

# **The effectiveness of the Umbrella Strategic Environmental and Social Assessment (SESA) for Spatial Development Planning Project**

## **Ministry of Transport and Communication Spatial Development Program**

*By*

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### **Introduction**

Mozambique has unique and strategic regional integration and regional economic growth facilitation roles to play. It has 2,500 km of coast with five ports, including Nacala Port which is one of the best deep-sea ports in Eastern Africa; large hydropower generation capacity; major transport corridors to be upgraded and constructed with capacity to serve its land-locked neighbors, respectively: Malawi, Zambia and Zimbabwe offering shorter distances to port for exports from northern South Africa, Botswana and Swaziland. The country also has abundant and available arable land, at about 14 million hectares with large variability of mineral resources, including coal, gas, heavy mineral sands, ilmenite, rutile, zircon; and young and comparatively low-cost labor force. All these characteristics brings Mozambique to a country with potential development perspective, which can be effectively realized through proper planning and management systems being in place so as to identify and undertake the right public and private sector investment programs and projects.

On the other hand, if the development of the large portfolio of investment programs and projects is performed in the absence of adequate planning and governance parameters, and in an un-coordinated manner, there will be a very high risk of creating a complex and detrimental situation of negative competition for resources, misuse and/or under-use of limited infrastructure resources and services, loss of cross-sector synergies and cross-border opportunities as well as large environmental risks.

The Government of Mozambique has therefore concluded that it is important to improve the scope of its development planning and management processes. It is actively pursuing a series of measures and reforms, such as, improving macroeconomic management, tightening the fiscal regime for large investment projects, introducing the Extractive Industries Transparency Initiative (EITI) in the mining sector, revising the Public-Private Partnership law, and introducing a national budget management system (e-Sistafe). A key recent addition to those efforts is undertaking various complementary studies, with support from the World Bank and other donors, on “Growth Poles” and “Development Corridors”. Within that context, the Ministry of Transport and Telecommunications (MTC) has set-up the “Coordination Commission for Studies and Projects” (COCEP) to establish a sustainable institutional capacity on spatial development planning within government and to elaborate a series of concrete proposals for Spatial Development Initiatives (PAD, 2007).

## **The Spatial Development Initiative**

The specific concept of “Spatial Development Initiatives – SDI” was first developed in South Africa in the 1990’s, as an integrated planning tool aimed at promoting investment in regions of the country that were underdeveloped but had potential for growth. The SDI methodology involves a process in which the public sector develops or facilitates enabling conditions for private sector investment and Public-Private-Community Partnerships.

Under this perspective, Mozambique adopted the Spatial Development Initiative (SDI) methodology which the aim is to investigate in a sustainable manner the economic potential of a specific area or zone, normally called as Development Corridor. SDI methodology is guided by the coordinated and synergistic development of investment projects, taking in consideration unrealistic or unrealised economic potential of a supposed Development Corridor, aggregating the necessary infrastructure investment projects. To succeed with the SDIs, anchor project or group of anchors bringing the viability of the necessary infrastructure projects, need to be well considered.

Anchor projects are generally private sector investments (though they may be in conjunction with the public sector as Public Private Partnerships) that utilize the physical, human, natural and infrastructure resources of a development corridor to generate additional productivity and economic activity. They provide infrastructure projects in the corridor (e.g., road or rail transport, power, water) with the revenue streams to justify their operation and expansion. Anchor projects in Mozambique are often in the resources sector (such as for mining or gas). However, other examples are power generation, industry, agriculture and forestry, and the development and operation of ports; large scale metropolitan markets and commercial and service centres can also, in effect, act as anchor projects.

## **The need for an Umbrella Strategic Environmental Assessment (SESA)**

As defined by different authors, Strategic Environmental Assessment (SEA) is a process where the potential environmental policies, plans and programmes are reviewed against prevailing conditions in the environment at higher levels of decision making. From this, frameworks are established to guide the management of development. SEA also provides the means to incorporate the environmental and social objectives of districts and regions into the economic policy, planning and investment decision making processes.

Using this context, to validate and make the development of the SDI viable, an Umbrella Strategic Environmental and Social Assessment (SESA) needed to be carried out to incorporate key environment and social considerations at a national level as well as SESAs for individual corridors. The programmatic SESA would identify environmental investment opportunities and promote environmentally sustainable and socially responsible development. It would also promote harmonisation of sector-specific policies in order to support integration of sustainable resource use in corridors development planning processes. The SESAs for individual Corridors are also expected to promote long-term integrated development planning for sustainable economic growth and poverty reduction in seven development corridors namely,

Libombos, Beira, Zambezia, Nacala , Mueda and North-Sul in Mozambique.

The main objective of the Umbrella SESA was to:

- Identify strategically relevant environmental and social issues to incorporate in the development of SDP investment priorities;
- Identify environmental and social investment opportunities to promote sustainable development in development corridors; and
- Promote the harmonization of the national development strategy and sector-specific policies in the SDP in order to support the integration of sustainable resource use in the development corridor planning process.

### **Methodology used for the Umbrella Sesa**

The methodology used for the general SESA was based on the strategic thinking model, developed by Partidário (2012), for strategic environmental assessment. This methodology has three main stages: context and strategic focus; pathways for sustainability and guidelines; and the follow-up stage, through continuous engagement, process links, monitoring, control and evaluation. The first stage included the establishment of a strategic reference framework – the macro-policies that drive the assessment, a governance framework – the organizations responsibilities and competences as relevant for SESA, the problem framework – including problems, sensitivities and potentials, which culminate in the establishment of an assessment framework based on critical factors for decision-making. The second stage included a situational and stakeholder trend analysis, assessment of strategic options in terms of risks and opportunities and guidelines for follow-up action in terms of monitoring, evaluation and governance (policy action).

### **CHALLENGES IN IMPLEMENTATION OF THE GENERAL SESA**

The Implementation of the methodology in the general SESA of the Spatial Development Program faced three main challenges.

- (i) the broad level needed, and used, for this general SESA which is not usual when comparing to other SESA experiences. But this general SESA of the Spatial Development Program focused on the broad policy and governance strategic assessment framework that would need to be understood and planned to enable a context within which corridor developments – and their respective SESAs – will take place.
- (II) the limited material available on the SDI and the development corridors even though the program has been underway since 2009. Four of the seven corridors included in the SESA are largely conceptual (Libombos, Mueda, North/South and Zambézia), and information on the other three (Beira, Maputo, Nacala) is generally limited, in part because the sector scans for these corridors were under development. Draft sector scans were made available for Beira, Maputo, Zambezia and Nacala corridors only at a later stage of this SESA.
- (III) the development of an environmental and social trend analysis and priority

setting for strategic options, as well as the identification and discussion of strategic options per se. The information on environmental and social aspects is quite dispersed and often difficult to collect, depending on complicated permission processes and difficult communication.

In addition, SESA refers that the three challenges complicated the delivery of the above methodology. In particular, the step concerning the development of scenarios and identification of strategic options in the second stage was difficult to address.

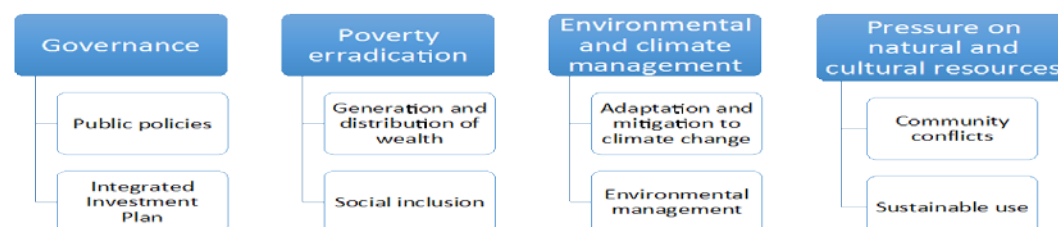
### **ASSESSMENT FRAMEWORK – CRITICAL DECISION FACTORS**

Drawing on the problem framework, the strategic reference framework, the gap analysis and priorities in particular, the general SESA was structured around critical decision factors (CDF), assessment criteria and indicators. The CDF act as windows of observation to focus attention on the strategic environment and sustainability issues that matter in the assessment. CDF also set a framework for strategic assessment in terms of opportunities and risks, and establish a structure for the presentation of results.

The four CDF are: governance, poverty eradication, environmental and climate management, and pressure on natural and cultural resources. These CDFs, with its associated assessment criteria, were the basis of the assessment of opportunities and risks of development corridor activities.

These CDF were identified because they relate to:

- Relevant macro-policies in Mozambique identified in the Strategic Reference Framework (SRF), including international commitments (e.g., climate change, biodiversity);
- Priority problems identified (e.g., the sustainability of local communities livelihoods, pressured cultural and natural resources, environmental sensitivities and institutional coordination deficit); and
- SDP priorities in particular concerning development corridors (e.g., poverty eradication, wealth creation, improved institutional capacity, and public instruments for synergistic development of investment projects).



## **ASSESSMENT OF THE SDI**

### **GOVERNANCE**

If government intentions are implemented as planned, this program of investments will enable improved harmonization of sectoral policies, creation of increased institutional and legal capacities, and the adoption of spatial planning as well as fiscal and economic instruments. Investment decisions will take into account environmental and social issues, through participated and collaborative planning and development processes, enhancing communities knowledge to enable better participation, while at the same time increasing a climate of confidence for the private sector investment by providing a planning context and an environment of trust.

### **POVERTY ERADICATION**

Poverty eradication is a priority of the SDI program and development corridors. Opportunities are that short term employment will be generated, particularly in construction activities within the next 20 years, several infrastructures (sewage systems, water supply, waste management, electricity supply, accessibility) and public services (health, education security) will be developed as environmental investment opportunities, social programs including entrepreneurship and social innovation, education and capacity-building and access to new markets and services as well as new consumption dynamics, all stand as opportunities that can help eradicate poverty.

### **ENVIRONMENT AND CLIMATE MANAGEMENT**

If investment programs establish that mitigation and adaptation to climate change are developed and enforced, then opportunities can be generated in terms of improved sustainable energy management and consumption, and better energy efficiency, with improved situation concerning vulnerability of people, land and goods to climatic extreme events, while Mozambique will also ensure its contribution to international commitments. There is also an opportunity to enable the carbon offset through for example the REDD+ programs associated to forestry and agriculture development.

### **PRESSURE ON NATURAL AND CULTURAL RESOURCES**

Many conflicts with local communities regarding the use of natural resources are already evident in Mozambique, considering that local communities are extremely dependent on natural resources for their livelihood. More than 90% of Mozambican population depend on natural resources for local economy. All activities that are resource-intensive, such as mining and agriculture or forestry farming are likely to generate significant conflicts with local communities.

It is likely that if good spatial planning is adopted, as good governance implies, and if sustainable resources management policies are developed and adopted, across sectoral ministries, to ensure the maintenance of a level of resources that is looking at its use by future generations, and if the community livelihood dependence on natural and cultural resources is respected and supported through adequate policy for local content and social and local economy programs, than the SDI program will be bringing opportunities.

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