

**DRAFT**

## Terms of Reference

Working Title: Regional Planning, Economic Reconstruction and Stabilization  
Working Group

### 1. Background

Northern Mozambique gained international visibility in the early 2010s with the discovery of multiple large-scale natural resource reserves. In 2011, Eni discovered 100 trillion cubic feet of natural gas off the coast of Cabo Delgado, representing the third largest natural gas reserves in Africa. The resultant Mozambique LNG and Rovuma LNG megaprojects are expected to make Mozambique one of the largest producers of liquified natural gas in the world. In addition to the natural gas, Cabo Delgado has received increased interest in graphite and ruby extraction starting with the 2011 Montepuez Ruby Mining investment. Graphite soon followed with two current graphite exploration projects taking place in Balama and Ancuabe.

The North's path towards realizing the growth promised by the discovery of such rich natural resources has been obstructed by multiple challenges. As of October 2017, Cabo Delgado has been marred by terrorist attacks that have subsequently increased in scale and frequency, affecting eleven out of the sixteen districts in the province and causing the displacement of more than 700,000 people. In 2019 the province was also struck by Cyclone Kenneth, causing damages estimated at more than USD 100 million. Year 2020 saw the advent of the COVID-19 pandemic, depleting the province's tourism revenue and exerting downward pressure on global gas prices, creating uncertainty around the economic viability of the region's LNG megaprojects.

Amid these difficulties, the March 2021 terrorist attacks on the town of Palma caused the suspension of operations on the Mozambique LNG project. Prior to this ExxonMobil's final investment decision into Rovuma LNG was delayed until at least 2023. Although the offshore exploration of Coral South remains on track to start operations in 2022, the attacks and subsequent suspension are still estimated to have caused a loss of US\$ 148m to the Mozambican economy as per the Confederation of Economic Associations of Mozambique (*CTA in Portuguese*).

It is in the context of enormous development opportunity and growing economic and security uncertainty that the Multi-stakeholder Platform (MSP) for the North was set up in 2019, with the support of USAID, the Dutch Embassy in Mozambique, the AfDB and TotalEnergies, to create synergies between private sector and public sector actors, Civil Society Organizations (CSOs) and Non-Governmental Organizations (NGOs) in the pursuit of a sustainable and inclusive development of the three Northern provinces of the country, namely Cabo Delgado, Niassa and Nampula. The platform has launched **four thematically focused working groups (WGs)** that meet both virtually and in person, creating stakeholder-driven content and incubated programming, namely Local Content, SME

Financing and Pemba – Lichinga Corridor. The fourth one is the Palma District Planning WG, which focuses on discussing and integrating existing spatial plans for the district of Palma and has been championed by TotalEnergies since its inception.

The WG has led several consultations on the spatial planning challenges in the district and has engaged with a variety of stakeholders from the GoM ministries (e.g. Ministry of Land and Environment), the provincial and district authorities and leading development partners and experts on territorial planning, infrastructure development and related topics. The various analyses can be accessed [here](#).

Given the changes in the security context, it is proposed to widen the thematic scope of the Palma Planning WG in order to cover issues such as economic reconstruction in addition to spatial planning and infrastructure development and its geographic scope to the province of Cabo Delgado instead of Palma district only. In the future, the WG can also expand to Nampula and Niassa provinces, provided that there is interest from the members.

The paragraphs below provide the details of the re-defined Terms of Reference for the WG.

## 2. Objective

The WG is meant to be a forum for information sharing, exchange of ideas and co-creation of thought pieces and project design among Government of Mozambique institutions, including relevant ministries, coordinating and implementing agencies and funds, the provincial and district authorities, local level authorities in the province of Cabo Delgado, private sector companies and associations, NGOs and CSOs and other grass-roots organizations, representing communities.

**The thematic focus of the WG is the promotion of the economic reconstruction of the province of Cabo Delgado,** including the enabling environment for private sector growth, the promotion of integrated regional planning, including the development and implementation of spatial plans, as well as the diversification of the province's economy.

The key outcomes of the WG are as follows:

- Improved integration of mega projects into national and provincial development plans
- Strengthened regional and district planning (urban, rural, development corridors, such as Pemba – Palma)
- Improved enabling environment for private sector, including security conditions
- Opportunities and pathways identified for stabilization of conflict-affected districts, rebuilding of livelihoods and for diversification of Cabo Delgado's economy
- Strengthened capacities of key GoM institutions at central, provincial, district and local level to plan and implement development, spatial and infrastructure plans and investments/projects and engage with private sector actors

Key deliverables of the WG in the 2022/2023 period include:

- Workshop on the challenges and opportunities in the stabilization and infrastructure reconstruction of the conflict-affected districts of Cabo Delgado province (identification of priorities and lead institutions and partners, potential funding streams, key stabilization and infrastructure projects and initiatives identified/mapped and support for local communities and private sector's return to the areas.

- Spatial plans developed or updated for conflict-affected districts along the Pemba-Palma corridor as a priority given the stabilization needs, namely Quissanga, Macomia, Muidumbe, Mocimboa da Praia, Nangade and Palma
- Technical assistance provided to key GoM institutions on spatial planning and on infrastructure development, financing and implementation/oversight of infrastructure projects

### **3. Sub-Thematic Areas of the WG**

#### **3.1. Spatial Planning**

Spatial planning is defined as setting the strategic direction for the development of a given geographic area, defining the policies, priorities, programs and land allocations that will implement the strategic direction and influence the distribution of people and activities in spaces of various scales. Spatial plans is the “umbrella term” used today for territorial planning, land use planning, urban planning, regional planning, environmental planning, landscape-level planning, and marine spatial planning (ocean planning).

The GoM and the provincial authorities of Cabo Delgado province have developed several plans to guide public sector and private sector actors in their respective spheres of action and projects. A workshop organized by the Palma Planning WG of the MSP in February 2021 concluded that there is a need for consolidation of the various plans into a single overarching and encompassing planning instrument for Palma district. Similarly, there is a need for consolidation of the plans for the conflict-affected districts due to the direct impact of the conflict on the security, social and economic fabric, and subsequently at the provincial level.

Due to the conflict affecting the district, it is proposed that in the coming months, the focus of the WG in the area of spatial planning will shift to:

- Mapping of existing spatial plans and planning opportunities for the province of CD, particularly for areas benefiting from public and private sector investments, in particular the districts most affected by the conflict
- Addressing the planning needs of rural and urban centers and communities facing increased service delivery needs from internally displaced persons (IDPs)
- Facilitating linkages between territorial planning, infrastructure development and economic reconstruction (e.g. development of investment corridors, special economic zones, etc.)

#### **3.2. Economic Reconstruction**

Economic reconstruction includes the provision of assistance to boost income-generation activities of the local communities, the restoration of physical infrastructure and facilities, the reestablishment of social services, the creation of appropriate conditions for the private sector development and the provision of support to SMEs (access to finance, capacity development, integration of the segment in value chains and sectors). It also involves the implementation of essential structural reforms for macroeconomic stability and sustainable growth.

It is proposed that the WG will look into economic reconstruction from the angle of creating the appropriate conditions for the growth of the private sector operators and (re-)building the livelihoods and creating jobs for local communities, particularly for youth and women, in the province.

Topics in relation to SME financing and integration into oil and gas sector and other value chains are outside of the thematic focus of this WG since they are under the purview of the SME Financing and Local Content WGs of the MSP.

### **3.3. Infrastructure**

Along with supportive economic and financial policies, infrastructure (electricity, water, sanitation, telecommunications and IT, and transportation - roads, railways, airports and ports) have long been recognized as a key element of the enabling environment for economic growth and for the reduction of poverty and income inequalities. Infrastructure can contribute directly by providing and supporting the delivery of key services, such as those seeking to increase households' access to safe drinking water, basic sanitation, and secure land rights. The education and health sectors rely on services that require basic infrastructure—water and sanitation to prevent diseases, electricity to serve schools and health centers, and roads to access them.

Four of the Sustainable Development Goals (SDGs) are directly related to infrastructure, namely Goals 6 (Clean Water and Sanitation), 7 (Affordable and Clean Energy), 9 (Industry, Innovation and Infrastructure), and Goal 11 (Sustainable cities and communities).

Infrastructure needs in Cabo Delgado are consistently ranked among the top barriers and priorities for investment from the private sector actors. A recent survey by the MSP re-confirmed that SMEs consider the lack of infrastructure among the key barriers for their economic performance along with lack of access to finance and the continuing uncertainty from the conflict.

In this regard the WG will focus its efforts on:

- Identifying the critical infrastructure needs, assets and potential investment pathways for their rebuilding in the conflict-affected districts as a priority and then the province
- Supporting public and private sector actors in defining criteria for prioritization of investments in infrastructure and in holding the appropriate consultations to this end
- Localizing standards for climate-resilient infrastructure considering the high risk of natural disasters in the Northern region of Mozambique
- Identifying best practices and methods for infrastructure development that involve local labor and local supply of goods and services to benefit local communities and businesses

### **3.4. Stabilization**

Stabilization has various definitions in both policy and academic circles. Broadly, it can be understood as a set of policy goals and interventions aimed at ensuring public and social order in a conflict-affected zone, which can range from interventions of domestic and international security forces and their adherence to international human rights and humanitarian law instruments, to conflict prevention, peacebuilding and capacity building of state and non-state actors in areas of rule of law, service delivery, social cohesion and peace negotiations, etc. Stabilization also typically involves joint civilian-military coordination.

For the purpose of the WG, it is proposed that the following topics are discussed (non-exhaustive list):

- Information exchange on strategies, policies and programs addressing the conflict drivers
- Security conditions for public and private sector actors, as well as local communities and vulnerable groups

- Approaches to stabilization in conflict zones and their applicability in the context of Cabo Delgado, including human rights-based approaches.

#### **4. Membership**

Membership of the WG is open to all institutions and organizations with a mandate and/or projects and initiatives focusing on spatial planning, economic reconstruction, stabilization and development and maintenance of infrastructure.

The organizations need to register at the [MSP website](#) to be able to receive information and participate in the WG's meetings and other events.

#### **5. Champions of the WG**

A WG champion is an organization that has a particular interest in the thematic objectives of the WG, voluntarily becoming a focal point for the group. There can be more than one WG champion and in principle, co-championship is desirable since it allows for sharing of the responsibilities and building a broader ownership of the group's deliverables.

The Champion(s) is/are responsible for driving the agenda of the group and for building consensus among its members, as well as leading the development of thought pieces, project design and other deliverables with support of the secretariat. Since its inception, Palma Planning's most prominent champion has been TotalEnergies, as their presence and interest in the development of the district drove them to participate actively in the design and organization of the WG. For the efficient running of the group, it will be important to incentivize other prominent members to take on the role of co-champions and closely collaborate in the co-creation of relevant content.

The Palma Planning working group has thus far been well attended by a multi-sectoral group of stakeholders. Meetings have drawn attention from Government bodies, such as *Ministério da Terra e Ambiente* (MTA) and *Administração Nacional de Estradas* (ANE), which have been open to discuss existing plans and share information on their own strategic priorities. At the local level, the group was also closely followed by *Direcção Provincial de Terra, Ambiente e Desenvolvimento Rural* (DPTADER) and the administration of Palma district. Organizations, such as the World Bank and UN HABITAT, both of which have strong urban and spatial planning mandates, have also taken a keen interest in contributing towards the discussions. It will be important that the group engages these and other institutions, such as local NGOs or CSOs to embrace the position of champions.

#### **6. Secretariat of the WG**

The secretariat of the MSP is also the secretariat of the WG and supports its Champion(s) and members in developing the agenda, work plan and joint deliverables of the WG.

The secretariat in consultation with the WG Champion(s) and its members is responsible for preparing the draft meeting agendas and organizing its meetings; elaboration of meeting minutes, specific deliverables assigned to it and for the circulation of information among the WGs' members through the MSP Newsletters and other means as necessary.

The secretariat can be contacted at [secretariat@mspmoz.org](mailto:secretariat@mspmoz.org).

#### **7. Modalities of the WG meetings**

The WG meetings can be in person or virtual depending on the decision of its members and will abide by the COVID-19 measures in vigor. Meetings of the WG will be convened at least 5 days in advance by the secretariat and a draft agenda circulated along with the invitation.

Meetings will take place every quarter and more often if necessary. Extraordinary meetings will be held upon request by members of the WG and convened by the secretariat in agreement with the WG's champion(s).

Draft meeting minutes will be circulated within 5 days from the meeting and WG members will have 3 days to review them and provide comments in writing.

#### **8. Information sharing and publication**

The terms of reference, the agenda and meeting minutes, presentations, reports and other deliverables elaborated by the secretariat, the WG or its members will be shared among its members and once final, published on the [MSP website](#).

If a member of the WG does not want specific information to be published, it should inform in advance and in writing the secretariat at the email address above.