

Anexo A

MICOA Aprovação do Relatório EPDA

REPUBLIC OF MOZAMBIQUE
MINISTRY FOR COORDINATION OF ENVIRONMENTAL AFFAIRS
MINISTER'S OFFICE

TO:
Riversdale Moçambique, Lda.
Maputo

Our/Reference No. 190/GM/MICOA/10

Maputo, September 13, 2010

Subject: Environmental Pre-Feasibility Study and Scoping (“EPDA”) and Terms of Reference (ToRs) for the Riversdale’s Coal Fluvial Transport Project on the Zambezi River, Mozambique

Dear Sirs,

The Ministry for Coordination of Environmental Affairs (MICOA) received a document from Your Excellencies concerning the above-mentioned Project, which has received the appropriate technical analysis.

After a revision done under the Article number 15 of the Regulation on the Procedure for Environmental Impact Assessment, MICOA informs Your Excellencies that the current document has been approved, however it is recommended that for the Environmental Impact Assessment (EIA) all questions presented on the attached review report are complied, as well as for the “EPDA” and respective Terms of Reference.

To continue the environmental licensing process, Your Excellency should submit eighteen (18) copies of the REIA on A4 paper, and one (1) electronic copy to DNAIA, and six (6) copies in paper form should be submitted to the Provincial Directorates for the Coordination of Environmental Action of Sofala, Manica, Zambézia and Tete.

Yours sincerely,

The Vice-Minister

Dra. Ana Paulo Samo Gudo Chichava

CC: Your Excellencies

The Minister of Transports and Communications
The Minister of Fisheries
The Minister of Public Works and Housing
The Minister of Tourism
The Minister of Agriculture
The Minister of Health
The Minister of Industry and Commerce
The Minister of Education
The Governor of Tete Province
The Governor for Manica Province
The Governor for Sofala Province

The Governor for Zambezia Province

C.C: Hon. Vice-chancellor of Eduardo Mondlane University

Subject: Report on Review of the Pre-Feasibility Environmental Study and Scoping (EPDA) and Terms of Reference (ToR) for the Riversdale's Coal Fluvial Transport Project on the Zambezi River, Mozambique.

1. Introduction

The project above mentioned, submitted to the DNAIA for consideration and approval, was designed as part of the process of the Environmental Impact Assessment Study for the Transport of Coal by barges on the Zambezi River, on behalf of Riversdale Mozambique Limited, a subsidiary of the Riversdale Mining Limited, listed on the Australian Stock Exchange with 65%, and Tata Steel Limited, a steel manufacturer in India, with 35%.

The main activities associated with the project during the construction phase include:

- Initial capital dredging of the river on determined locations between Benga and Chinde, to a depth between 3.5 and 5.5 m, necessary for navigation;
- Initial capital dredging of the sandbar at the mouth of Rio Chinde, if necessary;
- Construction of facilities from the point of unloading and the anchor points on the Zambezi River in Benga;
- Construction of anchor points on both sides of the Dona Ana Bridge;
- Construction of support infrastructure and associated facilities at the river's northern margin in Chinde;
- Dock a floating platform between 15 and 18 m along the coast of Chinde.

2. Formation of the review team of the EPDA and ToR

The following Technical Evaluation Committee was formed and consisting of the following MICOA's directorates: the National Directorate for Environmental Impact Assessment, the National Directorate for Environmental Management, the National Directorate for Planning and Territorial Ordination, the Provincial Directorate for Coordination of Environmental Action of Tete, the Provincial Directorate for Coordination of Environmental Action of Manica, the Provincial Directorate for Coordination of Environmental Action of Sofala, the Provincial Directorate for Coordination of Environmental Action of Zambezia and the National Directorate for Water (Ministry of Public Works and Housing), the National Institute of Hydrography and Navigation, the National Institute of Marine (Ministry of Transport and Communications), the National Directorate for Conservation Areas (Ministry of Tourism), the National Directorate of Agrarian Services (Ministry of Agriculture), Faculty of Biology of the Eduardo Mondlane University (Ministry of Education), the National Directorate of Commerce (Ministry of Industry and Commerce), the National Directorate of Fisheries Economics, the Fisheries Research Institute, the National Directorate of Fisheries Administration, the Institute for Development of Small Scale Fisheries (Ministry of Fisheries) and the National Directorate of Public Health (Ministry of Health).

3. Context of preparing the EPDA and ToR report

This document was prepared in the preliminary phase of the activity.

4. Public Participation

It is included on the Annex B the information about the process of public consultation done during the EPDA phase.

5. Alternatives

According to the nature of the project, alternatives regarding the configuration of the ground facilities to support Chinde, and technological alternatives to dredging, barges and equipment design of the floating platform will be considered in the REIA.

Given the large amount of petroleum resources in the area, Riversdale will you use the Sena Railway Line, the Nacala Corridor and the Zambezi River by barge, and the three routes will be complementary and not alternative.

6. Description of the Affected Environment

The project and influence areas are delineated in Maps. The patterns of land use in the catchment area are identified in the report, as well as aspects related to climate, weather systems, physical oceanography, Zambezi river system, geology and geomorphology, soil erosion and sedimentation, vegetation, aquatic vegetation, riparian fauna, avifauna, environmentally sensitive systems including socioeconomic aspects.

7. Evaluation of the Team of consultants responsible for the EDPA and TdR

The EDPA and ToR were drafted by a team of independent consultants, Impacto, Ltd., and ERM, both registered in MICOA in accordance with Decree 45/2004 of 29th of September.

8. Comments

- a) Figure 4.3 presents a map that indicates the point of loading. However, the same is not clear, which makes it difficult to visualize and evaluate its compatibility with other existing infrastructures;
- b) On page 17, the points 3.4 "Water Resources 3.4.5" should be included on the section 3.3 "National Legal Framework", since these are legal issues;
- c) On the same page, the words "Recursos Aquáticos" should be replaced by "Recursos Hídricos";
- d) On annex A, on 1.3.2 "Field Studies" it is made reference to the description of the Terms of Reference for Specialized Studies in Chapter 2. However, the same are described on Chapter 3 of the document, whereas the second describes the Methodology for Impact Assessment;
- e) The symbols ESIA (page iii) and EISA (page 10) are not included on the list of acronyms and abbreviations;
- f) The document presents a few sentences in English, eg. Pages iii and iv.

9. Notice of Results

The EPDA and ToR comply with the legislation in Articles 10 and 11 of the Regulation on the Procedure for Environmental Impact Assessment and present relevant information to be detailed in the EIA.

10. Conclusions and recommendations of the review team

This study provides information and baseline data about the area of project implementation, including some initial proposals for environmental impact assessment, with an approach for some environmental and social factors of relevance. This study also provides sufficient information for making a favourable decision to the approval of the EPDA and ToR, and the continuation of further studies, and therefore it is recommended for the structuring of the Report on Environmental Impact Assessment (REIA) the following:

1. Compliance with the Regulation on the Process for Environmental Impact Assessment approved by Decree 45/2004 of 29th of September from the General Directive for the Elaboration of Environmental Impact Studies and the General Directive for the process of Public Participation;
2. Submission of the methodology used in the identification of impacts;
3. Further details of the physical and biotic descriptors of the location for project implementation.
4. Inclusion in the chapter on "other Regulations of interest to the Environmental Management", of the Regulation of Law on Territorial Planning, since some of the infrastructure of the project will be implemented on the ground and within a Territory;
5. Submission of the identified species in scientific names but also in vernacular and local names;
6. Submission through a location map of infrastructures, of all components of the project to be built, including the exact location of the floating platform in geographical coordinates;
7. Submission of measures for minimizing dust during injection of coal into barges, including other safety measures so that the transport of coal can be made in environmentally sound conditions;
8. Evaluation of impacts of extreme events on the navigability of the river;
9. Completion of an integrated study on the dynamics and hydrological, hydrogeological, geomorphological and environmental implications including relevant experiments/studies from regions with similar characteristics;
10. Submission of the results from the bathymetrical studies on the initial conditions of the river before the implementation of the project, which will also serve as a baseline for future monitoring;
11. Submission of the implications of dredging on wetlands and other ecological systems and groundwater flow, including its mitigation measures or minimization;
12. Submission and evaluation of disposal sites for dredged volumes and its implications for coastal dynamics;
13. Submission of river water quality data before the implementation of the project, which shall serve as baseline for future monitoring;

14. Evaluation of aspects from changes in flow regime associated with minimum water flows, as well as compatibility between the project for Transport of Benga Coal and the Lupata Dam, including solutions for passage through Lupata canyon, since its location is expected to be located downstream from the point of loading of Benga Coal.
15. Evaluation of water requirements for navigation and other uses of water from the Zambezi (irrigation, fisheries, power generation, human consumption, industrial, etc.) and the mechanisms for managing potential conflict between different users;
16. A detailed assessment of cumulative impacts resulting from various actions planned for the project area, regardless of which entity is responsible;
17. A description of mitigation measures of increased water turbidity during dredging, which could reduce the growth and reproduction rate and survival of the species found there;
18. Submission of the relationship between the effects of dredging and coastal erosion, especially at the mouth (Chinde);
19. The consultation of the report "*Country Situation Report - Water Resources - Volume 3, Zambezi River*", since that contains information related to the management of the Zambezi River, particularly on the navigability on the river;
20. The description of the methodology to be used for determining the concentration of pollutants in the river from possible spillage of fuels and coal;
21. Submission of impacts arising from spills of oil and fuel;
22. The inclusion of measures to be taken in case of accidents during barge detachment at Dona Ana Bridge;
23. Submission of the alternative for subsistence for families around the area of influence of the project during the course of dredging, since their main source of subsistence is the fishing activity;
24. Submission of measures for mitigation /compensation to be undertaken due to interruption of fishing activities from semi-industrial and artisanal fleets, during dredging and transport by barges;
25. Submission of the plans for pollution control, response and emergency, which should be evaluated according to the Convention OPRC 90;
26. The completion of public consultation meetings in all regions to be traversed by the project and at the central level;
27. Guarantee the dispatch of invitations for public consultation meetings to all interested and affected institutions by the project;
28. Consideration for the concerns raised by interested and affected parties during the public consultation meetings in all provinces traversed by the project;
29. Improvement of the quality of pages printed in colour including the legend of some maps;
30. Submission of the program for following up and monitoring of impacts;

31. Submission of the project investment value.

The Technical Review Team:

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Oceanographer

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