are mentioned until p.17; maps are unclear and leaves one in the dark about where the Mutivasse and Malema rivers are located in relation to Malema town;
- P.17 section 5.1.1.1. mentions that 'infrastructure was partially rehabilitated in 2019' but doesn't state by whom or any other than some technical information;
- P.20 and others: abbreviations with no explanation (also not in the table of abbreviations) e.g. SDPI, BIAS, PEUMM, ECOGEF, PRAVIDA;
- P. 23 only here the water demand in time is quantified. This information is needed earlier on in the report (summary).
- P.34 Table 5-2: total cost summary: total add-ons (P&G, contingencies, planning and design, VAT) amount to approx. 60% of capital costs. Such a high percentage would require some justification;
- P.34 Table 5-2: total cost summary: what is bottom line cost item 'Independent PWSS'?
- P.107 7.2.3.5 Water supply: only here it becomes clear that the system is run by a private operator under delegation from AIAS. This is relevant information about the institutional setup of the water supply system that should have been presented with some more detail earlier on in the report. The same applies to the other three EPDAs of Water4Nampula;
- P.107: the description of the vibrant cultural life in Malema is superfluous information as it is irrelevant for the project;
- P.111 section 8.2.1.1.1: 'The transmission main alignment route passes through relatively good areas.' What are 'good' areas?.

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| <ul style="list-style-type: none">• The NCEA recommends to include information in the bullets above in a revised version of the EPDA for Malema. |
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