

**U.S. Position on AfDB's Investment in
Mozambique's Nacala Transport Corridor Project III
December 5, 2012**

The United States supports this project, which will upgrade a major regional corridor and should convey significant benefits, including reduced user costs, increased access to social services, and responses to projected traffic increases.

Project staff have made good use of the lessons learned from previous projects. The United States welcomes the inclusion of the road safety component, the HIV/AIDS awareness campaign, and the attention to gender issues and lauds the intention to retain a procurement specialist and the commitment to provide technical and financial audits.

The United States also appreciates that a full environmental and social impact assessment (ESIA) was prepared that looked at alternatives, and that World Wildlife Fund and local nongovernmental organizations will be monitoring implementation. It will be important to make sure that the road does not lead to environmental impacts through the nearby commercial logging enterprises.

However, the United States believes the environmental assessments for road projects need to be more comprehensive and include analysis of induced impacts and identification of impacts and mitigations needed during the operational phase. In this case there is some discussion in the ESIA and mitigation plan, but it should have looked more in depth at these issues. Staff also need to make sure that resettlement compensation is provided before construction begins, as indicated in the project documents.