Mozambique Gas Development Project

Environmental and Social Management

First Edition
ENVIRONMENTAL & SOCIAL MANAGEMENT

The Mozambique Gas Development Project on the Afungi peninsula in the Palma District of the Cabo Delgado Province presents a transformational development opportunity for Mozambique.

The Project creates an opportunity for the Government to further potential economic growth, foreign investment, capacity building, revenue generation, contributions toward poverty alleviation, and greater prosperity for the people of Mozambique.

Translating the Project’s development opportunities into transformational events requires that environmental and social risk management be enshrined in the way impacts of Project construction and operations are managed.

The Project is developing an Environmental and Social Management System (ESMS) to address the challenges, sensitivities and potential impact caused by or related to the Project on the Afungi peninsula and wider host environments.

To achieve Project environmental and social sustainability and to maintain good relationships within the Project area communities, the following environmental and social management plans within the ESMS are being developed:

- Community Investment Plan
- Stakeholder Engagement Plan
- Community Health Management Plan
- Environmental and Social Contractor Management Plans
- Biodiversity Strategy and Biodiversity Action Plan
- Resettlement Action Plan

The ESMS aims to identify and enhance positive impacts and development opportunities arising from Project delivery and related activities.

At the same time, the principle of the ESMS is to avoid or minimize negative environmental and social impacts and where that is not possible, to mitigate and manage these impacts throughout the Project’s life-cycle.

Additionally, the Project is undertaking a series of supporting studies to inform the above plans including a Revenue Management Study, a Project Induced In-Migration Baseline Study, and a Human Rights Assessment.

Collectively the elements of the ESMS will illustrate the Project’s commitment to being accountable for its environmental and social performance.
STAKEHOLDER ENGAGEMENT

Stakeholder Engagement is a dynamic activity central to managing and communicating about the Project and its environmental and social performance.

Engagement encompasses a broad range of communication activities, including listening, consultation, discussion, involvement, information sharing, participation in decision-making, negotiation and partnerships, reaching agreements, undertaking monitoring, reporting, and ongoing management of expectations.

The Project is committed to establishing the various platforms or vehicles that enable constructive dialogue with a range of diverse stakeholder groups including National, Provincial and District Government, directly and indirectly affected Communities, NGOs and Civil Society, the Private Sector, Business Community, interested parties and media organisations.

Project engagement activities are described in and governed by the Stakeholder Engagement Plan. The Stakeholder Engagement Plan is a practical guide based on internationally accepted standards for engagement and good international industry practice, notably the International Finance Corporation (IFC) Performance Standards, the Equator Principles, and industry guidance i.e., IPIECA.

Engagement activities are led by the Project’s Stakeholder Engagement team. The Community Relations Team, comprised of Mozambican Community Liaison Officers and Environmental Site Officers, maintain a constant presence in Palma and the Afungi peninsula and is central to establishing and maintaining positive relationships with communities in the Project area and District Government. Continuous liaison with the Government of Mozambique at National and Provincial Government level is undertaken by the Government Affairs team in Maputo and Pemba.

1 IPIECA is the global oil and gas industry association for environmental and social issues.
The principles governing the Project’s Stakeholder Engagement activities are:

- **Inclusivity** - Proactively identify, analyse and include all relevant stakeholders in our engagement processes.

- **Sustainable Relationships** - Create and maintain relationships with stakeholders that allow for mutual benefit. Aim to build and maintain stakeholder trust in the Project and our activities, seek to be welcomed and respected by relevant stakeholders, facilitate open dialogue, and manage differences of opinion.

- **Stakeholder Issues and Grievances** - Respond to stakeholder issues and grievances with a view to seeking resolution in a timely manner.

- **Enable Participation** - Facilitate willing and free stakeholder engagement, build the capacity of stakeholders to actively participate in engagement processes, and engage in socially and culturally appropriate ways.

- **Communication** - Communicate and foster informed engagement, listen and be proactive in our communication, inform stakeholders through ongoing, meaningful and targeted communication, develop and utilize appropriate communication materials, and create well-defined and open channels for two-way communication and information sharing.

- **Create Internal Capacity** – Create the required capacity to effectively engage with stakeholders, including the necessary internal arrangements, responsibilities, coordination mechanisms, staffing, systems and skills.

Investing in authentic, culturally appropriate stakeholder relationships contributes to maintaining a Social Licence to Operate, which in turn retains stakeholders' endorsement and support of the Project and its presence in Mozambique.
COMMUNITY INVESTMENT

The Community Investment Plan (CIP) seeks to provide support and opportunities for improving the lives and livelihoods of communities that are directly or indirectly impacted by the construction and operation of the Mozambique Gas Development Project.

The CIP will focus on supporting communities both inside and outside the DUAT area on the Afungi peninsula, Palma town, and those communities on significant roadways in the District that will be used by the Project. Some CIP projects will also provide benefits to the wider District of Palma.

Beneficiary communities will participate in defining, developing and implementing the best community investment programs to address their needs. How they participate will depend on each different type of project being implemented. Communities will also participate in evaluating and monitoring the success of the community investment programs.

The multi-year Community Investment Plan will be comprised of projects that are collectively based on best practice implementation and aimed at sustainable community development.

The CIP has 5 focal areas for investment:
- Education and Capacity Building Program - Increasing communities' ability to participate in economic activity
- Community Health Program
- Livelihoods and Small to Medium Enterprise (SME) Program - Fisheries, Agriculture (Livestock and Crops) and Micro and Small Enterprise development
- Community Cohesion, Vulnerable groups and Capacity Building Program — developing and enriching the existing cultural diversity of communities and supporting vulnerable groups including women, youth, elderly and the disabled
- Environment and Infrastructure Program - Potential projects to address areas such as irrigation and/or water storage, clean drinking water, sanitation, access to energy and infrastructure that improves market access.

Specific programs will be aligned with Government strategies and development objectives, and consistent with the Project’s business objectives.

The community investment programs will be designed and implemented by leading international and national NGOs and organizations in collaboration with the Project’s Community Investment team.

The CIP complements the Project’s Social Investment Strategy that has three investment themes: health, education and environment. The Social Investment Strategy provides the vehicle for implementation of Corporate Social Responsibility (CSR) initiatives for the Mozambique Gas Development Project. The Social Investment Strategy will focus on identifying opportunities for Project related benefits outside of Palma District, in Cabo Delgado Province and more generally in Mozambique.
The Community Health Management Plan takes into account the prevailing health status of communities in the Project area, the potential impacts of the Project on these communities and a description of mitigation measures to address the effect of these potential impacts.

A comprehensive, district wide Health Impact Assessment (HIA) was conducted. The HIA included an epidemiological baseline health survey and a thorough review of the existing Palma District Health systems, infrastructure, and institutional capacity. This contributed to a better understanding of the context and associated vulnerabilities related to community health in the greater Project area and region.

Information gathered during the HIA helps to support the development of evidence-based management measures that focus on avoiding, reducing and mitigating potential negative health impacts caused by the Project or related activities, while enhancing positive health impacts due to the Project's presence.

The Baseline Health Survey conducted in April 2013 in the greater Palma area contributed to the Community Health Impact Assessment and also informs the Community Health Management Plan.

Key mitigation areas that the Community Health Management Plan will focus on will include health awareness, behavior-based programs and health systems strengthening programs. In addition, processes for the continued monitoring and evaluation of public health indicators will be developed to build on the detailed baseline described by the community health survey and the strategic foundation provided by the Community Health Management Plan.
The goal of the Mozambique Gas Development Project is to avoid or minimize resettlement, and where unavoidable, carry out resettlement in a manner that gives physically and economically displaced people the opportunity to restore their livelihoods and standard of living.

The Government of Mozambique will be implicitly involved in the Project resettlement planning and decision-making through representation on the Technical Resettlement Monitoring and Supervision Committee. In addition, the Direcção Nacional de Ordenamento e Planeamento Territorial (DNOPOT) will direct the resettlement process, and a Provincial Steering Committee, based in Pemba, will advise and support the entire resettlement process.

Resettlement considers both physical and economic displacement.

**Physical displacement** involves the permanent loss of existing shelter and established assets as a result of Project activities, requiring the affected person to be relocated in order to reestablish and maintain their livelihoods.

**Economic displacement** involves the temporary or permanent loss of income or means of livelihood as a result of Project activities.

**Why is resettlement necessary?**

The Project has been provisionally assigned rights to use (a DUAT) 7,000ha area for the Mozambique Gas Development Project on which the LNG processing park, marine terminal and associated facilities will be constructed. The impacts and duration of Project construction and safety areas required during Project operations make maintaining existing livelihoods activities close to these facilities unsustainable. Therefore, resettlement of some communities within the 7,000 ha DUAT area will be necessary.

To avoid or minimize the need for resettlement, the Project is working on options to enable as many communities as possible to remain in their current locations. Where resettlement is unavoidable, the Project is working on ways to minimize the impacts of resettlement by maintaining existing community access and sustainable use of ecosystem services in as much of the 7,000ha DUAT area as possible.

**What legislation will guide the resettlement process?**

The Project has designed principles that will guide the resettlement process based on Mozambican law (Decree no. 31/2012) and good international industry practice (IFC Performance Standard 5).
What can be expected from the resettlement process?

The resettlement process is comprised of:
Stage 1: Resettlement Planning, and
Stage 2: Resettlement Implementation.

Stage 1: Resettlement Planning is anticipated to take 6 – 12 months to complete. The key activities undertaken in the Project area during the resettlement planning phase are:

- **Village meetings**: The Project, District Government and Provincial Government representatives inform directly impacted communities about the intention to undertake the Mozambique Gas Development Project and spend time in the impacted communities to discuss the Project resettlement process and related activities;

- **Census**: Undertake a detailed census of communities within the DUAT area to verify the number of people, households and community assets that may be affected by Project activities, including potential physical or economic displacement;

- **Asset survey**: Undertake a detailed survey to count, measure, and record all houses, machambas, crops, fruit trees, village structures and other individual and community assets that will potentially be affected by the Project activities including potential physical or economic displacement;

- **Community Consultative Committee (CCC)**: Establish the CCC and elect committee members that represent the affected communities including village / community leaders, women, young people, farmers, fishers, civil society organizations, the District Government, and the Project;

- **Assess the potential resettlement area(s)**: Undertake an assessment to identify potential resettlement areas suitable for continuing and reinstating communities' existing individual dwellings, community infrastructure and livelihoods;

- **Develop agricultural and fisheries livelihood restoration plans** to improve and/or reestablish communities' agricultural and fisheries livelihood activities.

The information gathered during Stage 1: Resettlement Planning will be incorporated into a Resettlement Action Plan (RAP) that will be prepared and submitted to the Government of Mozambique for approval. When the Government of Mozambique has approved the RAP, the Project will commence Stage 2: Resettlement Implementation.

Agricultural demonstration plots are used as a practical way to transfer knowledge to local subsistence farmers on methods to improve crop production.
Stage 2: Resettlement Implementation comprises:

- **Negotiation and signing household agreements**: each affected household will receive a written description of:
  - the financial compensation offered at full market value for lost or damaged assets, where appropriate, and wherever the household is to be physically resettled,
  - the replacement land area, housing and / or other assets which will be provided to replace those lost as a result of resettlement.

- **Construction of the resettlement village(s)** at locations identified and to agreed specifications, as determined during the consultation process with the Government of Mozambique and the affected communities (resettled and host communities), and agreed in the RAP.

- **Implement livelihood restoration programs** as designed during the planning phase;

- **Physical relocation**: the Project will assist communities to relocate permanently to the new resettlement village location(s);

- **Resettlement monitoring activities**: a monitoring process will be in place to evaluate the success of the resettlement process and to identify / rectify any issues that require resolution.

Communities will be directly involved in activities throughout the entire resettlement process, through individual interaction, focus groups, village committees, district level committees and public meetings.
A suite of Environmental and Social (E&S) Contractor Management Plans (CMPs) directs all Project Contractors on the Project’s environmental and social performance expectations.

Sound implementation of the CMPs will contribute to achieving the Project’s environmental and social objectives and help create an enabling working environment by mitigating against environmental and social risks that could impact the Project’s schedule and reputation.

Environmental CMPs include:
- Pollution Prevention Plans, consisting of plans for Air Emissions, Noise and Vibration, Waste Management, Pollution and Hazardous Materials;
- Natural Resources Plans, consisting of plans for Water Resources and Waste Water, Ecology, Raw Materials and Aggregates, Soil Erosion and Reinstatement, and
- Activity Specific Plans, including Dredging, Ballast Water and Drilling.

Social CMPs address:
- Labour and Worker Relations;
- Community Relations; and
- Cultural Heritage.

The Environmental and Social CMPs are provided to the FEED Contractors prior to finalizing their bids so that they understand the environmental and social performance requirements, and so that they can include these requirements into their pricing for effective implementation.

The Environmental and Social CMPs will ultimately form the basis for ongoing stringent monitoring and reporting by the Contractor(s) and Company to track compliance with performance expectations as set out in the Environmental and Social CMPs. These will be applied to Early Works activities and throughout Project construction.
The following support studies will inform, provide additional inputs, and guide recommendations for the various environmental and social plans that comprise the ESMS, in order to meet good international industry practice requirements, standards and guidelines.

**Project Induced In-migration Baseline Study**
Project Induced In-migration refers to ‘[t]he movement of people into and out of an area in anticipation of, or in response to, economic opportunities associated with the development and / or operation of a new project.’

The study will assess the risks and impacts of Project Induced In-migration within the Project area. In doing so, it will seek to collaborate with key stakeholders, including various levels of Government, the Project Operator, NGOs, community based organizations and Project-affected communities. Through this collaborative effort, a baseline assessment will be compiled that identifies mitigation and management measures to be incorporated into the ESMS and wider Project Plans, and engagement initiatives with Provincial and District Government.

**Revenue Management Study**
This study aims to mitigate risks associated with national, regional and local revenue generated from Project-related activities. There are two study focus areas:
- Revenues from direct, indirect and induced employment, and
- Public revenue generated from the Project, such as taxes, royalties, equity stakes, social contribution and institutional funds.

The study recognizes the importance of creating a reputable and accessible platform to discuss Revenue Management issues among different stakeholders in Mozambique, and will promote civil organizations to drive the process.

A Human Rights-related Risk Assessment will be conducted and key findings and recommendations will be incorporated in the ESMS and where relevant, in wider Project Management Plans.
The Project area and region is characterized by important vegetation, including coral rag forest and coastal forest, miombo woodland, wetland infusions and mangrove areas. Palma Bay is 45 kilometers south of the Rovuma River and forms the northern boundary of the Quirimbas Archipelago that comprises 32 islands with associated coral reefs, seagrass beds, mangroves, sandy beaches and mud flats.

The coastal habitat forms a vital link between offshore and onshore biodiversity ecosystems, integral for supporting marine, coastal and terrestrial livelihood activities. The faunal diversity within the Project area and region is diverse and functional, with many regionally important or protected IUCN Red-Listed species having been recorded.

The Project recognizes biodiversity as one of the pillars of sustainable development and will seek to support the maintenance of the services diverse ecosystems present within the region and specifically in those areas of direct and indirect Project influence.

The Project will develop a Biodiversity Strategy and Biodiversity Action Plan, in line with IFC Performance Standard 6, that sets out measures to address policy, legal and regulatory, livelihoods (ecosystem services), biodiversity conservation, natural resource management and environmental performance requirements relevant to the Project’s overall biodiversity efforts.