

# Mozambique's [Country Forest Note](#): A Step Forward (with hope for more)

By Ladd Connell, [lconnell@bankinformationcenter.org](mailto:lconnell@bankinformationcenter.org)

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Mozambique is an important forest country, easily in the top 25 globally<sup>1</sup>. According to the World Bank's Country Forest Note (June 22, 2018)<sup>2</sup>, it has 32 million hectares (320,000 km<sup>2</sup>) of forest, covering 40% of its land area.<sup>3</sup> It is also losing forest at a fairly rapid clip, with 2.9M ha. lost from 2001-17, and an annual loss rate of 0.79%.

Mozambique's forests are recognized for their high biodiversity (Afro-montane, [miombo](#), coastal wet & dry), provide significant ecosystem services (climate, water, and soil regulation/protection), cash and non-cash (subsistence) income, and formal employment (22,000 people).<sup>4</sup> Mozambique's mangroves are Africa's second largest and provide coastal protection, fish nursery habitat, and carbon sequestration, among other services.

Mozambique is also a low-income country with high demographic pressure and significant reliance on extractive industries and agriculture<sup>5</sup>, all of which increase risk of deforestation. In this context, the World Bank's publication of the Mozambique [Country Forest Note](#) (CFN) is highly welcome since Mozambique's forests, properly managed, can contribute to Mozambique's development, exports, eco-tourism, and livelihoods, as the CFN (pp 6-7, 12-14) makes clear. Conversely, continued or increased deforestation will undermine progress in these areas.

The Mozambique CFN is valuable for several other reasons as well: It

- Aligns with the WB Forest Action Plan, addressing actions needed both inside the forest sector and outside, such as land rights registration, agriculture (agro-forestry), and tourism;
- highlights the importance of ecosystem services to Mozambique's development;
- addresses key cross-cutting themes, namely climate change & resilience, rights & participation, and institutions & governance;
- summarizes (p. 20) policy reforms already undertaken and the need for their implementation, including through community-based natural resource management--which may require several years--as a precondition to sustainable development;

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<https://www.profor.info/knowledge/mozambique-forest-sector-review-and-knowledge-management>, accessed 10/29/18

- acknowledges (p. 21) the positive role of civil society;
- emphasizes the need for integrated landscape management (ILM), identifies priority landscapes (e.g. Zambezia and Cabo Delgado Provinces), and outlines a program for ILM to be implemented in them;
- supports and integrates Mozambique’s National REDD+ Strategy and Nationally Determined Contribution under the UNFCCC Paris Accord, which call for reducing deforestation by 40% and restoring 1 million ha. of forest by 2030;
- describes clearly the Bank’s forest-related engagement, divided among analytic work (land-use planning), technical assistance (REDD+ readiness), investments, and results-based finance (REDD+ ER payments); and
- notes the need for additional resources to mainstream forests in other sectors, notably agriculture and energy.

While the CFN does cover all these, some important issues still need to be addressed, or addressed more fully, such as how to:

- develop alternatives to charcoal, including other renewable sources, and finance or attract investment in an affordable clean cookstoves program;
- reduce/eliminate slash-and-burn agriculture;
- provide for cleaner and greener transport and energy infrastructure, including a development path that doesn’t rely on coal mining/coal exports;
- promote eco-tourism, where viable, over logging;
- ensure conservation of Mozambique’s coastal mangroves and the values they provide;
- scale up land-use planning and integrated landscape management beyond the initial two provinces; and
- integrate WB efforts with those of other donors/partners.

The CFN also does not propose any new or augmented WB programs. Instead, it describes those existing, and makes policy recommendations (p. 24) to the Gov’t of Mozambique in the areas of natural forest management, biomass energy, and agriculture.

In the end, what matters is whether the GoM and the Bank itself act on these recommendations, and indications are mostly positive. Per the CFN, the “GoM is showing unprecedented levels of commitment to addressing long-standing issues in the sector through policy reform and investments on the ground.” At the same time, “The Bank is actively responding to this opportunity by assisting the GoM to access Bank financing and to mobilize resources from other development partners.” (CFN, p.4)

As evidence of this, we find that in the Bank’s FY19 project pipeline, 4 of 8 projects (totaling \$225 million, close to 40% of proposed commitments) are likely to reduce deforestation pressure, and none increase it. Of WB projects Mozambique approved since the Forest Action Plan through FY2018, 5 of 12 projects with combined commitments of \$264.5 million reduce pressure on forests (or increase their sustainability), while only two totaling \$178M increase deforestation risk.

This is an improvement compared to pre-FAP active projects, among which those reducing forest risk (7 projects) totaled \$255.6M (18% of pre-FAP active projects) while those increasing risk (5 projects) totaled \$304M (21%). The projects increasing forest risk were concentrated in two areas: mining & gas technical assistance, and road-building. Depending on specific objectives and how these are carried out, even these could reduce risk to forests compared to a no-project scenario.

As for GoM efforts, evidence is mixed. For example, in June, Mozambique signed a Memorandum of Understanding with China which has the potential to help make Mozambique's timber industry more sustainable by establishing efficient processing facilities in-country that are less wasteful, using fewer trees for the same production, and increasing local income.<sup>6</sup> At the same time, however, higher efficiency may incentivize more rapid forest depletion.

A similar concern arises with a mega-project that the International Finance Corp. helped to develop in (pre-)feasibility phases<sup>7</sup>: a \$5 billion railroad construction project, including 230 km. of greenfield lines (through previously undeveloped areas), of which 80% of capacity is devoted to transporting coal, primarily for export. While railroad development is generally welcome as a transportation infrastructure choice, building lines that are devoted overwhelmingly to export of coal from foreign-owned mines accelerates environmental destruction both locally and globally while contributing little to Mozambican incomes or capital. One wonders whether the tax and other revenues that the GoM receives from the coal mine or railroad will come close to offsetting the loss of natural capital and opportunity cost of not pursuing more sustainable development projects.

While such developments might be assumed to be beyond the scope of a CFN, the WB Forest Action Plan states (pp 52-53) that CFNs are to provide options to minimize trade-offs by *assessing the potential adverse impacts of sector investments on natural forests, [and] foster a development model that aims to reconcile economic opportunities (and needs) with healthy forest ecosystems. The upstream, evidence-based considerations of various investment options can be used to guide the development of forest-smart projects and programs in a more consistent manner. [emphasis added]*

Given the scale and impacts of the coal mine investments, the failure of the CFN to address them and their alternatives is a missed opportunity. Likewise, directly addressing measures needed to expand use of clean cookstoves and cleaner fuels (than charcoal) beyond three bullet points would make this CFN more valuable as a guide to "development of forest-smart projects." Examples of "upstream, evidence-based" options that minimize tradeoffs and advance sustainable development should be set forth. For example, the Overseas Development Institute has suggested:

[E]conomic growth in Mozambique during the last 15 or more years has been based too narrowly on minerals and energy to create enough jobs to reduce poverty, especially amongst the majority of the rural poor who are small farmers. [T]he productivity of much

small-scale agriculture is sufficiently low that it is possible not only to reduce net emissions but also to raise productivity with appropriate farming systems including those that use elements of conservation agriculture and agro-forestry to reduce emissions, capture carbon, and raise production. ...[M]odest investments in changing farming systems would not only achieve environmental objectives, but also raise rates of growth, create more jobs for poor people, and enhance food security.<sup>8</sup>

This CFN remains a valuable step forward in helping to plan for sustainable forests and forest smart investments. One hopes that it and future CFNs do not shy away from challenges and lead to more comprehensive and ambitious steps being taken toward sustainable development.

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1. Mozambique's exact forest ranking depends on definition and data source.
  2. World Bank. 2018. *Mozambique - Country forest note (English)* [hereafter, CFN]. Washington, D.C.: World Bank Group.  
<http://documents.worldbank.org/curated/en/693491530168545091/Mozambique-Country-forest-note>
  3. Mozambique has total land area of 801,590 km<sup>2</sup>, ranking 35<sup>th</sup> globally. Its forest area at 320,000km<sup>2</sup> (110,000 mi.<sup>2</sup>) is larger than the entire land area of Poland or Italy.
  4. Forest loss total, 2.88M ha., is from [Global Forest Watch](#). Annual rate and forest characteristics are from CFN, p.3.
  5. Mozambique's GDP per capita stood at US\$519 in 2017 (\$1,136 on a purchasing power parity basis) and its fertility rate was 5.9, one of the highest in the world [sources: GDP data-- [Trading Economics](#), accessed 9/26/18; fertility and sectoral data-- [Mozambique Economic Update](#) (pp. 2-5), World Bank, Dec. 2017].
  6. "[New Agreement with China: Opportunity to Save Mozambique's Forests](#)," by [Duncan Macqueen](#), Aug. 9, 2018, Inter-Press Service News Agency; accessed 9/27/18.
  7. To IFC's credit, it abandoned this project. In its place, the African Development Bank provided \$300M to project sponsors and facilitated loan syndication with private sector banks.
  8. [Emissions, mitigation and low carbon growth: Mozambique](#), August 2010 to May 2011, Steve Wiggins, Lindsay Chant, Scott McDonald and Julia Wright, Overseas Development Institute (ODI), accessed 9/27/18.