



## QUARTERLY REPORT 5

### OCTOBER – DECEMBER 2017

Supporting the Policy Environment for Economic Development (SPEED+)

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## ABBREVIATIONS AND ACRONYMS

AdM	Mozambique Airports Company/Aeroportos de Moçambique
AEO	Authorized Economic Operator
AFAP	African Fertilizer and Agribusiness Partnership
AFORAMO	Association of Private Water Providers/Associação de Fornecedores de Água de Moçambique
AGOA	African Growth and Opportunity Act
AIAS	Water and Sanitation Infrastructure Administration/Administração de Infra-estruturas de Água e Saneamento
AMOS	Mozambique Safari Operators Association/Associação Moçambicana de Operadores de Safari
ANAC	National Conservation Areas Agency/Administração Nacional das Áreas de Conservação
ANSI	American National Standards Institute
ARENE	National Independent Power Regulatory Authority/Autoridade Reguladora de Energia
AT	Tax Authority/Autoridade Tributária
BEE	Business Enabling Environment
BMM	Mozambique Commodity Exchange/Bolsa de Mercadorias de Moçambique
BVM	Mozambique Stock Exchange/Bolsa de Valores de Moçambique
CASP	CTA's Annual Private Sector Conference/Conferência Anual do Sector Privado
CCT	Labor Consultative Council/Comissão Consultiva do Trabalho
CDN	Northern Development Corridor/Corredor de Desenvolvimento do Norte
CMAN	Business Environment Monitoring Council/Conselho de Monitoria do Ambiente de Negócios
CMM	Maputo Municipality/Conselho Municipal de Maputo
CNELEC	National Electricity Council/Conselho Nacional de Electricidade
CRA	Water Supply Regulatory Council/Conselho de Regulação do Abastecimento de Água
CSA	Agriculture Service Centers/Centros dos Serviços Agrários
CTA	Confederation of Business Associations/Confederação das Associações Económicas de Moçambique
DFID	U.K. Department for International Development
DNA	National Directorate of Water/Direcção Nacional de Águas
DNAAS	National Directorate of Water Supply and Sanitation/Direcção Nacional de Abastecimento de Água e Saneamento
DINAT	National Directorate of Land/Direcção Nacional de Terras
DUAT	Land Use and Benefit Rights/Direito de Uso e Aproveitamento da Terra
EdM	Electricity of Mozambique/Electricidade de Moçambique
ESWG	Energy Sector Working Group
FCT	National Consultative Forum on Land/Fórum Consultivo da Terra
FEMOTUR	Mozambique Tourism Federation/Federação Moçambicana de Hotelaria e Turismo
FENAGRI	National Federation of Agricultural Associations/Federação Nacional das Associações Agrárias
FIPAG	The Water Supply Investment and Asset Fund/Fundo de Investimento e Património do Abastecimento de Água
FP2	FastPath 2 methodology
FTF	Feed the Future
GDP	Gross Domestic Product
GETFiT	Global Energy Transfer Feed in Tariff
GRM	Government of the Republic of Mozambique/Governo da República de Moçambique
ICAM	National Aviation Civil Institute/Instituto de Aviação Civil de Moçambique
ICM	Mozambique Institute of Cereals/Instituto de Cereais de Moçambique
IIAM	National Agriculture Research Institute/Instituto de Investigação Agrária de Moçambique
INCAJU	National Cashew Institute/Instituto de Fomento do Caju
INNOQ	National Institute of Standards and Quality/Instituto Nacional de Normalização e Qualidade
IPP	Independent Power Producer
ISPC	Simplified Tax for Small Taxpayers/Imposto Simplificado para Pequenos Contribuintes
MASA	Ministry of Agriculture and Food Security/Ministério de Agricultura e Segurança Alimentar
MIC	Ministry of Industry and Trade/Ministério de Indústria e Comércio
MIREME	Ministry of Energy and Mineral Resources/Ministério dos Recursos Minerais e Energia
MITADER	Ministry of Land, Environment, and Rural Development/Ministério da Terra, Ambiente e Desenvolvimento Rural
MITESS	Minister of Labor, Employment and Social Security
MOU	Memorandum of Understanding
NBSAP	National Biodiversity Strategy and Action Plan

NEP	National Enquiry Point
NNA	National Notification Authority
NQI	National Quality Infrastructure
NTB	Non-tariff barrier
NTFC	National Trade Facilitation Committee
PGR	Attorney General/Procuradoria Geral da República
PNISA	National Agriculture Investment Plan/ <i>Plano Nacional de Investimentos para o Sector Agrário</i>
PPA	Power Purchase Agreement
PPP	Public-Private Partnership
PSI	Pre-Shipment Inspection
PSWG	Public Sector Working Group
PWP	Private Water Provider
RCN	Raw Cashew Nut
REFiT	Renewable Energy Feed in Tariff
SADC	Southern Africa Development Community
SATIH	Southern Africa Trade and Investment Hub (USAID)
SOW	Scope of Work
SOP	Strategic and Operational Plan
SPEED+	Supporting the Policy Environment for Economic Development (USAID)
SPS	Sanitary and Phytosanitary
STTA	Short-term Technical Assistance
TAMIS	Technical and Administrative Management Information System
TBT	Technical Barriers to Trade
TEEN	Nacala Dry Port/ <i>Terminal Especial de Exportação de Nacala</i>
TFA	Trade Facilitation Agreement
TOR	Terms of Reference
USAID	U.S. Agency for International Development
VAT	Value Added Tax
WTO	World Trade Organization



# EXECUTIVE SUMMARY

## INTRODUCTION

The Supporting the Policy Environment for Economic Development (SPEED+) activity is a four-year, \$37.2 million project funded by the United States Agency for International Development's (USAID) Mission in Mozambique (USAID/Mozambique), which runs from August 26, 2016 through August 25, 2020. SPEED+ is designed to create a business enabling environment to attract investment, expand markets, and reduce costs for businesses and citizens, thus contributing to broad-based and inclusive economic growth and conservation of natural resources in Mozambique. SPEED+ provides technical assistance and capacity-building to improve public-private policy dialogue; strengthen the implementation of government policies and regulations; and to support economic and structural policy reforms across four components: (1) agriculture, (2) trade, business enabling environment, (3) power, water, and (4) biodiversity conservation. The project supports multiple global initiatives including the Feed the Future (FTF) Presidential Initiative, Trade Africa, the USAID Biodiversity Policy, the U.S. National Strategy to Combat Wildlife Trafficking, and Power Africa.

## QUARTERLY HIGHLIGHTS

### KEY ACHIEVEMENTS

In Quarter 5, SPEED+ had a number of important achievements on policy reform issues, including:

#### ***Rapid Response to Proposed Foreign Exchange Regulations***

The Central Bank asked CTA to provide comments on draft regulations on foreign exchange, allowing a very short window for the review. CTA asked SPEED+ for support to review the regulations before the deadline. Within 10 days, SPEED+ drafted a SOW, identified a consultant (Tom Timberg), received approvals and delivered a final brief on the foreign exchange regulations. The brief was reviewed by CTA and presented in a public consultation workshop (funded by CTA) on November 30. The report found that the proposed modifications are largely positive for business and for the Mozambique economy. The new regulations will increase flexibility for receiving foreign direct investment; exempt amounts under USD 1 million from the requirement to pass through the Central Bank, allowing this level of transaction to be handled by commercial banks independently; and remove the requirement that 50% of business profits be converted into local currency.

#### ***Keeping Mozambique's Airports Open for International Flights***

At the request of the Minister of Transportation, SPEED+ quickly arranged for technical assistance to examine the Government's proposal to limit international flight arrival points from the current nine to only three airports. Consultant Joachim Vermooten delivered a thorough analysis of the possible impacts of airport closures on Mozambique's economy, and recommendations on the way forward that provided powerful evidence for advocacy by public and private stakeholders to challenge the closures. Following the SPEED+ presentation to the Minister of Transport and Communications, he expressed his appreciation for the project's quick response and for the quality of the analysis. The Minister requested that SPEED+ organize a presentation on the study to the Airport Authority and to the LAM Board of Directors, after which the Minister will take the recommendations to the Council of Ministers.

#### ***Licensing Private Water Providers Takes Off***

As SPEED+ rolled out dissemination activities and implementation tools for the regulation for licensing PWWPs, the Municipal Village of Macia, Bilene District, Gaza Province, took the lead in the country for the number of licenses issued, with a total of 20 private water provider systems licensed in 2017. Licensing

officials in Gaza credited the SPEED+ dissemination seminar with enabling them to clarify and correct their implementation procedures and to issue licenses more rapidly. With SPEED+ support to DNAAS as the implementing partner, it is expected that by the end of 2018 a total of 500 private water supply systems will be licensed, serving 800,000 people with well-regulated, high quality, efficiently managed and safe water services.

### ***Doing Business 2018 “Getting Electricity” Indicator Ranking Improves***

Mozambique’s ranking on the Getting Electricity indicator in the Doing Business 2018 report increased from 168<sup>th</sup> position in 2017 to 150<sup>th</sup> position in 2018. SPEED+ continues to support EdM and MIREME to implement the Decree 10/2016, which simplifies the number of steps and procedures required for businesses to connect to the grid. As a result of the Decree, Mozambique’s position improved by 18 places.

### ***Approval of General Regulation for Conservation Law***

On November 17, the Government of Mozambique reached an important milestone for biodiversity conservation in the country, by approving the General Regulation for the Law of Protection, Conservation and Sustainable Use of Biological Diversity (Law No. 5/2017, or “the Conservation Law”). SPEED+ technical assistance to the National Administration of Conservation Areas (ANAC) and facilitation of public consultations resulted in the rapid finalization and approval of the Regulation. The revised Law, as reflected in the new Regulation, strengthens penalties, fines and prosecution of wildlife trafficking and poaching crimes, and provides new powers and tools to the authorities to address this threat to biological diversity. The passage of the revised Conservation Law and General Regulation transmits an important signal that the Government is committed to combating wildlife crimes, improving management of conservation areas, and supporting private sector partnerships that contribute to sustainable biological diversity in Mozambique. SPEED+ will continue to support public engagement, dissemination of the Law and Regulations, and technical assistance for enforcement.

### ***Advancing SPEED+ Supported Reforms at the Highest Levels***

During the quarter, SPEED+ advanced key policy issues at the highest level of government: with President Nyusi at the MIC Business Environment Conference; with Prime Minister Agostinho do Rosário at the Business Environment Monitoring Council (CMAN) Meeting; and through direct meetings the Ministers of Trade and Commerce, of the Environment and Rural Development, of Justice and of Transport and Communications as well as the President of the Tax Authority. In addition to these high-level meetings, policy reform issues were advanced through the press and SPEED+ Business Breakfasts.

### ***Decree of the National Trade Facilitation Committee is Gazetted***

The Decree establishing the National Trade Facilitation Committee (NTFC) was published in the Government Official Gazette on December 29, 2017. SPEED+ supported MIC to organize and host the first formal NTFC meeting on December 8, 2017 in Maputo. The NTFC Chairperson, Amílcar Arone, recommended the organization of a formal launch of the NTFC with the participation of Minister of Industry and Commerce, President of Tax Authority, President of CTA and relevant engaged donors.

### **PROJECT SUMMARY**

This quarter, SPEED+ contributed to important advances on 18 policy reform efforts, which proceeded through 28 stages of policy reform. It’s important to note that SPEED+ worked on 22 additional policy reforms which, for this quarter, remained at the same stage of reform. Over the life of the project, SPEED+ has contributed to measurable advances on 41 policy reform efforts, which proceeded through 89 stages of policy reform.



# I. TECHNICAL ACTIVITIES

## COMPONENT I: IMPROVING THE AGRICULTURE POLICY FRAMEWORK

SPEED+'s framework for agriculture policy reform is based on Feed the Future (FTF) priorities and guidance for high-impact reforms. SPEED+ staff works with counterparts to identify sound, non-distorting policy reforms and regulations which are needed to mobilize private investment, create jobs, and enhance the competitiveness of Mozambique's agribusiness and agri-trade.

### I.1 POLICY AND INSTITUTIONAL REFORMS TO INCREASE COMPETITIVENESS OF AGRICULTURE VALUE CHAINS

#### I.1.1 POLICY AND LEGAL REFORM IN THE CASHEW VALUE CHAIN

The legal and regulatory framework for the cashew value chain, particularly the raw cashew nut (RCN) export tax (18%), the market-distortions created by INCAJU's interventionist role, and the informal ban on exports during the period of global market price peaks, have negatively impacted the competitiveness of Mozambique's cashew industry for decades. SPEED+ is contributing to the reform effort with two key studies to support evidence-based decision making and reinforce advocacy efforts: *Economics of the Cashew Sector* (focus on export tax); and the *Revision of the Cashew Law and Regulation*. The work on the cashew export tax is already generating important debate, and a growing consensus on the issue. As part of this work, SPEED+ held weekly meetings with INCAJU, to provide updates and keep them engaged in the research, analysis and consultation process. SPEED+ also continued to coordinate as needed with the MOZACAJU project as that project came to an end in December 2017.

##### 1.1.1a Economic analysis of Raw Cashew Nut (RCN) export tax

The Director of INCAJU agreed to present a proposal to MASA for a reduction of the raw cashew nut (RCN) export tax using the results of the cashew economics study underway. If carried out, such a proposal would be a major advance towards competitiveness and growth for the sector. While the Director of INCAJU was clear that an elimination of the tax was "impossible" in the near term, he and his team also expressed support for other recommendations of the study, which included:

- Implementing a gradual phase out of the export tax, starting with an immediate reduction from 18% to 14%, then steadily decreasing over five years to 0%. Over that period, INCAJU also would shift towards a regulatory and policy-oriented role while the private sector fills the demand for input supply and extension services;
- Allowing RCN exports during the October to January period when international prices are highest. The analysis showed that \$2 million is lost annually as a result of this practice, which forces sellers to export when market prices are low;
- Improving processors' competitiveness through improvements in the efficiency and reductions in the cost of doing business (transport, logistics, corruption, etc.).

The consultant team for the Economics of the Cashew Sector, Bruce Bolnick, António Franco and Carlos Costa, together with INCAJU and MASA, facilitated extensive stakeholder consultations throughout the quarter. Findings were presented to MASA Technical Council and the Director of INCAJU and his team. General public consultations were held in Nampula and Maputo, and the Economics of the Cashew Sector study was presented and discussed in a Business Breakfast in Maputo attended by almost 60 participants.

While some of the feedback from these events was a repetition of well-known positions, there was a refreshing sense of confidence in the ability of the private sector to respond to new demand for input supply (seedlings) and agriculture services (pest control spraying) if INCAJU phases out of direct

intervention in these areas. There was also very broad acknowledgement of the negative impacts of the export tax. Despite the unwavering commitment of the powerful cashew processors, a general consensus is emerging across the rest of the value chain that the tax must be gradually phased down.

As an input to developing the full report, Bruce Bolnick presented a brief report on the methodology for analysis of the economic impact of the cashew export tax, which is under review by SPEED+ and discussion with USAID. The first draft of the final Economics of the Cashew Sector report will be completed in the next quarter, and the final version of the PPT presentation is currently being translated from Portuguese to English.

#### 1.1.1b Review and revision of the Cashew Law and Regulation

SPEED+ consultants Norberto Mahalambe, Luís Nahe and Benedito Manjate completed the final draft of the revised Cashew Regulation. The revised Regulation comprehensively addresses the value chain, according to the following set of principles: competitiveness, development, equity and justice, interdependence and interconnection, sustainability, traceability, science-based, security, and simplicity. The Regulation also provides for the shift in the role of INCAJU away from direct intervention and towards a governing role in policy, regulation and monitoring.

SPEED+ is cognizant of the risk of investing in a reform process that has seemed intractable, and will continue to monitor the political economy of the issue and remain responsive to shifting momentum – whether towards reform or away. Although the cashew sector has long been characterized by entrenched interests committed to the status quo, SPEED+ efforts to galvanize stakeholder engagement and provide evidence-based analysis for market-oriented policy reform provide an opportunity for change. The final version of the regulations was developed through a comprehensive series of stakeholder discussions, drafting, reviews, public consultations and revisions throughout the quarter. SPEED+ will discuss with USAID the option to engage legal experts Sal & Caldeira to conduct a final review of the regulations.

Although the original plan agreed among SPEED+, INCAJU, MASA and the consultant team was to simultaneously draft the revised Law and the Regulation, as the work progressed it became clear to all parties that the revision of the Law was so closely tied to the resolution of issues around the export tax, that it was necessary for the Law to be developed separately, in accordance with the decision making process around the export tax. In discussion with INCAJU and other key stakeholders, it was agreed to minimize revisions to the Cashew Law, since these revisions must be approved by the Council of Ministers and the Parliament. Therefore, significant changes to the law will focus primarily on the export tax. Other aspects of sector governance will be proposed through changes to the Regulation, which requires Council of Ministers approval only. In addition to facilitating a more rapid approval process, embedding sector governance in the Regulations rather than the Law allows for more flexibility and easier adjustments in the future.

## 1.2 IMPROVEMENTS IN LAND ADMINISTRATION

SPEED+ is providing support to improve land administration and enhance accessibility and security of formal land tenure, in order to stimulate an increase in land-based investment. During the quarter, SPEED+ discussed the SPEED+ Land Reform Memorandum with DINAT to identify priority areas of collaboration, which included the revision of regulations and technical norms. Since land policy and regulation impacts so many other sectors, SPEED+ will also present its work plan to other institutions representing the private sector and civil society such as the Confederation of Business Associations (CTA) and Centro Terra Viva (CTV).

At CTA's request, SPEED+ arranged for consultant Ian Rose to make a presentation at the XV Annual Conference of the Private Sector (CASP) planned for November 29-30, and to support implementation planning for the approved Land Reform Memo. Although the XV CASP conference was postponed to next year, the consultant worked with the SPEED+ team in Maputo to accomplish the following:

- Development of a land reform agenda to include in the CTA Matrix, particularly emphasizing Protection of Investment;
- Development of a detailed implementation plan for the Land Reform Memorandum in Year Two;
- Engagement with key partners such as DINAT (agreement on the revision of regulations and technical norms), CTA (partnering on the revision of the "Cessão de Exploração" and the elaboration of a proposal to deal with the transferability of the DUAT), CTV (to support the discussion and consultation process for issues related to the Land Law) and others to discuss SPEED+'s involvement in the revision of the Land Law and in the formulation of the National Land Policy.

SPEED+ began preparing SOWs for specific assignments envisioned in the Land Reform Memo, and for Ian Rose's oversight and technical assistance to the overall reform process. The SOWs will be submitted for USAID review in the next quarter. Specific assignments will include review of regulations and technical norms, of the *Cessão de Exploração*, and of community consultation processes and representation, as well as a proposal on transferability of DUATs.

#### **IX Fórum de Consulta de Terras**

*The IX Fórum de Consulta de Terras (FCT, November 8-9) was opened by the President Nyusi and closed by the Prime Minister and had the active participation of Minister Celso Correia of MITADER in all the sessions and discussions. The main recommendations of the FCT were:*

- *Speed up the registration of the community land RDUATs to ensure that communities are protected;*
- *Limit revision of the Land Law (which already meets a good practice standard) to those changes necessary to address the "Cessão-de-Exploração";*
- *Create a multi-sectoral body to develop a revised proposed National Land Policy (PNT) that addresses corruption, land grabbing, and conflict resolution, among other issues. The PNT should enable the implementation of land planning and the acquisition of DUAT's at a more rapid pace and larger scale. The PNT should be presented at the X FCT to be held in the Province of Cabo Delgado in June 2018.*
- *Ensure the autonomy of public institutions charged with land administration authority and responsibility for geographic and cadastral regulation and management*

#### **GENERAL LAND ADMINISTRATION UPDATES**

SPEED+ attended the IX Consultative Forum on Land (see side box). SPEED+ also coordinated with the World Bank (Mike Che) on the design of a new Land Reform project. A key concern is the World Bank's position on the development of a competing system that would replace SiGiT as the cadaster management system, which would impact SPEED+' strategy. To date, the position is not clear.

Phase II of the Terra Segura project, implemented through DINAT and intended to register 5 million DUATs, is due to begin in five districts per province. The current planned activities include working on the registration of community land (RDUATs), the improvement of data management through SiGit (software, hardware and internet access), and satellite imagery.

#### **I.3 TAX REFORM IN AGRICULTURE (TRIBUTAÇÃO AUTÓNOMA)**

The joint CTA/AT Task Force, facilitated by SPEED+, moved towards the adoption of a common approach to reducing the negative impact of the Autonomous Tax on smallholder farmers. Following up from the field research conducted with the Task Force in 2017, SPEED+ facilitated the joint development of an action plan for implementation. This support is vital, as AT is already committed to the reform of ISPC, and CTA needs technical assistance and

analysis to effectively represent the private sector perspective on the matter. SPEED+, AT and CTA are coordinating on a number of technical assistance assignments in support of the reform of the Autonomous Tax and ISPC including:

- Analysis of the IRPC (corporate income tax), IRPS (individual income tax), IVA (value added tax) and ISPC (simplified tax for small taxpayers), to identify specific reforms to reduce the burden of autonomous taxation;
- Development of education material on ISPC and taxes aimed at encouraging various players in the agricultural sector to register in the tax system, including associations, small and medium scale producers, agro-industries and traders.

SPEED+ sponsored a Business Breakfast, “Tax Treatment of Non-Documented Expenses on Income Taxes”, on December 7. The Presidents of AT, Amelia Nakare, and of CTA, Agostinho Vuma, attended the workshop and delivered the opening speeches (see side box). The General Director for Customs and other Directors from AT also attended the event. A number of interesting proposals from the discussion include:



PRESIDENT OF MOZAMBIQUE TAX AUTHORITY, AMELIA NAKARE, OPENING THE SPEED+ SUPPORTED PUBLIC CONSULTATION ON AUTONOMOUS TAX

*“The Government and the Private Sector must work together to ensure that all economic agents involved in the agricultural production and marketing chain don’t encounter fiscal barriers to selling their products.”*

AMELIA NAKARE, PRESIDENT OF THE MOZAMBIQUE TAX AUTHORITY

- AT should continue to facilitate the registration of smallholder farmers.
- AT should introduce a “grace period” to allow purchase from smallholders without penalty, while promoting increased registration in the tax system, in order to stimulate purchase of local agricultural product.
- Exempt registration for ISPC from the requirement for an “Alvará” (license), thus simplifying the process for smallholder producers.
- Adopt “*taxa liberatória*” of 3% within ISPC for smallholder producers.
- Create a separate, lower tax rate for the application of Autonomous Tax to the specific case of non-registered smallholders.

SPEED+ also met with the National Director of Agriculture, the ISPC Cadaster Director and the National Directorate for Industry and Commerce to keep them updated and engaged. Dr. Mateus Chale who leads the CTA Working Group on Tax, Customs and International Trade, was appointed as the new CTA focal point and has already begun working with the team.

## 1.4 PROMOTE PRIVATE SECTOR PARTICIPATION IN THE AGRICULTURE SECTOR

### 1.4.1 SUPPORT TO THE INSTITUTE OF CEREALS (ICM)

SPEED+ is providing support to ICM to develop a Strategic and Operational Plan and to address export barriers faced by Mozambican pigeon pea exporters.

#### 1.4.1a Develop strategic and operational plan for ICM

SPEED+ is assisting ICM to develop a five-year Strategic and Operational Plan (SOP) to promote agricultural trade while also responding to GRM’s need to ensure food security for the population in times of crisis. The consulting team, Lara Goldmark and Jose Macamo, have now completed two in-country

research and consultation trips (August 17-24 and November 1-10), as well as conducting extensive research and analysis remotely. The team also held a meeting with Minister of Industry and Trade Max Tonela. The draft Inception Report was delivered to SPEED+ and USAID following the first trip and was revised substantially following the second trip according to feedback received from USAID and SPEED+. The completion of the final Inception Report and the first draft of the SOP, as well as a Business Breakfast, are planned for the next quarter.

#### 1.4.1b Rapid response on the crisis on pigeon pea

SPEED+ was able to respond rapidly to a request from ICM to support two ICM representatives (General Director Joao Macaringue and Olga Cau) to travel to India, from October 9-15, to discuss the Indian government's failure to honor the 2016 MOU with Mozambique that guaranteed the purchase of up to 200,000 tons of pigeon pea annually. Along with other senior government leaders, the delegation was able to restore the Indian government's assurance of purchasing pigeon pea from Mozambique as agreed in the MOU, and fixed orders for 78,000 tons. The delegation also secured funds to support ICM to buy pigeon pea from smallholders, according to the quantities previously agreed. This small amount of support from SPEED+ was leveraged into positive impacts for the millions of smallholder pigeon pea producers, in the current year and through the end of the MOU period in 2020.

#### 1.4.2 MAPPING AND ASSESSMENT OF THE AGRICULTURE SERVICE CENTERS (CSA)

SPEED+ may conduct a baseline study that investigates the supply and demand for the 123 government agriculture service centers and storage facilities, of which 98 are Public-Private Partnerships (PPPs) and 25 are managed directly by government. The large investment in the establishment of these centers, and the potential positive impact of a well-managed CSA on the productivity and incomes of smallholders, warrant further study of effective CSA management models to inform government, donors, technical assistance providers and private sector operators. USAID requested that SPEED+ conduct initial research and prepare a brief discussion paper about the current situation, and the intended intervention.

#### 1.4.3 OTHER ACTIVITIES

##### PNISA EVALUATION

SPEED+ attended the presentation and discussion meeting regarding the PNISA evaluation consultancy undertaken by Dr. Mutondo from University Eduardo Mondlane and his team, along with an international consultant funded by the World Bank. It was recommended to maintain PNISA for 2-3 more years and develop the new PNISA aligned with PEDSA II, or other major agriculture program or strategy, that will begin in 2020.

##### COORDINATION AND COLLABORATION

SPEED+ attended the Strengthening Agricultural Policies in Africa workshop, organized by MASA and AGRA. SPEED+ moderated the session about systemic institutional capacity. The workshop highlighted the importance of implementation, coordination and M&E. SPEED+ also attended the East and Southern Africa Fertilizer Agribusiness 2017 conference which included participation of the Minister of MASA.

## COMPONENT 2: AN IMPROVED TRADE AND INVESTMENT POLICY FRAMEWORK

### TRADE AND INVESTMENT POLICY ACTIVITIES

SPEED+ assists the GRM to establish business, trade, and investment policies which promote private sector-led broad-based economic growth. As requested by government counterparts, we help to coordinate reforms across GRM ministries and strong private sector advocates in order to provide essential feedback loops on how citizens and companies are affected by proposed laws and regulations.



## 2.1 SUPPORT MIC TO IMPLEMENT TRADE FACILITATION AGREEMENT (TFA)

### 2.1.1 SUPPORT THE OPERATIONALIZATION OF THE NATIONAL TRADE FACILITATION COMMITTEE (NTFC)

The Council of Ministers approved, on November 28, 2017, the Decree that establishes the National Trade Facilitation Committee (NTFC). This was a major milestone for the implementation of the WTO TFA (TFA Provision 13). With this Council of Ministers approval, the participating Ministries now have a clear mandate to commit resources and engage fully across various Ministries to implement the TFA. SPEED+ technical support for the achievement of this milestone has included: the establishment of and secretariat services to the Interim NTFC Committee, drafting of the Decree that established the NTFC, and technical assistance for the approval of the Decree. SPEED+ will continue to support NTFC activities and the implementation of the TFA provisions to improve the trade and investment framework. SPEED+ drafted an article highlighting this important milestone which has been posted on the SPEED+ [website](#).

SPEED+ supported MIC to organize and host the first formal NTFC meeting on December 8, 2017 in Maputo. The NTFC Chairperson, Amilcar Arone, recommended the organization of a formal launch of the NTFC with the participation of Minister of Industry and Commerce, President of Tax Authority, President of CTA and relevant engaged donors. The Decree was published in the Government Official Gazette on December 29, 2017. The notification to the WTO about this milestone will be sent through the Mozambique Permanent Mission in Geneva.

The chairperson also requested support for secretariat services, and recommended holding a meeting with SPEED+, EU and EIF to coordinate that support. The meeting will be organized in the next quarter. SPEED+ also provided updates on the development of the roadmap to eliminate pre-shipment inspection (see Section 2.1.3), and on the progress of the fees and charges consultancy (See Section 2.1.5).

### 2.1.2 DEVELOP A TRADE PORTAL

SPEED+ has facilitated an innovative collaboration with the Government of Myanmar and USAID/Burma to enable Mozambique to launch the National Trade Portal rapidly and with significant cost savings. A National Trade Portal is a critically important tool for improving the transparency of cross-border procedures and practices and is required by multiple TFA Provisions. SPEED+ is facilitating the transfer of Trade Portal software/source code from the Government of Myanmar, which was developed with the assistance of the USAID/Burma Private Sector Development Activity (PSDA). The two governments (Mozambique and Myanmar) have formally agreed to proceed, and SPEED+ is currently working with PSDA to complete the transfer of the source code. This “jump start” on the Trade Portal is estimated to save the GRM at least \$100,000 (based on the investment made by USAID Burma). SPEED+ presented this unique achievement at the MIC *Conselho Coordenador* on November 15-17.

### 2.1.3 SHIFT FROM PRE- TO POST-SHIPMENT INSPECTION (TFA PROVISION 10.5)

The *Roadmap for Elimination of Pre-Shipment Inspections* was approved by the Customs Director General, following comprehensive review and revision at multiple levels within Customs in order to ensure buy-in for smooth and efficient implementation. The Customs Director of Norms and Procedures, Joaquim Macuacua, and his team played a lead role in the effort. In the first step towards implementation of the Roadmap, SPEED+ engaged Fernando Anselmo, a Mozambican legal expert, who worked closely with Director of Norms and Procedures to complete a comprehensive review of relevant legislation and recommendations for required changes.

### 2.1.4 IMPROVE THE AUTHORIZED ECONOMIC OPERATORS (AEO) SCHEME

Mozambique has an AEO program, but only 8 companies currently participate in the program. SPEED+, at the request of the Director General of Customs, completed a study to identify constraints to AEO licensing and recommend a clear, practical and feasible roadmap for increasing the number of AEOs. In this quarter, both the roadmap and a detailed work plan for implementation of the recommendations were approved by the Director General of Customs. Key actions include improved coordination



between the program and Customs, increased promotion of the benefits of the program, training for customs and brokerage agents on the program, and “account management” services for applicant and member firms. For the next quarter, SPEED+ is considering organizing a Business Breakfast on this theme to bring together Customs and private sector businesses to promote the AEO and gather feedback on the Roadmap.

#### 2.1.5 REDUCE TRADE-RELATED FEES AND CHARGES (TFA PROVISION 6.1 AND 6.2)

Article 6.1 of the TFA establishes the rules for the definition and application of fees and other charges related to import and export and requires that Members publish information about such fees and charges. SPEED+ engaged two trade experts, Erminio Jociala and Sandra Villanueva, to develop a WTO TFA Implementation Strategy for Mozambique for Fees and Charges. The Tax Authority is the main client for the work, but the consultants also worked closely with the Ministry of Industry and Trade (MIC) and the National Trade Facilitation Committee (NTFC).

During the quarter, the consultants completed a desk review to document the complete legal framework that establishes and governs fees and charges for trade, and field research to investigate the actual application of fees and charges. To ensure access, oversight and accountability across government, and to enable government stakeholders to hear directly from the private sector, the field research was conducted together with MIC staff person Joaquim Muluelas and Director Joaquim Macuacua from Customs. An important result was the validation that actual fees assessed by Ministries, Departments and Agencies (MDA) officials at the provincial level were in accordance with the legally established rates, as reported through interviews with a broad range of government (Customs, relevant departments within Ministries of Agriculture, Fisheries, Health) and private sector (CTA, customs brokers, private import/export firms) organizations, as well as the firms operating the ports. Interviews were completed in Maputo, Beira, and at Ressano Garcia terminal, and will be expanded in the next quarter.

SPEED+ presented the Inception Report, work plan and initial findings from the field work to USAID on November 22 and to the NTFC on December 8. In the next quarter they will deliver the final version of the Inception Report, the first draft of the final report, and a Reference Guide to Fees and Charges for Trade.

## 2.2 TRADE FACILITATING ACTIVITIES RELATING TO SANITARY AND PHYTOSANITARY (SPS) MEASURES

### 2.2.1 IMPROVE IMPLEMENTATION OF SANITARY AND PHYTOSANITARY MEASURES

The Mozambique Government’s SPS Committee approved the SPEED+ *Baseline Assessment of Mozambique’s Sanitary and Phytosanitary (SPS) Measures and Road Map for Reform*, and the work plan for implementation of the reforms which will establish more efficient and cost-effective SPS services, facilitating agricultural trade and protecting human, animal and plant health. In the next quarter, SPEED+ will begin work to formally establish the SPS Committee, and other priority items in the work plan.

#### 2.2.1a Build capacity to respond to the entrance and rapid spread of new pests/diseases

##### *Fall Army Worm (FAW)*

SPEED+ attended a meeting on the threat posed by the Fall Army Wormy (FAW) organized by the National Directorate of Agriculture and Silviculture (DINAS). As this major threat to agriculture productivity has implications for multiple SPEED+ stakeholders, SPEED+ will stay informed on the issues and discuss with USAID any potential areas in which SPEED+ would be ideally suited to support legal, regulatory, or policy changes. SPEED+ translated into Portuguese the summary of the report commissioned by DFID on the impact of FAW in Africa. The report was posted on the SPEED+ website and distributed to key stakeholders.

### *National Conference on Pests and Diseases in Agriculture: Impacts, Policies and Solutions*

SPEED+ participated in the planning of the national conference sponsored by MASA and the Faculty of Agronomy and Forest Engineering of the University Eduardo Mondlane (FAEF-UEM). SPEED+ worked closely with SATIH to have Mr. Chiluba Muwape present as a keynote speaker at the conference, but due to a change in the conference date, Mr. Muwape was not able to participate. SPEED+ attended the conference held on November 16-17 and will remain engaged, identifying potential areas for support to policy, legal and regulatory reform.

## **2.3 TRADE FACILITATING ACTIVITIES RELATING TO THE TECHNICAL BARRIERS TO TRADE (TBT)**

In Year One, the baseline assessment, Aligning Mozambique's National Quality Infrastructure with the WTO Technical Barriers to Trade Agreement, was approved by INNOQ and USAID, and discussions began regarding a specific work plan for implementation of the recommendations. In this quarter, SPEED+ and ANSI agreed with INNOQ to begin implementing the joint strategy. The first collaboration will be a workshop in the next quarter, sponsored by ANSI and SPEED+, on good regulatory practices and the roll out of the "Standards, Metrology and Conformity Assessment: Tools to Facilitate Trade and Market Access Handbook", developed by SPEED+ and INNOQ (currently under final revisions). The workshop will provide an opportunity to have an interactive session among multiple players in Mozambique to discuss good regulatory practices and to identify areas for future trainings. SPEED+ and ANSI believe that this format will help generate ideas for a more focused activity on building and supporting a culture of quality in Mozambique. A draft concept note for the workshop has been shared with INNOQ, and a final draft proposal will be shared with USAID.

During the quarter, SPEED+ also supported the INNOQ Consultative Council meeting on December 8-9 in Maputo. The INNOQ Consultative Council is the INNOQ internal body that plans, coordinates and monitors INNOQ's technical, administrative and financial management activities. This forum reviews the implementation of the country's National Quality Policy focusing on standardization, metrology, certification and quality management.

## **2.4 SUPPORT THE IMPLEMENTATION OF THE AGOA UTILIZATION STRATEGY**

SPEED+ submitted the final AGOA Utilization Strategy to MIC for review and approval at the Ministerial level. SPEED+ is supporting MIC to attain Ministerial approval of the Strategy as part of the overall National Export Strategy. This strategy, required by the 2015 renewal of AGOA, was presented with MIC at multiple validation workshops (December 12 in Beira, December 14 in Maputo, and December 18 in Nampula). In Nampula, the presentation was also delivered at the MIC Provincial *Conselho Coordenador*. SPEED+ developed a PowerPoint presentation reviewing the key points of the strategy, printed brochures for the events, and assisted with the logistics. The value of AGOA exports from Mozambique grew from \$1.4 million in 2016 to \$2.8 million in 2017, an increase of 96.30%. This increase was due to an increase in the exports of sugar a tobacco and can be linked directly to the AGOA Utilization report recommendation: Inform sugar and tobacco sectors of AGOA eligibility and ensure both public and private sector actors in those sectors understand AGOA and U.S. import regulations for those goods.

## **2.5 REVIEW THE NATIONAL TRADE POLICY AND STRATEGY**

SPEED+ is assisting MIC with the design of a Trade Policy and Strategy for the period 2017-2021, which establishes a framework for the use of trade as a tool for economic growth and job creation. In this quarter, SPEED+ consultants completed the first draft of the revised policy, which is under internal review by SPEED+.

Since trade policy and strategy has such a broad and deep impact across government, SPEED+ held multiple consultations and presentations with technical staff and leadership in government, including the MIC *Conselho Coordenador*. SPEED+ worked with MIC to facilitate public consultations in Nampula, Beira and Maputo aimed at validating the findings of the field research and presenting the main pillars of the proposed Trade Policy and Strategy. Participants noted the need for a directive dealing with the informal sector, and for aligning this Policy with other sectoral strategies. Participants were also concerned that such Policy documents remain aligned with the electoral cycle.

During the SPEED+ briefing to MIC on the National Trade Policy, the Minister of Industry and Commerce Ernesto Max Tonela suggested the addition of a section to the Trade Policy dealing specifically with consumer protection. He also emphasized the importance of an in-depth treatment of smuggling. The issues related to barcode systems and product labeling were also discussed. Finally, SPEED+ was able to confirm to the Minister that the project is already engaged in another key area of concern, the mandate for the Mozambique Institute of Cereals (ICM).

## 2.6 REDUCE IMPORT/EXPORT COSTS ON THE NACALA CORRIDOR

SPEED+ is supporting the Ministry of Transport and Communication (MTC) and the operator of Nacala Port, the Mozambican firm Northern Development Corridor (CDN), to complete an analysis of ports, rail, roads and infrastructure along the corridor using the FastPath 2 (FP2) methodology. The draft analysis, under review by USAID, demonstrates that addressing even a portion of the identified bottlenecks could increase traffic along the Nacala Corridor from 1.92 million tons in 2015 to 4.64 million tons in 2030. The average annual growth rate in traffic during this period is projected at 6.1% for all traffic, 19.8% for rail, and 2.3% for road. In the next quarter, the report will be translated to Portuguese and the Steering Committee will complete their initial review. Workshops to disseminate the report's findings and gather inputs for further revisions are scheduled for February 2018.

## 2.7 IMPROVE TRADE ACROSS BORDERS INDICATOR

SPEED+ received USAID approval for a scope of work to implement a communication campaign on trade related fees in Mozambique, targeting incoming trucks and commercial vehicles at the major border posts in the Maputo, Beira and Nacala Corridors. The goal is to support the enforcement of good practices in

### **Presidential Commitment to Business Environment Reforms**

*The President of the Republic of Mozambique, Filipe Nyusi, sent a clear message of commitment to achieving significant economic policy reform during the Business Environment Reforms Meeting when President Nyusi and his government pledged to take strong steps to coordinate economic policy reform across Ministries, to develop a more ambitious policy agenda, and to ensure effective implementation of policy reforms. Presidential leadership to ensure coordinated and integrated policy reform actions across multiple Ministries has been a high priority issue for the private sector and international partners for twenty years. President Nyusi committed himself to leadership in the policy dialogue with key stakeholders, calling for on-going thematic task force meetings that would report to him in a plenary meeting next year, and to supporting interventions to reduce bureaucracy, enable more efficient private sector regulation, and reduce opportunities for corruption.*

cross-border trade in the country, curb petty corruption and reduce opportunities for small extortions on the main trading routes.

## 2.8 OTHER ACTIVITIES

### **CONFERENCE ON BUSINESS ENVIRONMENT REFORMS IN MOZAMBIQUE**

SPEED+ worked with the Private Sector Working Group, MIC and the World Bank to prepare for the Business Environment Reform conference, convened by the President on November 3. SPEED+ provided a desk review of Mozambique's performance on the Doing Business indicators for Getting Electricity, Dealing with Construction Permits and Trade across Borders. SPEED+ Trade Portfolio Manager Rosario Marapusse was invited to participate in the panel on the Doing Business indicators. He took the opportunity to highlight key obstacles to business, such as the VAT exemptions to agriculture which result in increased

costs to business, and the “*taxa autónoma*” which adversely affects the agricultural sector. Finally, he congratulated the Mayor of Maputo for the implementation of short-term reforms to construction permitting but emphasized that these should be complemented by permanent structural reforms. After the event, SPEED+ published a [summary article](#) on the SPEED+ website (see side box excerpt).

SPEED+ Trade Portfolio Manager and Business Enabling Environment Portfolio Manager also attended a meeting at the World Bank, along with MIC, EdM, and CTA, to prepare for the next Doing Business survey and report.

## BUSINESS ENABLING ENVIRONMENT ACTIVITIES

### 2.9 REVIEW AND REVISE THE COMMERCIAL CODE

In the previous quarter, SPEED+ consultants Fernanda Lopez and Jose Amaral provided recommendations on key revisions to the Commercial Code that aim to improve Mozambique’s rankings on two Doing Business indicators: Starting a Business and Protecting Minority Investors. But in order for those recommendations to impact Mozambique’s 2019 Doing Business Rankings, they needed to be implemented quickly. To facilitate this process, SPEED+ worked closely with MIC to draft a request for Parliamentary approval of legislative authorization for making specific reforms to the Commercial Code. The authorization from Parliament was received during the quarter and will remain valid for a period of 180 days, but the MIC aims to finalize the recommendations and process the necessary approvals in time to have impact on the 2019 Doing Business rankings.

#### ***Important Milestone for Improving Commercial Code***

*Revisions to improve Mozambique’s standing in the Doing Business rankings will also provide a boost to the economy of Mozambique, as stated by Council of Ministers spokesperson Ana Comoana: “These amendments to the Commercial Code will remove barriers that discourage informal economic agents from obtaining licensing for their activity”.*

SPEED+ developed two SOWs to support the follow-on work on improvements to the overall commercial code. The SOW for the legal and technical review and recommendations for reform is under review by USAID. A second SOW for Abdul Carimo to assist with advocacy and dissemination efforts has been approved.

### 2.10 IMPLEMENT FOOD FORTIFICATION LAW

USAID/Mozambique had been supporting the implementation of the 2016 Food Fortification Law through the Global Alliance for Improved Nutrition (GAIN) project, which ended in December 2017. Given that the implementation of this Law is under MIC, INNOQ, and INAE, which are all SPEED+ partners, SPEED+ will continue to support the implementation. In this quarter SPEED+ met with the GAIN project and initiated collaboration with members of the National Committee on Food Fortification in Mozambique (CONFAM) and other relevant stakeholders. Potential areas for intervention include aligning the legal framework and current national standards with the new Law; increasing the awareness of the private sector regarding the new Law; assessing and building capacity of relevant GRM institutions toward the effective implementation of the regulation; and support of labeling requirements. In the next quarter, SPEED+ will work with MIC and other relevant government institutions to understand their needs for support and priority areas for SPEED+ intervention. SPEED+ will also consult with the Consumer Protection Association, which has established some firm positions on the food fortification issue.

## 2.11 IMPROVE THE DOING BUSINESS INDICATOR DEALING WITH CONSTRUCTION PERMITS

In this quarter, the Doing Business 2018 rankings were released. Although Mozambique's score on the Dealing with Construction Permits indicator remained the same as in the previous year, other countries around the world have reformed more rapidly, resulting in a drop in the ranking for Mozambique from 30 in 2017 to 56 in 2018. SPEED+ activities in Year 2 to support the Maputo Municipality (CMM) on the implementation of streamlined permitting will be reflected in the 2019 Doing Business rankings. SPEED+ developed a SOW for the first step in this process, technical assistance to the CMM to create a Construction Permitting Procedures Manual and possible website to allow for electronic approvals for construction permits. These tools will further simplify the permitting process, make it more widely accessible, and reduce opportunities for corruption through increased transparency and accountability.

## 2.12 STRENGTHENING PUBLIC PARTICIPATION IN THE LEGISLATIVE PROCESS

Following an important milestone of CTA's official submission of the draft Law for Public Consultation in Legislative Processes in Mozambique to the Ministry of Justice, SPEED+ BEE Portfolio Manager Alima Hussein facilitated a high-level meeting between the CTA and Minister of Justice Isaque Chande, which resulted in the Minister's commitment to include the topic on the Council of Ministers' agenda for the first quarter of calendar year 2018. The attendees stressed the importance of having a technical team working towards an agreed timeline for passage of the draft Law. The Minister appointed the National Director, Tuarique Abdala, as the technical person to lead the discussions from the Ministry side. SPEED+ consultant, Abdul Carimo, will play a key role in ensuring that the proposed law is presented well to the Council of Ministers and will facilitate the provision of additional information and guidance as needed.

## 2.13 INTERNATIONAL AIRPORT POINTS OF ENTRY

Responding to the Government's proposal to limit international flight arrival points from the current nine to only three airports, STTA consultant Joachim Vermooten delivered a thorough analysis of the possible impacts of airport closures on Mozambique's economy and recommendations on the way forward that provided powerful evidence for advocacy by public and private stakeholders to challenge the closures. SPEED+ is finalizing an internal review of the report prior to sending to USAID and counterparts next quarter. Following a SPEED+ presentation to the Minister of Transportation on key report findings, the Minister expressed his appreciation for the project's responsiveness and the quality of the work. He asked that SPEED+ organize a presentation on the study to the Airport Authority and to the LAM Board of Directors, which SPEED+ has planned for the next quarter. Following those presentations, the Minister is ready to take the recommendations to the Council of Ministers.

The field research conducted in Pemba, Nampula, Nacala, Tete and Vilankulos with IACM and the Executive Director of the Mozambique Tourism Federation (FEMOTUR) resulted in recommendations reflecting broad agreement across the sector, including:

- Not limiting international entry points to 3 airports (Maputo, Beira and Nacala);
- Allowing any "hub" airports to develop as a result of commercial demand, rather than being created by law;
- Acknowledging that Mozambique needs to develop stronger domestic airline companies to enable a "hub" model, which would increase demand for efficient domestic connections.

## 2.14 REVIEW AND REVISION OF MINIMUM WAGE FRAMEWORK

The policy of setting variable minimum wages by sector using a fixed formula has challenged investment and growth of private sector formal employment. SPEED+ consultants James LaFleur and William House



updated their study on a minimum wage framework for Mozambique. SPEED+ now aims to engage a national consultant to work with CTA to advance the report and findings with the government and trade unions. A SOW was approved by USAID, and SPEED+ is currently looking for an appropriate consultant.

## **2.15 PROMOTE PUBLIC AND PRIVATE DIALOGUE FOR A BETTER BUSINESS ENVIRONMENT**

SPEED+ and USAID were invited to attend the Business Environment Monitoring Council (CMAN) on November 17 with CTA and Prime Minister Agostinho do Rosario, to verify progress on the Public Private Dialogue Matrix and the 2017 business environment reform agenda. Positive developments on the agenda were attributed to SPEED+ support, resulting in progress on disseminating the new procedures for Getting Electricity, revision of the Commercial Code, reform of the Cashew Law and regulations, and changes to the Autonomous Tax.

### **2.15.1 DEVELOP METHODOLOGY FOR PRIVATE SECTOR MATRIX USED IN CMAN**

SPEED+ consultant Luis Magaço began work with CTA on updating the Public Private Dialogue Matrix in preparation for the CASP, expected to be held in March 2018. The consultant presented the proposed methodology to be used in the development of the Matrix to the CTA pelouros, and to the CTA provincial business councils (CEPS). SPEED+ facilitated the organization of the two workshops, including identifying a no-cost venue for each. The methodology guides CTA to identify priority actions mapped to first-tier sources, such as the World Bank's Doing Business Report or the Government of Mozambique's Economic and Social Plan, after which second-tier priorities would apply, such as priorities identified by Government, by CTA (and provincial CEPS), from the PSWG and from international best practice. Once identified and mapped, possible CTA matrix actions are validated through a consultation process, added to the matrix and monitored for reform. A draft report on the methodology was submitted to SPEED+ for internal review and will be sent to USAID and CTA next quarter.

### **2.15.2 ANNUAL PRIVATE SECTOR CONFERENCE**

CTA has requested SPEED+ support with the organization of the XV CASP, originally planned for November 2017 but now scheduled for March 2018. SPEED+ will support the CASP with \$30,000 for event costs and may support with two international speakers (to address issues on land and fiscal reform issues). Luis Magaço will present his work (see 2.15.1) on the methodology for updating the Public Private Dialogue Matrix, and SPEED+ will organize a panel on reform of land administration including consultant Ian Rose (or another expert), the Director of DINAT, and moderator Tatiana Mota. Given the change of date for the conference, SPEED+ is confirming the availability of the consultants for the new dates.

## **2.16 LEGAL AND REGULATORY REFORM OF THE LABOR MARKET**

### **2.16.1 REFORM OF THE 2007 LABOR LAW AND ASSOCIATED REGULATIONS**

The Minister of Labor, Employment and Social Security (MITESS) stated earlier this year that the Labor Law will be reviewed and updated. To help CTA prepare for well-informed and substantiated discussions with MITESS during the reform process, SPEED+ will develop a report that outlines key reforms that would have the greatest positive impact on job creation, economic growth, and poverty alleviation, to achieve a more balanced, practical and effective Labor Law appropriate for the current socio-economic reality of the country and responsive to the needs of the private sector.

In this quarter, SPEED+ developed and received approval for the SOW for the study, with inputs from the Ministry of Labor, CTA and USAID. SPEED+ completed a procurement process for the implementation of the study and has made an award to the legal firm of Sal & Caldeira. An initial draft of the work plan for the study, and a brief summary of key issues anticipated for the review, have been reviewed and approved by SPEED+ and CTA. Also, during the quarter, the Ministry created a task force to engage with SPEED+



and the consultants during the review process, and the Vice Minister of Labor has reiterated the government's commitment to complete the reform of the labor law within the year.

## 2.17 OTHER ACTIVITIES

### RAPID RESPONSE TO CTA REQUEST – FOREIGN EXCHANGE REGULATION

The Central Bank asked CTA to provide comments on draft regulations on foreign exchange, allowing a very short window for the review. CTA asked SPEED+ for support to review the regulations before the deadline. Within 10 days, SPEED+ drafted a SOW, identified a consultant (Tom Timberg), received approvals and delivered a final brief on the foreign exchange regulations. The brief was reviewed by CTA and presented in a public consultation workshop (funded by CTA) on November 30. The report found that the proposed modifications are largely positive for business and for the Mozambique economy. The new regulations will increase flexibility for receiving foreign direct investment; exempt amounts under USD 1 million from the requirement to pass through the Central Bank, allowing this level of transaction to be handled by commercial banks independently; and remove the requirement that 50% of business profits be converted into local currency.

### OTHER ACTIVITIES

SPEED+ completed some additional work on the Year One activity supporting the Mozambique Stock Exchange (BVM). Consultant Hipolito Hamela presented the results of the SPEED+ study *Increasing Private Sector Participation in the Stock Exchange in Mozambique* to the BVM Board of Directors. Following the presentation and discussion, the Board approved the study and gave approval to move forward with the recommendations.

SPEED+ attended a meeting with the World Bank, which presented an initiative to conduct the subnational Doing Business survey for four of the DB indicators, in 10 cities in Mozambique. SPEED+ also attended the monthly Private Sector Working Group meetings.

## COMPONENT 3: AN IMPROVED POWER AND WATER POLICY FRAMEWORK

### POWER SECTOR ACTIVITIES

The GRM is committed to the Sustainable Development Goal (SDG) of universal access to electricity by 2030 and is undertaking the liberalization of parts of the power sector, allowing private investors to participate in scaling up of generation and transmission of electricity. SPEED+ is supporting Government to establish a legal and regulatory environment that promotes increased electricity generation and transmission, including new connections. Support for both on-grid and off-grid solutions is vital to attain the SDG and enable other forms of growth and development in Mozambique.

### 3.1 ON-GRID LEGAL FRAMEWORK AND TRANSACTION SUPPORT

During the quarter, SPEED+ continued to assist MIREME, particularly the Legal Department, to increase certainty and predictability in the legal and regulatory framework in order to attract new investment.

### COORDINATION ACTIVITIES

SPEED+ participated in meetings with the regional USAID Southern African Energy Program (SAEP) and discussed how the two projects could collaborate. Outcomes of the meeting included the exchange of information regarding the energy sector in Mozambique and an agreement to exchange training modules. The two USAID projects also considered working together to integrate the Mozambican Grid Code with the regional grid code developed and promoted by the Regional Electricity Regulators Association of Southern Africa (RERA). Finally, in discussion with USAID representatives from both the Regional and

Mozambique Missions, it was decided that SAEP would take over support for the embedded advisor to the Temane Transmission Project (see Section 3.4.3 below).

SPEED+ also assisted in the preparation of a presentation on the Mozambique energy sector, which was delivered to USAID/Pretoria and Andrew M. Herscovitz of Power Africa by SPEED+ COR Amanda Fong and Senior Energy Specialist Armando Abacar.

### 3.1.1 STRENGTHEN THE LEGAL FRAMEWORK FOR POWER – THE ELECTRICITY AND PPP LAWS

#### 3.1.1a Build Consensus and Manage Reform Process of the Electricity Law

The review and revision of the Electricity Law was initiated by SPEED+ consultants David Waltenberg, Gerusa Magalhães, and Taciana Lopes, in consultation with Marcelina Joel and Telma Matavel of the MIREME Legal Department. The work plan and the division of roles and responsibilities among the key players was established in consultation with MIREME. The work plan anticipates completion of the first draft of the revised Electricity Law to be ready in the next quarter. The final draft will be prepared during an off-site working retreat attended by the full consultant team, the MIREME legal department, and representatives from ARENE, EdM, FUNAE, DNE and other key stakeholders as needed.

SPEED+ identified several weaknesses in the capacity of MIREME's Legal Department to participate fully with the consultant team in the review of energy sector legislation. SPEED+ is developing a proposal to strengthen their research and communication capacity through the provision of computers, access to on-line Mozambican legislation through the Atneia legislation subscription service, and a functional internet connection service to enable research on global best practice and ensure effective communication among the team.

#### 3.1.1b Develop Specific Recommendations for Reform

SPEED+ will identify inconsistencies or inadequacies in the current Electricity Law and provide technical assistance to recommend reforms. The treatment of tariffs is one of the essential issues to address in the new electricity law. Consultant Gwen Andersen is preparing an overview of mechanisms for determining electricity tariffs, and a comparison of the tariff formulas used in countries with comparable consumer sectors. The study will examine mechanisms for determining tariffs to consumers, including cost-reflective, social tariff and subsidized tariff models. This study will also be of use to and will be shared with ARENE. A second report will address how tariffs are determined for electricity generators, particularly the comparison between the reverse auction and REFiT mechanisms. SPEED+ consultants David Waltenberg, Gerusa Magalhães, and Taciana Lopes are also putting together a matrix of key elements to be addressed in the revised Electricity Law.

### 3.1.2 REVISION AND IMPLEMENTATION OF REFiT (RENEWABLE ENERGY FEED-IN-TARIFF)

During the quarter, SPEED+ prepared a presentation on REFiT and other tariff formulations for USAID's Energy Sector Specialist, Armando Abacar, to deliver at the Lusophone Renewable Energy Association (ALER) Conference which was held on October 25-26 in Maputo. The presentation included an analysis of the impact of the 17% VAT charge on the economic feasibility of potential renewable energy projects. In addition, during the quarter, SPEED+ analyzed the political economy of continuing with REFiT as it is part of the SPEED+ work plan:

- The REFiT Regulation was approved by the Council of Ministers in 2014, and the initially established tariffs were valid for a 3-year period expiring in October 2017. USAID supported the drafting of implementing regulations, but these have not been approved at the Ministry level.
- To date, no IPP has been approved under REFiT. EdM has concerns with REFiT, arguing that the REFiT tariffs were not cost reflective and that all generator tariffs should be based on an actual cost of production. EdM is also concerned about the REFiT formulas, although they also

acknowledged that part of the problems derived from the lack of supporting regulation which had been drafted but never approved.

- SPEED+ looked more closely at South Africa's experience with REFiT, comparing Mozambique's REFiT regulation with that of South Africa's and explores the South African experience. Similar to Mozambique, South Africa failed to approve a single IPP on the basis of the REFiT tariffs. South Africa eventually abandoned REFiT in favor of a reverse auction approach.
- Discussion with MIREME and EdM indicated that both viewed the reverse auction as a more appropriate procedure for the approval of new IPPs. Subsequently, the tariffs set in the REFiT legislation have expired, and there has been no indication from Government of any intention to review and approve new REFiT tariffs. Rather, there is indication that the REFiT legislation will be revoked as part of the review and revision of the energy sector legislation.
- There is on-going donor discussion about whether REFiT should be pursued, or whether to focus support on the reverse auction mechanism. In particular, the French Development Agency plans to train EdM in IPP negotiations using reverse auctions. As part of the overall review of energy sector legislation, SPEED+ intends to continue supporting EdM/MIREME to explore the feasibility and efficiency of REFiT versus the reverse auction model. This includes the report under development by consultant Gwen Andersen, which will provide a comparison of the two mechanisms.
- If MIREME decides to move forward with renewing the REFiT, SPEED+ will continue to provide support for implementation.

### 3.1.2c Work with KfW and MIREME to coordinate and harmonize REFiT given KfW's GET FiT (Global Energy Transfer Feed in Tariff) approach.

Julia Krause of KfW, who is studying the feasibility of a GETFiT project in Mozambique, convened a meeting of several donors and projects including SPEED+ (Gwen Andersen and Jennifer Garvey) and representatives of MIREME to clarify each party's activities and plans, as well as MIREME's needs and requirements for assistance. As described above, if MIREME decides to move forward with REFiT, and also if KfW decides to move forward with GETFiT, SPEED+ will continue to coordinate and harmonize activities on these tariff-setting mechanisms.

### 3.1.3 TRANSACTION AND LEGAL SUPPORT FOR IPPs

SPEED+ continued to network with IPPs to identify areas in which technical assistance to the IPP or to MIREME could facilitate more rapid development of their projects. The Lusaphone Renewable Energy Association (ALER) conference provided an excellent opportunity to engage with current and potential IPPs. At the conference, individual investor representatives presented their areas of operation and their concerns with the investment and regulatory framework for operating in Mozambique. SPEED+ consultants also met formally during business-to-business (B2B) sessions with half a dozen businesses about developing electricity projects (pre-feasibility study), and informally with others during the break-out intervals between sessions. SPEED+ Power Portfolio Manager Jennifer Garvey also met with EdM's commercial and external relations director Adérito de Sousa to discuss EdM's approach to power purchase agreements (PPAs) with both co-generation and individual producers such as Maragra and Tongaat Hulett and facilitated discussions between EdM and Tongaat Hulett.

### 3.1.4 TRAINING FOR MIREME LEGAL DEPARTMENT

#### Managing Power Sector Reform and Regulation Training – University of Cape Town

SPEED+ supported two senior staff from MIREME (Marcelina Joel, Director of the Legal Office and Marcelina Mataveia, Deputy National Director of Energy) and two senior staff from CNELEC/ARENE (Dacia Zavala, Legal Advisor and Claudia Rita Buibunda, Member of the Commission of Affairs and Tariffs) to attend the Managing Power Sector Reform and Regulation Africa (October 9-13, 2017) at the

University of Cape Town Graduate School of Business, Executive Education Program. The course provided participants with the tools to engage effectively with issues around the restructuring of state-owned, vertically integrated, monopoly electricity industries; private sector participation; the introduction of Independent Power Producers (IPPs); and new regulatory regimes. The training built capacity and confidence for MIREME to advance in approving specific energy transactions. The course was rated very highly by participants, in particular regarding the interaction of technology and regulation as well as the exposure to varied experiences and approaches throughout the region.

### IPP Regulation and Management Training – SPEED+

SPEED+ engaged a team of consultants to design and deliver a training series to support the development of a shared understanding of common terms, principles, and purposes in the new area of IPP law and regulation, and the management of IPP contracts. The training includes modules on economic and financial aspects (originally to be led by Alfredo Behrens), legal and regulatory aspects (led by Taciana Lopes and Geresa Magalhães) and technology/engineering aspects (led by Manuel Ruas). The Legal and Regulatory Module was completed in this quarter, but a scheduling conflict for MIREME required the postponement of the Financial and Economic Module and the Technology Module to February 2018. This may require the replacement of the trainer for the Financial and Economic module, Alfredo Behrens.

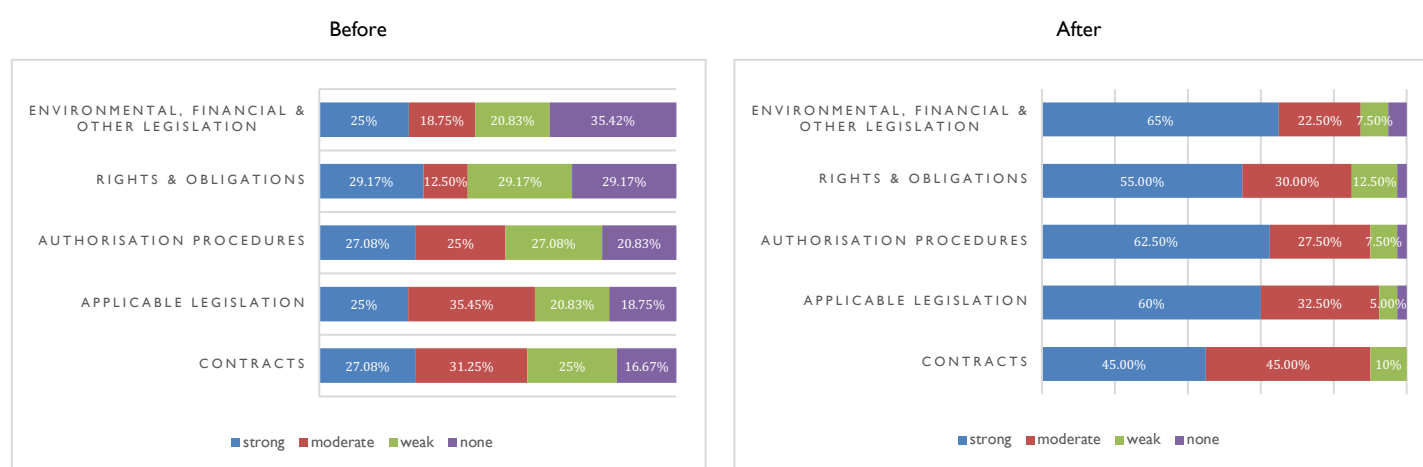
#### 3.1.4a IPP Regulation and Management: Financial and Economic Module and Technology Module

The Financial and Economic Module and the Technology Module have been postponed due to a schedule conflict with MIREME. The training is now planned for February 12-14, 2018. SPEED+ will re-confirm trainer availability early in the next quarter.

#### 3.1.4b IPP Regulation and Management: Legal and Regulatory Module

The Legal and Regulatory Module was offered from October 16-19, 2017. Twenty-seven staff from MIREME, CNELEC/ ARENE, FUNAE, Ministry of Finance, Tax Authority, and Treasury participated, and certificates were distributed. SPEED+ finalized and shared the evaluation report of the Legal and Regulatory Module with all course participants. Approximately 80% of the participants rated the course content as excellent or good. There were no negative ratings. As shown in Figure I, which summarizes the participants' self-assessment, there was a substantially positive impact regarding the knowledge gained from the training.

Figure I - Legal/Regulatory Module Self- Evaluation – Understanding of Key IPP Concepts



### 3.2 OFF-GRID LEGAL FRAMEWORK AND TRANSACTION SUPPORT

SPEED+ staff and consultant Gerusa Magalhães participated in the Lusophone Renewable Energy Association (ALER) conference on October 25-26. The SPEED+ team prepared a presentation delivered by USAID Senior Energy Sector Specialist Armando Abacar on REFiT and other tariff mechanisms. Jennifer Garvey (just prior to assuming her position as SPEED+ Power Portfolio Manager) presented on the regulatory process and barriers to the authorization of mini-grid systems. SPEED+ developed and distributed materials about the project's work in Mozambique. The ALER conference attracted a large audience from Mozambique (as well as international participation), but the vast majority of participants were from the Government or NGO sectors, with less than ten truly private sector players from the Mozambique market.

At the request of USAID, SPEED+ prepared and held an event on October 13 in which Akon Lighting Africa met with donors, local stakeholders and NGOs to discuss expanding investment in off-grid renewable source electricity in African countries. In Mozambique, Akon Lighting Africa is working in partnership with Foundation Machel FIDUS (<http://akonlightingafrica.com/mame-garca-machel-met-akon-lighting-africa-team/>).

Interim Power Portfolio Manager Gwen Andersen also provided technical inputs and guidance to representatives of the EU Technical Assistance Facility, and Carbon Trust (working on a DFID funded activity), regarding off-grid support activities and the regulatory context in Mozambique.

#### 3.2.1 COMPACT IMPLEMENTATION – TAX REGIME FOR RENEWABLE AND ENERGY EFFICIENCY EQUIPMENT

As part of the DFID Energy Africa Compact, SPEED+ is working on strategies to exempt imports of renewable energy equipment from customs duty and VAT. At present, these import and VAT duties increase the average wholesale cost for renewable energy equipment by approximately 50%. Through discussion with MIREME Legal Department and DFID, the following approach was proposed:

- DFID to prepare a socio-economic position paper justifying the exemption, based on their initial analysis (Energy Africa – Mozambique. *Technical assistance to model and analyze the economic effects of VAT and tariffs on picoPV products, solar home systems and improved cook stoves. September 2016*). The results of that study indicated that the economic benefits would be seven times greater than the fiscal cost of the tax exemptions.
- SPEED+ to research options and prepare draft legislation for such an exemption and explore mechanisms for implementation. Options include amending the Customs Tariff Schedule and the VAT Code or creating a special fiscal regime for the electricity sector. Both of these options would require Parliamentary approval. MIREME requested that SPEED+ focus on a special fiscal regime for the electricity sector rather than on individual VAT code adjustments. This could be a better approach to secure the desired exemptions and to focus on renewable energy equipment for individual household systems rather than on energy efficiency items such as lightbulbs.

SPEED+ is developing a SOW for further analysis of models and global best practices for preferential tax treatment for eligible products, to create a comprehensive list of such products, and to facilitate stakeholders' engagement in advocacy for this reform.

### 3.3 STRENGTHEN REGULATORY FRAMEWORK FOR POWER – SUPPORT TO ARENE

As a new regulatory institution, ARENE has considerable potential but requires technical assistance to establish a new structure and train its staff in their new roles. SPEED+ and MIREME met with Jonas

Sandgren of NVE and with Adam Ayache of AFD and Julia Krause of KfW to ensure coordination and complementarity of legal and technical assistance support to ARENE.

### 3.3.1 TECHNICAL ASSISTANCE TO ARENE

SPEED+ completed the English translation of the law establishing ARENE, which was posted on the SPEED+ website and distributed to members of the ESWG and government counterparts. SPEED+ also drafted a detailed success story on the passage of the law which will be published in the next quarter.

SPEED+ consultant Ashley Brown continued to support ARENE to develop the necessary internal regulations and organization structures as well as technical capacity to carry out their responsibilities as an independent regulator. In this quarter, he met with ARENE to discuss SPEED+ support and identified three potential activities for immediate implementation. The scopes of work for these activities will be finalized in the next quarter:

- Provide technical assistance through an embedded advisor/mentor, with additional support from short term consultants as needed;
- Conduct a gap analysis of the existing organization, and provide in-depth support for the development of an effective organizational structure, personnel requirements and respective competences and capacity (note an initial outline had previously been prepared by Ashley Brown);
- Development of a functional website and training of a website manager. The website will serve as a platform for communications regarding legislation, procurements, etc.

#### 3.3.1a Strengthen Organizational Capacity

SPEED+ worked on a draft SOW and to identify technical expertise in Human and Institutional Capacity Development to conduct a gap analysis of the organizational structure and staffing of the existing organization (CNELEC) and the new organization ARENE, provide recommendations and support the development of an effective organizational and staffing structure with requirements for the necessary competences and capacity at each level.

#### 3.3.1b Strengthen Technical Capacity

SPEED+ supported two senior staff from CNELEC/ARENE (Dacia Zavala, Legal Advisor and Claudia Rita Buibunda, Member of the Commission of Affairs and Tariffs) to attend the Managing Power Sector Reform and Regulation Africa Course (October 9-13, 2017) at the University of Cape Town Graduate School of Business, Executive Education Program. For full description see Section 3.1.4 Training to MIREME Legal Department. Staff from ARENE are also included in the SPEED+ IPP Regulation and Management training series for the MIREME Legal Department. As described above in *Section 3.1.4 Training to MIREME Legal Department*, the Legal and Regulatory Module has been completed. ARENE employees appreciated the training and are eager to attend the upcoming finance/economics training to help them with setting tariffs. The Financial and Economic Module and the Technology Module will be delivered in February 2018.

#### 3.3.1c ARENE Embedded Adviser

SPEED+ began developing the SOW for an embedded advisor to ARENE. The emphasis of the SOW will be on coaching and capacity building for ARENE staff, and SPEED+ will continue to monitor the advisor's work to ensure that the advisor is enabling ARENE staff, rather than doing work for them. While it may be difficult to find someone with a skill set that covers the three areas of ARENE oversight (electricity, downstream natural gas and fuel distribution) with the same depth of expertise, SPEED+ will consider providing additional technical expertise through STTA as needed.



### 3.4 STRENGTHENING OF EDM

As the state owned electric utility, the financial and organizational health of EdM is paramount to improvements in the energy sector in Mozambique as a financially credible off-taker (buyer) to purchase energy from IPPs under long term power purchase agreements (PPA).

#### 3.4.1 ENERGY EFFICIENCY

SPEED+ is discussing several mechanisms to support increased energy efficiency objectives with EdM, FUNAE and MIREME. These include a review of legislation to prohibit the import of incandescent bulbs and to support the use of LED bulbs, and efforts to reduce EdM's commercial (non-technical) losses due to illegal and unregistered connections.

#### 3.4.2 GRID CODE: REGULATION AND PROCEDURES FOR IMPLEMENTATION

SPEED+ consultant Gerusa Magalhães prepared a Terms of Reference for the African Development Bank (AfDB), which will be used to engage a consultant in the development of regulation and procedures for the Grid Code implementation. The draft Terms of Reference in English and Portuguese was shared with EdM, ARENE, MIREME and FUNAE for comments, which will be reviewed and incorporated as appropriate in the next quarter.

#### 3.4.3 TECHNICAL ASSISTANCE FOR TEMANE TRANSMISSION PROJECT (TTP)

In consultation with USAID representatives from both the Regional and Mozambique Missions, and representatives from SPEED+ and SAEP, it was agreed that SAEP would take over support for the embedded advisor to the Temane Transmission Project. This was an excellent example of coordination between USAID projects as SPEED+ assisted EdM to complete the search and recruitment process including writing the scope of work, reviewing CVs, and conducting interviews with the top three candidates and selecting a final candidate for the position. The selected candidate, Bruno Batista, is in the process of on-boarding with the SAEP to start at the beginning of 2018.

#### 3.4.4 IMPLEMENT DECREE 10/2016 TO IMPROVE DOING BUSINESS INDICATOR GETTING ELECTRICITY

In this quarter, the Doing Business 2018 rankings were released. The most significant improvement for Mozambique was on the Getting Electricity indicator, in which SPEED+ supports EdM and MIREME to implement the Decree 10/2016. The impact of the Decree, which reduces the number of steps and procedures required for businesses to connect to the grid, was reflected in Mozambique moving from 168<sup>th</sup> position in 2017 to 150<sup>th</sup> position in 2018. SPEED+ began planning the regional trainings on the implementation of the Decree 10/2016, which will reach over 100 representatives from EdM and DNE in: (1) Maputo (Maputo City, Maputo Province, Gaza and Inhambane provinces), (2) Chimoio (Manica, Sofala, Tete and Zambézia provinces) and (3) Nampula (Cabo Delgado, Nampula and Niassa province).

#### OTHER ACTIVITIES

SPEED+ Power Portfolio Manager Jennifer Garvey and Water Portfolio Manager Claudette Lavalley discussed a collaborative initiative to assist in the conversion of grid/diesel generator energy supply for water pumps to individual solar panel sources of power. As a result of this meeting, solar equipment for water pumps and desalination plants was added to the proposal for the exemption from import duties and VAT.

SPEED+ also supported USAID COR Amanda Fong and Senior Energy Specialist Armando Abacar on completion of the Power Africa annual report. SPEED+ Power Portfolio Manager (Interim) Gwen Andersen and incoming Portfolio Manager Jennifer Garvey also assisted these USAID staff in the preparation and the presentation to Power Africa and USAID Southern African Energy Project on 31 October/1 November in Johannesburg and Pretoria in South Africa. At these meetings, the SPEED+ work plan was shared along with a general presentation on the energy sector in Mozambique. Power Africa and

SAEP presented on details of their work plans relevant to Mozambique including the Regional Gas Master Plan.

## WATER SECTOR ACTIVITIES

### 3.5 IMPLEMENTING THE DECREE 51/2015 FOR LICENSING PRIVATE WATER PROVIDERS

As SPEED+ rolled out dissemination activities and implementation tools for the regulation for licensing PWP, the Municipal Village of Macia, Bilene District, Gaza Province, took the lead in the country for the number of licenses issued, with a total of 20 private water provider systems licensed in 2017. Licensing officials in Gaza credited the SPEED+ dissemination seminar with enabling them to clarify and correct their implementation procedures and to issue licenses more rapidly. With SPEED+ support to DNAAS as the implementing partner, it is expected that by the end of 2018 a total of 500 private water supply systems will be licensed, serving 800,000 people with well-regulated, high quality, efficiently managed and safe water services.

#### 3.5.1 DISSEMINATION OF THE DECREE 51/2015

To help build greater awareness of the new Decree, SPEED+ supported DNAAS, CRA and AFORAMO to implement a dissemination campaign targeting district and municipal licensing authorities, PWPs and

##### **Decree 51/2015 - Licensing PWPs**

##### *Southern Region Dissemination Seminar*

Held on October 2 at DNAAS offices. 57 people attended including USAID COR Amanda Fong, DNAAS National Director Nilton Trindade, and President of AFORAMO Adriano Chirute. Participants included residents of Maputo Municipality and Maputo Province, as well as local authorities from Gaza and Inhambane provinces. 75% of the participants were male, and 25% were female. In the seminar evaluation, over 92% of participants indicated that the seminar met their expectations, and 90% affirmed that they acquired knowledge that will be useful for their future work.

##### *Northern Region Dissemination Seminar*

The seminar was held on November 2 in Pemba at Kauri Lodge. 32 people attended, including the Cabo Delgado Provincial Director of Public Works, Housing and Water Resources Dinó Coutinho. In the evaluation of the seminar, the number of participants reporting a strong knowledge of the content of the regulation increased substantially, from an initial 4% to 57% following the seminar.

##### *Central Region Dissemination Seminar*

The seminar was held on November 14 in Beira. Over 60 people attended, included a significant number of high level officials, demonstrating the interest and relevance of the topic in this region which includes Zambézia, Tete, Manica and Sofala. Participants included the Provincial Director of Public Works, Housing and Water Resources of Manica Province, and the President of Alto Mulocoé municipality. 42 representatives of local government institutions (municipalities and districts) participated, including representatives from 10 local water institutions such as FIPAG, CRA and ARA-Centro. 98% of the participants reported being satisfied with quality of the seminar's contents and presentation.

interested new investors (see side box). Tools for implementation designed by SPEED+ were distributed, including the brochure format of the Decree 51/2015, the *Guide to Implementation of the Decree 51/2015* at district and municipal levels, and the step-by-step *Procedure for Licensing*, for licensing authorities and PWPs. These materials will be further distributed to the public through the district and municipal offices. The documents were also published on the SPEED+ website. While the DNAAS and AFORAMO websites are under development we will request CRA to publish the documents on their website and to announce their availability in their newsletter. In the next quarter, SPEED+ will support a larger distribution of the printed tools through AFORAMO.

As SPEED+ rolled out dissemination activities and implementation tools, the Municipal Village of Macia, Bilene District, Gaza Province, took the lead in the country for the number of licenses issued, with a total of 20 private water provider systems licensed in 2017. Licensing officials in Gaza credited the SPEED+ dissemination seminar with enabling them to clarify and correct their implementation procedures and to issue licenses more rapidly.

In addition to reviewing the Regulation and procedures, the dissemination seminars also featured AFORAMO presenting on the opportunities for private sector investment, and SPEED+ presented the upcoming mapping of PWP activity. The seminars also allowed ample time for questions, feedback and discussion.

Participants' recommendations were remarkably similar throughout the country – expressing a strong desire for training on the regulation to be pushed farther out to the local licensing authorities, at the provincial and district level. In fact, the provincial representatives from Gaza committed to replicate the seminar in their respective provinces to assure that all districts and municipalities are ready to start implementation of the Decree. A special focus was put on the aspects of managing contracts and monitoring service delivery at the local level. SPEED+ noted that in the Northern and Central Region seminars, the combined participants were only 7% female, as opposed to the 25% female participation in the Southern Region. SPEED+ will integrate an enhanced focus on gender parity in the implementation of all Component 3 Water Policy Framework activities.

### 3.5.2 TECHNICAL STANDARDS FOR PWPS

In Year One, SPEED+ provided technical assistance to DNAAS to design technical and service standards that were customized to the three categories of PWP established by the Decree: those serving between 1-500 clients; between 500-5000 clients; and more than 5,000 clients. In this quarter, these standards were reviewed by the DNAAS Technical Council, comments were received, and the revised version will be resubmitted in January for final review.

### 3.5.3 DEVELOP A TARIFF MODEL FOR PWPS

DNAAS, AFORAMO and CRA requested SPEED+ support to develop a tariff model to establish and adjust tariffs for PWPs. SPEED+ consultants Adelino Pimpao, Mário Souto, Charles Pendley and Diego Fernandez began work to develop a tariff model that enjoys broad stakeholder consensus built through extensive dialogue with AFORAMO and participatory consultation with public and private sector stakeholders. A work plan was elaborated and adopted by the consultants, government counterparts at DNAAS, and SPEED+ (see side box). Kick off meetings to discuss the approach to the work were also held among the consultants and counterparts including Ara Sul, AIAS, FIPAG and CRA.

#### **Phased approach to developing tariff model**

*Phase 1* – Literature review on tariff model, and calculation methodologies related to PWP cost recovery and consumer capacity and willingness to pay;

*Phase 2* – Data collection through field visit to PWPs to collect information about their operation. Collect their capital expenditure (CAPEX), operation expenditure (OPEX) and capital maintenance expenditure (CAPMANEX) through interviews using a customized questionnaire. Data collection from consumers through the Willingness to Pay survey (managed by consultant Mario Souto and implemented by a firm/organization selected through a full and open procurement)

*Phase 3* – Analysis of data collected through the two surveys (PWP expenditures and consumer Willingness to Pay). Selection of tariff model (s) that conform with the reality of PWPs and consumers in Mozambique

*Phase 4* – Produce the tariff model, projections and manual.

*Phase 5* – Presentation of preliminary version of the tariff model, projections and manual.

*Phase 6* – Inclusion of comments and contributions of technicians of DNAAS, CRA, AFORAMO and local authorities.

*Phase 7* – Final Report

During the quarter, the consultants drafted the questionnaire to collect financial and operational data of private water supply systems, and the Willingness to Pay Survey. The consultant team carried out the first field visit and used the questionnaire to collect data from 16 PWP located in Maputo, Matola, Xai-xai, Macia, Manhica, Marracuene, and Intaka. The team will conduct a total of 50 interviews during the full consultancy.

The Willingness to Pay survey will be conducted in 2 towns in each province, for a total of approximately 800 surveys nationwide. The interviewees will be both customers and non-customers of PWPs. SPEED+ will

conduct a full and open competition for procurement of the survey implementation and data entry as well as carefully review the survey next quarter.

### 3.5.4 MAP PWPS AND DEVELOP DATABASE FOR LICENSING OF PWPS

Following a competitive procurement process, UMC was selected to conduct the national mapping of PWPs. Since the purchase order for the mapping activity will exceed \$150,000, SPEED+ sought and received USAID approval to subcontract. DAI is currently finalizing the contract with the selected firm. It

is expected that the work will start in January 2018. SPEED+ began the review of the questionnaire that will be used to map PWP's and will send to USAID for comment next quarter.

## **COMPONENT 4: AN IMPROVED BIODIVERSITY CONSERVATION POLICY FRAMEWORK**

### **4.1 STRENGTHEN BIODIVERSITY CONSERVATION POLICIES**

#### **4.1.1 DEVELOPMENT OF THE GENERAL REGULATIONS FOR CONSERVATION LAW 5/2017**

On November 17, the Government of Mozambique reached an important milestone for biodiversity conservation in the country by approving the General Regulation for the Law of Protection, Conservation and Sustainable Use of Biological Diversity (Law No. 5/2017, or "the Conservation Law"). SPEED+ technical assistance to the National Administration of Conservation Areas (ANAC) and facilitation of public consultations resulted in the rapid finalization and approval of the Regulation. The revised Law, as reflected in the new Regulation, strengthens penalties, fines and prosecution of wildlife trafficking and poaching crimes, and provides new powers and tools to the authorities to address this threat to biological diversity. The passage of the revised Conservation Law and General Regulation transmits an important signal that the Government is committed to combating wildlife crimes, improving management of conservation areas, and supporting private sector partnerships that contribute to sustainable biological diversity in Mozambique. SPEED+ will continue to support public engagement, dissemination of the Law and Regulations, and technical assistance for enforcement.

#### **4.1.2 DEVELOPMENT OF SPECIFIC REGULATIONS FOR CONSERVATION LAW 5/2017**

The finalization and approval of the Sport Hunting Regulation, one of the specific regulations for Conservation Law, was addressed simultaneously with the General Regulation. Public consultations and revisions were supported by SPEED+, and the Sport Hunting Regulation was approved on November 17. SPEED+ also discussed with ANAC potential support for the development of four specific regulations for Conservation Law 5/2017. SPEED+ met with ANAC's Legal Adviser Leovigildo Jose and MozBio's Legal Adviser Carlos Serra to discuss developing the SOW and methodology for developing the regulations, the expectations and priorities on both sides and potential consultant candidates.

The current status of each regulation is as follows:

1. *Game Farming Regulation*: the SOW was completed and submitted to USAID for review;
2. *Regulations for specific species*: ANAC has developed guidelines for specific species management (such as for lions, elephants, crocodiles and elephants), so there is no need to develop the technical aspects of the Regulation. However, ANAC has requested SPEED+'s support for a legal consultant to transform these guidelines into implementing regulations;
3. *Avifauna Regulation*: the SOW is under development and potential consultants are Carlos Bento (technical consultant) and Jorge Chicue (legal consultant);
4. *Professional Hunting Regulation*: the regulation is not a priority now, but there is an urgent need to develop the Statute of Sworn Rangers (*Fiscais ajuramentados*). SPEED+ is discussing potential support for this activity with ANAC, USAID and Mozambican Association of Safari Operators (AMOS).

Using lessons learned from the process of developing the General Regulation for the Conservation Law, SPEED+ is engaging with Hugo Costa from COMBO Project, Sean Nazerali from Biofund, and Carlos Serra from MozBio (ANAC) in order to define a set of procedures with roles/responsibilities for all parties, to be used when ANAC collaborates with technical assistance providers in preparing regulations or other legal instruments.

#### 4.1.3 EVIDENCE-BASED DECISION-MAKING TO COMBAT WILDLIFE TRAFFICKING

##### 4.1.3a Ivory and rhino horn stockpiles in Mozambique

SPEED+, together with WCS, is supporting GRM decision-making about management of trafficked wildlife product stockpiles such as ivory and rhino horns with an economic and political analysis of the risks, impacts and opportunities of various options for disposition. The SOW for the Ivory and Rhino Horn Economic Study was developed with inputs from WCS and submitted to USAID for approval. Holly Dublin was approached to be team leader but may not be available, and SPEED+ is seeking an alternative team leader.

#### 4.2 SUPPORT IMPLEMENTATION OF GOVERNMENT POLICIES AND REGULATIONS

##### 4.2.1 STRENGTHEN ABILITY OF AMOS AND FEMOTUR TO COMPLY WITH LAW 5/2017

SPEED+ met with AMOS and FEMOTUR to discuss creating training materials and implementing training for AMOS and FEMOTUR, and their members, to improve understanding and ultimately compliance with the Conservation Law. AMOS agreed to co-share the costs of the activity, and all parties agreed that SPEED+ would support a training of trainers which each organization could then roll out to their membership. AMOS and SPEED+ also considered supporting the accreditation of rangers in the area of fauna and flora conservation (no law enforcement or arms training) as part of this training package. SPEED+ will be able to leverage the project's investment in developing the Statute for Rangers Accreditation, to ensure that a high-quality regulation is further strengthened by high quality training for its implementation.

##### 4.2.2 DEVELOP TRAINING MATERIALS FOR THE JUDICIARY TO IMPLEMENT LAW 5/2017

Conservation Law 5/2017 provides the country's legal and judicial system with more powerful tools to tackle wildlife poaching and trafficking. USAID and the Mozambique Attorney General's Office (PGR) have developed the Wildlife Crime Prosecution Support Program (WCPS Program established through FARA Implementation Letter of September 29, 2017) that provides for significant capacity building through training and equipment provision to enable Mozambique's legal and judicial system to implement the new provisions and improve enforcement of criminal and civil laws. SPEED+ is providing technical assistance for Legal Handbooks (hereinafter referred to as Rapid Reference Manual or RRM) and Training Materials to accompany the RRM, which SPEED+ is cost-sharing with UNODC. SPEED+ is also coordinating with ANAC, WCS, and WWF, organizations which have other defined roles under the WCPS program.

The kick off meeting with the PGR was held on November 22, chaired by the Deputy Attorney General, Dra. Amabélia Chuquela, and with participation of the PGR focal point (PPF) Dr. Amâncio Zimba, and the administrative officer Rosa Mandlate. The PPF and SPEED+ consultant, Gildo Espada, with the assistance of the UNODC international legal expert Ingrid Elliott, began developing the RRM. Gildo Espada also began collecting and analyzing relevant legislation including 87 Ministerial decrees, codes, conventions, treaties, laws and decrees. The consultant also began collection and analysis of manuals and operating models used in other countries for criminal investigation and prosecution of wildlife crimes. SPEED+ consultants also collaborated with the PPF and WWF to discuss how to plan for the transition of the RRM and the training materials to WWF trainers. WWF has an active existing MOU with PGR for training to prosecutors and is in the process of launching the USAID funded Khetha Project (see Other Activities below), and the PPF is seeking to leverage that existing activity.



## 4.3 STRENGTHEN COUNTER WILDLIFE CRIME (CWC) SUPPORT

### 4.3.1 SUPPORT TO ESTABLISH A WILDLIFE CRIME UNIT (WCU)

The SOW for the development of a comprehensive justification for support to ANAC Wildlife Crime Unit was developed with inputs from WCS and submitted to USAID for comment along with a proposed candidate to undertake the work. USAID has requested this activity be put on hold until next quarter to coordinate more closely with PGR and ANAC.

## 4.4 PROMOTE AWARENESS OF BIODIVERSITY AND CONSERVATION ACTIVITIES

### 4.4.3 FACILITATE SCIENTIFIC YOUTH-ORIENTED EVENTS RELATED TO BIODIVERSITY CONSERVATION

SPEED+ met with representatives from the University Eduardo Mondlane (UEM) to discuss activities and opportunities for collaboration. In late November UEM submitted a draft concept note proposing activities to be carried out, a list of potential dates for activities (key national or international dates such as World Wildlife Day March 3 among others), target groups and an estimated budget. SPEED+ will review the proposal, discuss with USAID, and consider the best mechanisms for implementation.

## 4.5 SUPPORT EFFECTIVE CO-MANAGEMENT AND GOVERNANCE OF CONSERVATION AREAS

### 4.5.2 DEVELOP STRATEGIES FOR EFFECTIVE CO-MANAGEMENT AND GOVERNANCE OF FULLY PROTECTED CONSERVATION AREAS (NATIONAL PARKS AND RESERVES)

SPEED+ Consultants Peter Lindsey and Mujon Baghai continued work on the assessment of Conservation Areas (CA) co-management models in Mozambique and the region. The regional review of collaborative management models was drafted and submitted to the Co-Management Study Oversight Committee, and then circulated more broadly for comment. The report findings were presented to Minister of Land, Environment and Rural Development Celso Correia, and also at a Business Breakfast in December. The benefits and challenges of three types of collaborative management models were presented (delegated management, shared or co-management, and financial-technical support). The study showed that the most common type observed in the region is the financial-technical support model, but that the delegated model provided the best results in terms of attracting financial resources and conservation of biodiversity and are becoming increasingly common. As has been experienced in Mozambique, the delegated model often draws domestic criticism about “giving away” national assets, since the agreements generally require long term commitments to cede national government control over management of the areas.

Key highlights of the discussion with the Minister included:

- The Minister believes co-management models have great potential for Mozambique, and he believes that the delegated model seems most effective and beneficial;
- One of the challenges the Ministry faces in developing co-management arrangements is the public perception that such agreements “give away” national assets, since the partner NGOs often require commitments of 25+years;
- The Minister was interested in discussing ANAC’s ideal role on the spectrum from being a full implementer to being only a regulating agency. Also, the Minister seemed interested in the suggestion for additional technical assistance to work closely with ANAC and the Ministry to help them develop procedures for the establishment and management of partnership arrangements;
- At present, he sees the need for: a) developing a vision for the management of Mozambique’s parks and, b) developing a strategy for actively attracting partners;



- The Minister also committed to reviewing the final report, and to delivering the information to the Council of Ministers and other interested parties.

Regarding the report on Mozambique's experience with co-management models, the team gathered aerial census data, held discussions with ANAC staff, and designed and conducted a survey to seek the inputs of key stakeholders regarding best models. Field research was conducted in Limpopo National Park (LNP), Gorongosa National Park (GNP) and Niassa National Reserve. The consultant team also analyzed the environmental performance of Mozambican conservation areas under various management models.

## 4.6 ENHANCE THE BUSINESS ENABLING ENVIRONMENT FOR ECO-TOURISM AND WILDLIFE-BASED TOURISM

### 4.6.2a Develop a National Red List of threatened species in Mozambique and

#### 4.6.2b Identify and map Key Biodiversity Areas (KBAs)

If Mozambique is to conserve its full biodiversity under the Convention of Biological Diversity, the International Union for the Conservation of Nature (IUCN) Red List of Threatened Species and the mapping of Key Biodiversity Areas (KBA) are tools that can provide vital information about which species are of global and/or national conservation concern. The National Directorate for the Environment (DINAB, *Direcção Nacional do Ambiente*) will be a key implementation partner. SPEED+ began drafting the SOW for the development of a National Red List of Endangered Species and Key Biodiversity Areas Map and will discuss with USAID the best mechanism for implementation (through consultant contract, grant, or purchase order).

#### 4.6.2c Conservation Tourism Development Strategy

ANAC intends to develop and implement a Conservation Tourism Development Strategy. SPEED+ met with Mohamed Harunm (Private Sector Investment Technical Advisor of ANAC) to review the Terms of Reference for a consultant to assist with the development of the Strategy, and to discuss SPEED+ collaboration. Kwasi Agbley has been identified as a potential team lead consultant.

#### Other Activities

SPEED+ developed an online survey to identify partners' priority topics of interest to be presented at upcoming Business Breakfasts for Biodiversity Conservation. This survey was distributed to 42 stakeholders. Results will be compiled in the next quarter.

SPEED+ attended the launch of the Biofin project (Global Initiative to Finance Biodiversity Conservation), a project of the Ministry of Land, Environment and Rural Development in partnership with UNDP.

SPEED+ participated in the COMBO Project Technical Advisory Council meeting. An analysis of gaps in policies, laws, capacity, experience and data on biodiversity in Mozambique was presented.

SPEED+ participated in the national meeting of ANAC. The meeting was held on November 16th and 17th under the theme "Valuing Biodiversity to Benefit Tourism"

SPEED+ participated in a planning meeting for MozBio, which reviewed the implementation progress of the current year, and discussed the proposed plan for 2018 and a potential second phase of the Project

Meeting held with WWF (Anabela Rodrigues and Marcelino Foloma) to understand the objectives and implementation area of the USAID funded Khetha Project being implemented by WWF-SA and WWF-Moz. Khetha covers Southern Africa, including the southern region of Mozambique, and will provide support to stop wildlife trafficking. Part of the program includes training for magistrates. Since SPEED+ is

working with the PGR on training, and since the FARA has a milestone of training 29 prosecutors, there is a good opportunity for coordination.

## **2. INTEGRATION OF GENDER AND ENVIRONMENT ISSUES**

### **INTEGRATING GENDER**

SPEED+ began developing a SOW for two Senior Gender Specialists, Lis Meyers and Gretchen Bloom, to assist SPEED+ to integrate USAID's Gender Equality and Female Empowerment Policy, and related USAID policies and strategies, throughout all technical components through the following:

- Training/capacity building on gender sensitivity, the importance of gender in development, gender integration tools and techniques, gender analysis, and M&E;
- Identification of technical areas/workstreams likely to include significant gender issues;
- Guidance to technical officers on how to perform in-depth gender analyses for those areas;
- Creation of Gender Action Plans in collaboration with technical staff;
- Technical support during implementation of Gender Action Plans for those technical areas/workstreams; and
- Revise the SPEED+ MEL plan as needed to track performance of the Gender Action Plans and ensure all gender relevant results are captured and reported.

### **ENVIRONMENTAL MONITORING AND MITIGATION**

In accordance with the EMMP, SPEED+ assessed each activity of the Year 2 Work Plan to determine the appropriate IIE category for the activity (categorical exclusion, negative determination or deferral) and recorded the following information in the online EMMP Table:

- If the activity is a Categorical Exclusion, SPEED+ noted exclusion in the EMMP Table for concurrence by USAID;
- If the activity is a Negative Determination with Conditions, (i) SPEED+ noted the determination in the EMMP Table and (ii) wrote a short explanatory paragraph regarding mitigation activities in the EMMP Table for review by USAID.
- If the activity is a Deferral, SPEED+ noted in the EMMP Table that the activity is a deferral and will discuss the activity with USAID COR and MEO to determine next steps.

The EMMP Table was submitted to USAID and is under review.

## **3. MONITORING, EVALUATION AND LEARNING (ME&L)**

### **ADMINISTRATION OF THE ME&L SYSTEM**

The SPEED+ ME&L team worked this quarter to develop a system for easy tracking, measuring progress and sharing results as well as the relevant backup documentation with USAID. In order to better coordinate and consult with USAID on the analysis and validation of our indicator results, SPEED+ has created an online review spreadsheet that will allow the project to share results with USAID in a timely manner and discuss progress on an ongoing basis. SPEED+ continued discussion with USAID about the review and revision of the Monitoring, Evaluation and Learning Plan (ME&L Plan) and will submit a revision in the next quarter.

## BASELINE DATA COLLECTION

SPEED+ submitted baseline data for the indicators 2.2 to 2.5 (time and cost to export and import along the Nacala Corridor). Complete details can be found in Annex 6. SPEED+ is now working towards collecting the remaining baseline data for the Indicators 4.2 (access to drinking water) and 4.3 (private water providers). The scope of work for the water sector baseline has been approved by USAID and a consulting firm hired. Completion of the baseline data collection is expected in next quarter. In other cases, for specific reforms, the baseline data will be collected when the reform is selected as an area of focus, on a case by case basis.

To address the four impact indicators (private sector cost reduction, value of income increased, value of new investments, number of jobs created) SPEED+ began drafting a scope of work for a senior economist, potentially Bruce Bolnick, to employ the “monetizing benefits methodology” to establish a pragmatic evaluation plan for quantifying SPEED+ reform impacts.

## PROGRESS ON POLICY REFORM

The overarching objective of SPEED+ is to facilitate the advance of important policies through the five stages of policy reform: Analysis, Consultation, Drafting, Approval and Implementation. SPEED+ is assisting counterparts with multiple policy reform efforts, not all of which are captured by the official monitoring and evaluation system indicators.

This quarter, SPEED+ contributed to important advances on 18 policy reform efforts, which proceeded through 28 stages of policy reform. It’s important to note that SPEED+ also continued to work on 22 additional policy reforms which, for this quarter, remained at the same stage of reform. SPEED+ has established a strong foundation for finalization, approval and implementation of these reforms in the subsequent quarters.

Over the life of the project, SPEED+ has contributed to important advances on 41 policy reform efforts, which proceeded through 89 stages of policy reform. The chart and table below provide an overview of these achievements.

**FIGURE 2. SPEED+ POLICY REFORM PROGRESS**

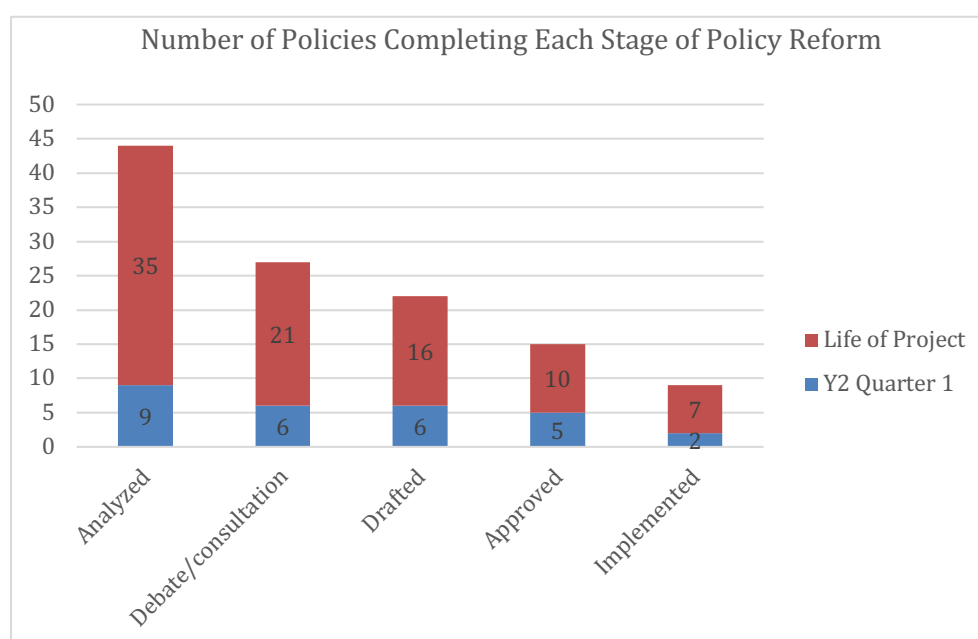


TABLE 1: SPEED+ POLICY REFORM PROGRESS THIS QUARTER		
Policy Area	Significant Policy Reform Progress	Indicator Results and Policy Reform Stage
<b>Component 1: Improving the Agriculture Policy Framework</b>		
Review of PODA Value Chains (Cashew regulation)	SPEED+ continued with the consultation process in which 1 workshop was held in Cabo Delgado and one in Maputo. SPEED+ elaborated the draft cashew regulation.	Contributes to indicator 1.1 SPEED+ completed Stage 3 (drafted)
Autonomous Tax	SPEED+ conducted a business breakfast to better understand and analyze the Autonomous Tax and ISPC, and their impact on smallholder agriculture.	Contributes to indicator 1.1 SPEED+ completed Stage 2 (consultation)
ICM strategy plan	SPEED+ elaborated an inception report following a field trip to Center and Northern Mozambique and has begun drafting the ICM strategy plan.	Contributes to indicator 1.1 SPEED+ completed Stage 1 (analysis)
<b>Component 2: An Improved Trade and Investment Framework</b>		
World Trade Organization (WTO) Trade Facilitation Agreement (TFA) Ratification and Implementation	SPEED+ supported formalization of National Trade Facilitation Committee, resulting in a draft Decree formalizing the NTFC which received MIC Ministerial approval and Council of Ministers approval.  SPEED+ provided technical inputs to implementation of TFA Category B and Category C provisions, including the requirements for publishing Average Release Times; improve accessibility of information online; test procedures; rejected good; eliminating pre-shipment inspection; Authorized Economic Operators (AEO) program; fees and costs determinations; National Enquiry Point.	SPEED+ completed Stage 4 (approved)  SPEED+ completed Stage 2 (consultation) for provision 1.1 Accessibility of information
Nacala corridor	SPEED+ conducted an in-depth assessment of the Nacala corridor, which identified the bottlenecks for import and export, estimated the time and cost to import and export and the required legal framework changes.	Contributes to indicator 1.1 SPEED+ completed Stage 1 (analysis)
National Trade Policy	SPEED+ engaged two trade policy experts to work with MIC in the design of a trade policy and strategy. The consultants conducted interviews in all provincial capitals, drafted the trade policy and engaged in public consultation in Maputo, Nampula and Beira.	Contributes to indicator 1.1 SPEED+ completed Stage 1 (analysis), Stage 2 (public consultation), and Stage 3 (drafting)
Fees and charges	SPEED+ engaged two trade experts to analyze the fees and charges practiced by the government and private sector and to develop a WTO TFA implementation strategy for Mozambique fees and charges.	Contributes to indicator 1.1 SPEED+ completed Stage 1 (analysis)
Trade Portal	SPEED+ is providing technical assistance to MIC to develop a National trade portal. SPEED+ is also supporting the Government of Mozambique to liaise with the Myanmar government to secure the portal they are using.	SPEED+ completed Stage 1 (analysis)
<b>Business Environment</b>		
Authorization law to review the Commercial Code Revisions	To fully review the commercial code there is a need for Council of Ministers and Parliamentary approval. This reform will impact the criteria used for two Doing Business indicators, starting a Business and Protecting Minority Investors.	SPEED+ completed Stage 4 (approved) and Stage 5 (implemented)
Foreign exchange law	SPEED+ acted quickly to provide supported to CTA and the Mozambique central bank to review and update the foreign exchange law.	SPEED+ completed Stage 1 (analysis), Stage 2 (Public consultation), Stage 3 (drafting) and Stage 4 (approved)
International airport points of entry	SPEED+ conducted a study and engaged in consultation in Cabo Delgado, Nampula, Tete, Inhambane and Maputo aimed at collecting evidence to support the Ministry of transportation to make informed decision regarding the proposal of closing 5 of the 9 airports from international arrival.	SPEED+ completed Stage 1 (analysis), Stage 2 (Public consultation),
CTA Matrix	SPEED+ engaged an expert to support CTA to develop a framework for defining policy reform priorities. The consultant engaged in consultation with stakeholders and held a workshop to present the draft matrix/methodology.	Contributes to indicator 1.1 SPEED+ completed Stage 1 (analysis), Stage 2 (Public consultation), Stage 3 (drafting)
<b>Component 3: An Improved Power &amp; Water Policy Framework</b>		
<b>Power</b>		
Support the Independent Energy Regulator (ARENE)	SPEED+ support facilitated the approval of the Law 11/2017 by the National Assembly in May 2017. SPEED+ provided technical assistance for the operationalization of ARENE, delivering recommendations on organizational structure and capacity requirements. ARENE law entered in force in 8 December 2017.	Contributes to indicator 3.1 and 3.2 SPEED+ completed Stage 5 (implementation)
<b>Water</b>		

Tariff model for PWPs	SPEED+ has assembled the team of consulting to develop the tariff model for PWPs. The consultants engaged in field trip, meeting with stakeholders and elaborated an inception report.	SPEED+ completed Stage 1 (analysis).
<b>Component 4: Biodiversity Conservation</b>		
General regulation for the new biodiversity conservation law (Law 16/2014)	SPEED+ provided technical inputs to the drafting of the General Regulation of the Conservation Law. Public consultation was held to review the General Regulation and the Sport Hunting Regulation.	SPEED+ completed Stage 4 (approved)
Sport hunting regulation	SPEED+ supported ANAC to conduct public consultation and drafting on the sport hunting regulation.	SPEED+ completed Stage 3 (drafting) and Stage 4 (approved)
Co-management model	SPEED+ hired Mujon Baghai & Peter Lindsey to develop partnership model for conservation areas and conduct a regional review.	SPEED+ completed Stage 3 (drafting)

## PROGRESS ON CONTEXT AND PERFORMANCE INDICATORS

Annex 6 provides project results to date for each SPEED+ context and performance indicator. The narrative below adds additional detail as needed.

### Activity Objective 1: An Improved Agricultural Policy Framework

*Indicator 1.1: Number of agricultural and nutritional enabling environment policies analyzed, consulted on, drafted or revised, approved and implemented with USG assistance (EG 3. 1-12)*

*Autonomous Tax (Component 1, Policy Area: enabling environment for private sector investment):*

Applying a 35% Tax on the output of non-registered businesses, typically smallholder farmers, because they are unable to provide tax receipts, effectively eliminates their ability to sell their products to formal sector businesses. Under the reporting period, SPEED+ continued to advance policy reform to address the inability of smallholder farmers to issues tax receipts and completed Stage 2 (public consultation) of the policy reform process.

*Review of cashew regulation (33/2003) (component 1, Policy Area: enabling environment for private sector investment):* Under the reporting period, SPEED+ completed Stage 3 (drafting) of the draft cashew regulation.

*ICM strategy plan (component 2, Policy Area: enabling environment for private sector investment):*

SPEED+ is supporting ICM develop a five-year strategic operating plan for the period 2018-2022. Under the reporting period, SPEED+ completed Stage 1 (analysis) of the policy reform process in the policy area of enabling environment for private sector investment.

*Nacala corridor (component 2, Policy area: agriculture trade policy):* SPEED+ conducted an in-depth assessment of the Nacala corridor, identified the bottlenecks for import and export and its related cost and time. Since the Nacala corridor is a major hub for export and import of agriculture products and inputs, we are reporting under indicator 1.1. During the reporting period, SPEED+ completed Stage 1 (analysis) of the policy reform process in the policy area of agriculture trade policy.

*National Trade Policy (component 2, Policy Area: enabling environment for private sector investment):*

SPEED+ is working with MIC to update Mozambique's Trade Policy and Strategy, which will guide Mozambique's overall approach to trade as a tool for economic development and job creation. Under the reporting period, SPEED+ completed Stage 1 (analysis), Stage 2 (consultation) and Stage 3 (Drafting) of the policy reform process in the policy area of agriculture trade policy.

*Fees and charges (component 2, Policy area: agriculture trade policy):* SPEED+ began work on analyzing trade related fees and charges for import and export practiced by the government and private sector. During the quarter, SPEED+ completed Stage 1 (analysis) of fees and costs which may impact agriculture trade.

*CTA Matrix (component 2, Policy Area: enabling environment for private sector investment):* SPEED+ is supporting CTA to develop a methodology to define policy reform priority. It is expected the methodology will enable CTA to more effectively advance agriculture reform. Under the reporting period, SPEED+ completed Stage 1 (analysis), Stage 2 (consultation) and Stage 3 (Drafting) of the methodology for CTA to more effectively identify and advance policy reform efforts.

## **Activity Objective 2: An Improved Trade and Investment Policy Framework**

### *Indicator 2.1 Value and quantity of AGOA exports from Mozambique*

SPEED+ tracks the value and quantity of AGOA exports from Mozambique in order to analyze the extent to which Mozambique is taking advantages of the opportunities offered by AGOA. Year over year (2017-2017), the value of AGOA exports from Mozambique grew from \$1.4 million in 2016 to \$2.8 million in 2017, an increase of 96.30%. This increase was due to an increase in the exports of sugar a tobacco and can be linked directly to the AGOA Utilization report recommendation: Inform sugar and tobacco sectors of AGOA eligibility and ensure both public and private sector actors in those sectors understand AGOA and U.S. import regulations for those goods. SPEED+ will in the following quarters analyze the contribution of the project to this process.

### *Indicator 2.6 Persons hours of training completed in business enabling environment supported by USG*

Program title	Location	Persons hours of training		
		Male	Female	Total
Regional seminar for the dissemination of the regulation for licensing of private water provider (decree 51/2015)	Maputo	198.12	66.04	264.16
Regional seminar for the dissemination of the regulation for licensing of private water provider (decree 51/2015)	Pemba	147.32	15.24	162.56
Regional seminar for the dissemination of the regulation for licensing of private water provider (decree 51/2015)	Beira	274.32	15.24	289.56
Training in legal regulatory framework	Maputo	297	432	729
Managing Power sector reform and regulation	Cape town	0	124	124
Total		916.76	652.52	1569.28

### *Indicator 2.7 Ease of Doing Business rank*

Even through Mozambique's overall Ease of Doing Business ranking decreased by one place, from 137<sup>th</sup> position in Doing Business 2017 to 138<sup>th</sup> in Doing Business 2018, some significant increases were achieved in the indicators that SPEED+ is supporting directly. The most significant increase has been on the Getting Electricity indicator, where SPEED+ supported EdM and MIREME to implement the Decree 10/2016, which simplified the process of getting electricity. The impact of these changes on the number of steps and procedures required for businesses to connect to the grid were reflected in Mozambique moving from 168<sup>th</sup> position in 2017 to 150<sup>th</sup> position in 2018. Results for other Doing Business indicators that SPEED+ reports on can be found in Annex 3.



### Activity Objective 3: An Improved Power Policy Framework

*Indicator 3.2 Number of energy sector laws, policies, strategies, plans or regulations officially revised, adopted or implemented as a result of USG assistance that enhance energy sector governance and/or facilitate private sector participation and competitive markets, and/or encourage investment in clean and cleaner, small scale and off-grid options, and/or support gender integration in the energy sector (PA 30)*

*ARENE law (Focus of reform: Private sector participation, Scale: National):* With the rapid development of the energy sector during the last two decades, attracting an increasing amount of public and private investments, the Government took the decision of creating a new energy independent regulator with autonomy to make binding determinations – ARENE. Under the reporting period, SPEED+ completed the remaining Stage (stage 5 – implementation) of the policy reform process. ARENE is now officially established, and its further operationalization will enhance energy sector governance.

### Activity Objective 4: An Improved Water Policy Framework

*Indicator 4.1: Number of people educated on tools, approaches, and/or methods for water security, integrated water resource management, and/or water source protection as a result of USG assistance (HL 8.3-1)*

Program title	Objective	Location	Number of people educated		
			Male	Female	Total
Regional seminar for the dissemination of the regulation for licensing of private water provider (decree 51/2015)	Water source protection	Maputo	52	13	65
Regional seminar for the dissemination of the regulation for licensing of private water provider (decree 51/2015)	Water source protection	Pemba	32	3	35
Regional seminar for the dissemination of the regulation for licensing of private water provider (decree 51/2015)	Water source protection	Beira	57	3	60
		Total	141	19	160

### Activity Objective 5: An Improved Biodiversity Conservation Policy Framework

*Indicator 5.1: Number of laws, policies, or regulations that address biodiversity conservation and/or other environmental themes officially proposed, adopted, or implemented as result of USG assistance (EG 10.2-5)*

*General regulation for the new biodiversity conservation law (Law 16/2014 (Conservation law compliance category: Wildlife trafficking; illegal logging and associated trade; Scale: National):* Under the reporting period, SPEED+ completed two stages: officially proposed and adopted. Previously, SPEED+ supported ANAC in analyzing, drafting and engaging in public consultation for the elaboration of General Regulation. The regulation has been approved by the Council of Ministers. The measure will be implemented and/or enforced by ANAC and contribute to advancing biodiversity conservation and/or other environmental themes as it will improve wildlife management throughout the country and enhance private sector involvements, role and responsibilities.

*Sport hunting regulation (Conservation law compliance category: Wildlife trafficking; illegal logging and associated trade; Scale: National):* SPEED+ supported ANAC to analyze, draft and engage in public consultation. The regulation has been approved by the Council of Ministers. Under the reporting period, SPEED+ completed two stages: officially proposed and adopted. The measure will be implemented and/or enforced by ANAC and contribute to advancing biodiversity conservation and/or other environmental themes through the regulation of sustainable hunting practices.

## CROSS CUTTING INDICATORS

Indicator 1: Number of participants attending SPEED+ workshops, conferences and trainings

Under the reporting period, SPEED+ organized Business Breakfasts for three different policy reform topics:

*Component 1: Presentation of Economics of the Cashew Sector Study, November 2017*

*Component 1: Autonomous Tax: Tax Treatment of Non-Documented Expenses on Income Taxes, December 2017*

*Component 4: Co-management Models in Conservation Areas: A Regional Perspective, December 2017*

In addition to formal Business Breakfasts, SPEED+ supported 18 other capacity building, outreach, and consultation events, including validations of the AGOA Utilization Strategy and National Trade Policy and Strategy, public consultations on the Cashew Regulation and Economics of the Cashew Sector, and Regional Seminars for the Dissemination of the Regulation for Licensing of Private Water Providers, and two trainings in power sector legal and regulatory management for MIREME and ARENE staff. Details of all capacity building and outreach activities are shown in Annex I.

In total 716 people, of which 28% were women, participated in the events (see Annex I for details per event). The participants were from the government sector (60%), private sector (28%) and civil society (12%). The results of participant evaluations demonstrate that, across the 18 events, 88% to 97% were “satisfied” or “very satisfied” with the content, quality and organization of the workshops. SPEED+ also captured data related to knowledge gained during the training. Training data has been inserted into USAID Trainet as required.

## 4. MANAGEMENT AND ADMINISTRATION ACTIVITIES

During the quarter, SPEED+ was supported by several short-term assignments to develop and strengthen technical and financial management and planning systems.

Karen Campbell of MCC Consulting completed an STTA to provide technical, administrative and overall strategic project management support to SPEED+. The key results of her consultancy included major advances in STTA management including three processes for expediting the STTA deployment process: a “pre-approved” pool of consultants; a standing Consultant Rate Schedule based on market research and statistical analysis; and Rate Justification Templates. She also supported Portfolio Managers to design implementation strategies for their work plans and use a budget projection and tracking system. Ms. Campbell customized the TAMIS grants module and grant documentation for in-kind, fixed amount, simplified and standard grant templates; and conducted training for technical staff on integrating grants into activity implementation strategies.

Catherine Johnston continued to provide technical and managerial support on reporting, developing SOWs, collaborating on management system design and implementation, and connecting SPEED+ to DAI technical resources. TAMIS Specialist Christiana Hoffman supported the design of the TAMIS SOW work plan and activity budget module and integrating the SOW workflow and conducted training for the team. FAS Specialist Haikel Sahli conducted advanced finance and administrative management training for the field team.

SPEED+ responded to USAID COR comments on the Grants Manual and submitted a revised version to the CO for initial review. It is expected that the final Grants Manual will be submitted for approval in the next quarter, and that the program will initiate the first grant activities.

## **PERSONNEL**

DAI's Principal Global Practice Specialist for Energy, Gwen Anderson, served as Interim Portfolio Manager for Power, pending the permanent hiring of Jennifer Garvey for the position. Ms. Garvey received USAID approval and began work on November 1. SPEED+ recruited for the Trade Portfolio Coordinator and for a Grants Manager.

## **COORDINATION WITH OTHER USAID PROJECTS**

SPEED+ continued its quarterly coordination meetings with INOVA to ensure that synergies across the projects are identified and leveraged, and to share information and contacts relevant to both programs. In this quarter, both projects were engaged in issues around the 2016 MOU between Mozambique and India for the pigeon pea trade (see Section 1.4.1). SPEED+ also coordinated with the Southern Africa Trade and Investment Hub (SATIH) on SPS, TBT and AGOA-related issues as well as the Regional Seed Trade Project. During the quarter, SPEED+ also worked closely with the USAID-funded Private Sector Development Project in Burma on transfer of Trade Portal software.

## **COMMUNICATIONS**

In this quarter, SPEED+ continued implementing its Communication Plan disseminating information on relevant activities and events. There were 35 articles covering the following SPEED+ supported activities.

- 10 newspapers published articles about business enabling environment;
- 4 newspapers published articles about business breakfast on non-documented expenses on income taxes;
- 7 newspapers published articles about the cashew subsector business breakfast;
- 14 newspapers published articles about ALER Conference.

SPEED+ also continued to update the project [Facebook page](#), with more than 18,600 followers at the end of the reporting period. The updates include links to the project website to enable visitors to access additional information on the project.

To enhance media coverage of policy reform, SPEED+ received USAID approval for a communications consultant to focus on drafting and placing articles in the media, and facilitating relationships with journalists and managers of media outlets. Through these enhanced relationships, SPEED+ technical staff will be able to further to educate and inform journalists about SPEED+ work, in order to facilitate more complete and accurate reporting.

## **WEBSITE UPGRADE**

SPEED+ continued to provide updated reports, analyses and success stories on the existing website of the SPEED+ project and started transferring all materials from the online SPEED+ website to the new website in final stage of development.

## **BUSINESS BREAKFASTS**

SPEED+ held three Business Breakfasts during the quarter. Business Breakfasts are high visibility public events intended to achieve broad dissemination of information about the business environment, and to solicit significant and diverse stakeholder contributions to discussion and debate on SPEED+ priority topics. Business Breakfasts are developed and delivered in close collaboration with key stakeholders on the issue, including representation from the GRM, the private sector, and civil society. Business Breakfasts

garner important media attention, raising public awareness and advancing discussions across the country. The quarter's Business Breakfasts included:

- Component 1: Presentation of Economics of the Cashew Sector Study, November 2017.
- Component 1: Autonomous Tax: Tax Treatment of Non-Documented Expenses on Income Taxes, December 2017.
- Component 4: Co-management Models in Conservation Areas: A Regional Perspective, December 2017.

## FINANCES AND BUDGET

Table 2 below provides detailed information on SPEED+'s actual project expenditures from its inception in August 2016 through December 31 2017. As of September 29, 2017, USAID has obligated \$18,644,725.80 to SPEED+. To date, the project has spent \$7,970,277.93. Table 3 shows expenditures to-date by project component and funding stream.

**Table 2: Actual Expenditures (contract budget lines)**

Line Item	Budget	Obligated Budget	Mortgage	Expenditures (August 25, 2016-December 31, 2017)	Pipeline	Remaining Budget
	A	B	C=(A-B)	D	E=(B-D)	F=(A-D)
Time Labor	\$23,648,354.53	\$11,850,300.79	\$11,798,053.74	\$5,388,662.86	\$6,461,637.93	\$18,259,691.67
Materials	\$10,767,831.01	\$5,395,810.35	\$5,372,020.66	\$2,305,219.36	\$3,090,590.99	\$8,462,611.65
Grants Under Contract	\$1,500,000.00	\$751,656.99	\$748,343.01	\$0.00	\$751,656.99	\$1,500,000.00
Sub-Total Program Costs	\$35,916,185.54	\$17,997,768.13	\$17,918,417.41	\$7,693,882.22	\$10,303,885.91	\$28,222,303.32
Indirect Costs	\$1,291,062.94	\$646,957.67	\$644,105.27	\$276,395.71	\$370,561.96	\$1,014,667.23
Total	\$37,207,248.47	\$18,644,725.80	\$18,562,522.67	\$7,970,277.93	\$10,674,447.87	\$29,236,970.55

**Table 3: Actual Expenditures (Technical Components)**

Component	Funding Source	Budget	Obligated Amount	Mortgage	Expenditures (August 25, 2016- December 31, 2017)	Pipeline	Remaining Budget
		A	B	C=(A-B)	D	E=(B-D)	F=(A-D)
Component 1: Improved Agricultural Policy Framework	Feed the Future (FTF)	\$11,162,174.50	\$4,427,417.74	\$6,734,756.76	\$2,104,128.94	\$2,323,288.80	\$9,057,045.56
Component 2: Improved trade and Investment Policy Framework	Trade Africa (TA)	\$11,162,174.50	\$8,707,417.74	\$2,454,756.76	\$2,889,835.53	\$5,817,582.21	\$8,272,338.97
	Local Currency*			\$0.00	\$0.00	\$0.00	\$0.00
Component 3: Improved Power and Water Policy Framework	Power Africa (PA)	\$8,557,667.15	\$2,505,686.93	\$6,051,980.22	\$1,594,231.47	\$911,455.46	\$6,963,435.68
	Water	\$1,488,290.03	\$1,000,989.04	\$487,300.99	\$499,052.83	\$501,936.21	\$989,237.20
Component 4: Improved Biodiversity Conservation Policy Framework	Biodiversity	\$4,836,942.30	\$2,003,214.35	\$2,833,727.95	\$883,029.17	\$1,120,185.18	\$3,953,913.13
Total		\$37,207,248.48	\$18,644,725.80	\$18,562,522.68	\$7,970,277.93	\$10,674,447.87	\$29,236,970.55



Per its contract, SPEED+ has been allocated a total of 25,106 days of level of effort (LOE) for project implementation, divided between U.S. National (USN), Cooperating Country Nationals (CCN), and Third Country Nationals (TCN) for Long-Term Technical Assistance (LTTA) and Short Term Technical Assistance (STTA). The following table details the LOE days for which SPEED+ has billed USAID since its inception.

**Table 4: Level of Effort (25 August 2016 - 31 December 2017)**

Personnel Category	Approved LOE (Workdays)	Total Billed to Date (December 31, 2017)	Remaining
U.S National (USN) Labor Long-Term	2,169.00	346.56	1,822.44
USN Labor Short-Term	3,068.00	1,279.99	1,788.01
CCN Labor Long-Term (Professional Staff)	15,997.00	2,882.88	13,114.13
CCN/TCN Labor Short-Term	3,872.00	1,171.23	2,700.77
Total	25,106.00	5,680.66	19,425.34

## ANNEX I: CAPACITY-BUILDING AND OUTREACH ACTIVITIES QUARTER 5

SPEED+ workshop, conference, training	Component	type of event	Location	Male	Female	Total
Validation of AGOA Utilization Strategy	Trade and Investment	Workshop	Maputo	8	9	17
Validation of AGOA Utilization Strategy	Trade and Investment	Workshop	Beira	30	12	42
Presentation of the Akon illuminating Africa initiative	Power	Workshop	Maputo	17	8	25
Public consultation on the impact of cashew export tax	Agriculture	Workshop	Maputo	20	6	26
Public consultation on the impact of cashew export tax	Agriculture	Workshop	Nampula	26	6	32
Presentation of the result of cashew economic study	Agriculture	Business breakfast	Maputo	34	13	47
Public consultation on cashew regulation	Agriculture	Workshop	Maputo	16	3	19
Public consultation on cashew regulation	Agriculture	Workshop	Cabo Delgado	19	4	23
Models of Co-management in Conservation Areas	Biodiversity	Business breakfast	Maputo	22	7	29
Methodology for the elaboration of CTA Matrix	BEE	Workshop	Maputo	21	1	22
Foreign Exchange Rate Law	BEE	Workshop	Maputo	28	20	48
INNOQ Consultative Council	Trade and Investment	Workshop	Maputo	20	12	32
Regional seminar for the dissemination of the Regulation for Licensing of Private Water Provider (Decree 51/2015)	Water	Training	Maputo	39	13	52
Regional seminar for the dissemination of the Regulation for Licensing of Private Water Provider (Decree 51/2015)	Water	Training	Pemba	29	3	32
Regional seminar for the dissemination of the Regulation for Licensing of Private Water Provider (Decree 51/2015)	Water	Training	Beira	54	3	57
Autonomous tax: Tax Treatment of Non-Documented Expenses on Income Taxes	Agriculture	Business breakfast	Maputo	31	27	58

National Trade Policy and Strategy	Trade and Investment	Workshop	Nampula	28	3	31
National Trade Policy and Strategy	Trade and Investment	Workshop	Beira	30	12	42
National Trade Policy and Strategy	Trade and Investment	Workshop	Maputo	35	16	51
Training in legal regulatory issues – power sector (Module I for MIREME training)	Power	training	Maputo	11	16	27
Managing Power Sector Reform and Regulation – University of Cape Town (MIREME/ARENE)	Power	training	Cape Town		4	4
Total				518	198	716

## ANNEX 2: DOCUMENTS PRODUCED IN QUARTER 5

Publication	Publication date	Document Number
ICM Inception Report	10/16/2017	SPEED+017-R019
Nacala Corridor Assessment Report	11/14/2017	SPEED+017-R022
Commercial Code Review and Revision Phase I	12/20/2017	SPEED+018-R006
Partnership Models for Conservation in Africa: A Regional Reviews	12/28/2017	SPEED+017-R021
Land Sector Reform Memorandum	approved 11/09/2017	SPEED+017-RM002
Economic Analysis of the Cashew Law and Regulation	12/17/2017	SPEED+017-R025

## ANNEX 3: SUMMARY MONITORING, EVALUATION & LEARNING TABLE QUARTER 5

Context Indicator	Unit of Measure	Disaggregation	Baseline Year	Baseline Value	Current value		Observation
					Year	Value	
SPEED+ Goal: Strengthen and improve the business environment in Mozambique							
I.Ease of Doing Business Rank	Rank	None	2017	137	2018	138	
Activity Objective 1: An Improved Agricultural Policy Framework							
I.4 Enabling the Business of Agriculture score in:							
I.4.1 Seed	score	None	2016	90.6	2017	65.68	
I.4.2 Fertilizer	score	None	2016	46.1	2017	38.93	
I.4.3 Machinery	score	None	2016	42.5	2017	34.58	
I.4.4 Markets	score	None	2016	83.9	2017	59.52	
I.4.5 Finance	score	None	2016	29.8	2017	55.1	
I.4.6 Transport	score	None	2016	60.7	2017	54.91	
I.5 Value of agricultural imports	US Dollars	None	2015	179,144,000	2016	187,911,000	
I.6 Value of agricultural exports	US Dollars	None	2015	76,465,000	2016	108,492,000	
I.7 Percent change in agricultural gross domestic product (GDP) (EG.3-c)	% change	None	2016	2.60% Ag GDP (155,412,418,945.313)	2017	5.90%	Projection based on PES 2017

Context Indicator	Unit of Measure	Disaggregation	Baseline Year	Baseline Value	Current value		Observation
					Year	Value	
1.8 Percentage of national budget invested in agriculture (EG.3-d)	% of national budget	None	2016	6.59% Numerator: 317,980,392.20 Denominator: 4,823,529,412.00		6.68% Numerator: 300,838,976.10 Denominator: 4,496,923,204	Projection based on PES 2017.  Numerator and denominator for 2017 converted from local currency to USD at exchange rate of 60.55
Activity Objective 2: An Improved Trade and Investment Policy Framework							
2.1 Value and quantity of AGOA exports from Mozambique	USD	None	2016	1,470,131	2017	2,842,623	Data for 2017 covers the period of January to November
	Kilograms	None	2016	687,759	2017	5,940,000	Data for 2017 covers the period of January to November
2.7 Ease of Doing Business Rank in:							
Trading across borders	Rank	None	2017	106	2018	109	
Time to import: Border compliance	Hours	None	2017	14	2018	14	
Time to import: Documentary compliance	Hours	None	2017	24	2018	24	
Time to export: Border compliance	Hours	None	2017	78	2018	66	
Time to export: Documentary compliance	Hours	None	2017	70	2018	70	
Starting a business	Rank	None	2017	134	2018	137	
Dealing with construction permit	Rank	None	2017	30	2018	56	



Context Indicator	Unit of Measure	Disaggregation	Baseline Year	Baseline Value	Current value		Observation
					Year	Value	
Getting electricity	Rank	None	2017	168	2018	150	
Registering property	Rank	None	2017	107	2018	104	
Getting credit	Rank	None	2017	157	2018	159	
Paying taxes	Rank	None	2017	112	2018	117	
8 OECD II Trade Facilitation indicators							
Information availability	Score	None	2016	0.7	2017	0.524	
Information availability					2017	0.524	
Involvement of the trade community	Score	None	2016	0.67	2017	0.5	
Advance rulings	Score	None	2016	0	2017	0	
Appeal procedures	Score	None	2016	0.63	2017	0.444	
Fees & charges	Score	None	2016	1.33	2017	0.846	
Formalities (Documents)	Score	None	2016	0.33	2017	0.75	
Formalities (automation)	Score	None	2016	0.67	2017	0.5	
Formalities (procedures)	Score	None	2016	1.1	2017	0.957	
Internal border agency cooperation	Score	None	2016	1	2017	0.364	
External border agency cooperation	Score	None	2016	2	2017	0.727	
Governance & impartiality	Score	None	2016	0.57	2017	0.5	

Performance Indicator	Reported to:	Unit of Measure	Disaggregation	Baseline Year	Baseline Value	LOA Target	FY2017 Target	FY 2017 Results	FY2018 Target	FY 2018 Results to date	FY2019 Target	FY2020 Target	LOA results to date
SPEED+ Purpose: Resilient, inclusive, broad-based and economic growth accelerated through policy reform enabling trade, investment, job creation and improved conservation of natural resources in Mozambique													
2.Private-sector cost reductions		US Dollars	Policy reform	2016	0	\$30 mil	0	0	\$6 mill	0	\$9 mill	\$15 mill	0
3.Value of income increases		US Dollars	Policy reform	2016	0	\$15 mil	0	0	\$3 mill	0	\$4 mill	\$8 mill	0
4.Value of new investments		US Dollars	Policy reform	2016	0	\$50 mil	0	0	\$10 mill	0	\$15 mill	\$25 mill	0
5.Number of jobs created		# of jobs	Policy reform	2016	0	10,000	0	0	2,000	0	3,000	5,000	0
Activity Objective 1: An Improved Agricultural Policy Framework													
1.1 Number of agricultural and nutritional enabling environment policies analyzed, consulted on drafted or revised, approved and implemented with USG assistance (EG.3.1-12)	PPR, FTFMS	# policies	Policy area; process/step	2016	0	12	3	11	3	7 For detail see Section 2. M&E, Progress on Context and Performance Indicators, Activity Objective 1	3	3	18

Performance Indicator	Reported to:	Unit of Measure	Disaggregation	Baseline Year	Baseline Value	LOA Target	FY2017 Target	FY 2017 Results	FY2018 Target	FY 2018 Results to date	FY2019 Target	FY2020 Target	LOA results to date
1.2 Number of for-profit private enterprises, producer's organizations, water user's associations, women's groups, trade and business associations and community-based organizations (CBOs) that applied improved organization-level technologies or management practices with USG assistance (EG.3.2-21)	PPR, FTFMS	# of entities	Type of organization	2016	0	16	4	0	4	0	4	4	0
1.3 Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment) (GNDR-2)	PPR	% of women	None	2016	0	35%	25%	0	30%	0	33%	35%	0
Activity Objective 2: An Improved Trade and Investment Policy Framework													
2.2 Time to export along Nacala corridor		Hours	None	2017	81	TBD	-		-		-	-	
2.3 Time to import along Nacala corridor		Hours	none	2017	71	TBD	--		--		--	-	
2.4 Cost to export along Nacala corridor		Hours	none	2017	654.92	TBD	-		-		-	-	
2.5 Cost to import along Nacala corridor		Hours	None	2017	429.92	TBD	-		-		-	-	

Performance Indicator	Reported to:	Unit of Measure	Disaggregation	Baseline Year	Baseline Value	LOA Target	FY2017 Target	FY 2017 Results	FY2018 Target	FY 2018 Results to date	FY2019 Target	FY2020 Target	LOA results to date
2.6 Person hours of training completed in business enabling environment supported by USG assistance (EG 4.6.1-16)		Number (of persons hours)	Sex	2016	0	-		0	-	1569.28 (male: 916.76; female: 652.52)	-	-	1569.28 (male: 916.76; female: 652.52)
Activity Objective 3: An Improved Power Policy Framework													
3.1 Number of policy reforms/ laws/ regulations/ administrative procedures drafted and presented for public/ stakeholder consultation to enhance sector governance and/or facilitate private sector participation and competitive markets as a result of USG assistance (PA 29)	Power Africa	# of policy reform/la w/ regulatio n/ administr ative procedur e	Focus of reform; drafted vs presented;	2016	0	TBD	-	1	-	0	-	-	1

Performance Indicator	Reported to:	Unit of Measure	Disaggregation	Baseline Year	Baseline Value	LOA Target	FY2017 Target	FY 2017 Results	FY2018 Target	FY 2018 Results to date	FY2019 Target	FY2020 Target	LOA results to date
3.2 Number of energy sector laws, policies, strategies, plans or regulations officially revised, adopted or implemented as a result of USG assistance that enhance energy sector governance and/or facilitate private sector participation and competitive markets, and/or encourage investment in clean and cleaner, small scale and off-grid options, and/or support gender integration in the energy sector (PA 30)	Power Africa	# of policy reform/law/regulation/administrative procedure	Focus of reform; stage	2016	0	2	0	2	1	1 For detail see Section 2. M&E, Progress on Context and Performance Indicators, Activity Objective 3	0	1	3
3.3 Number of MW from transactions that achieved financial closure (PA 10)	Power Africa	MW	Technology; Qualified Transaction vs Power Africa Transactions; USG vs Non-USG	2017	0	TBD	-	0	-	0	-	-	0
Activity Objective 4: An Improved Water Policy Framework													
4.1 Number of people educated on tools, approaches, and/or methods for water security, integrated water resource management, and/or water source protection as a result of USG assistance (HL8.3-1)	PPR	# of people	Sex	2016	0	656	132	0	324	160 (141 male and 19 female)	100	100	160 (141 male and 19 female)

Performance Indicator	Reported to:	Unit of Measure	Disaggregation	Baseline Year	Baseline Value	LOA Target	FY2017 Target	FY 2017 Results	FY2018 Target	FY 2018 Results to date	FY2019 Target	FY2020 Target	LOA results to date
4.2 Number of people gaining access to safely managed drinking water service as a result of USG assistance (HL.8.1-2)	PPR	# of people	Rural vs urban;	2017	TBD	550,000	-	0	250,000	0	250,000	50,000	0
4.3 Number of private water providers active in Mozambique		# of water provider	Sex; Rural vs urban	2017	TBD	220	-	0	80	0	80	60	0
Activity Objective 5: An Improved Biodiversity Conservation Policy Framework													
5.1 Number of laws, policies, or regulations that address biodiversity conservation and/or other environmental themes officially proposed, adopted or implemented as a result of USG assistance (EG.10.2-5)	PPR	# laws, policies, regulations	Stage of development conservation law compliance category	2016	0	4	0	0	2	2 For detail see Section 2. M&E, Progress on Context and Performance Indicators, Activity Objective 5	1	1	2
5.2 Number of people trained in sustainable natural resources management and/or biodiversity conservation as a result of USG assistance (EG.10.2-4)	PPR	# of persons trained	Sex; conservation law compliance category	2016	0	60	0	0	20	0	40	60	0
Cross cutting:													



Performance Indicator	Reported to:	Unit of Measure	Disaggregation	Baseline Year	Baseline Value	LOA Target	FY2017 Target	FY 2017 Results	FY2018 Target	FY 2018 Results to date	FY2019 Target	FY2020 Target	LOA results to date
CC1: Number of participants attending SPEED+ workshops/conferences/trainings		# of participants	Sex; type of participant; type of event	2016	0	350 (40% women)	200	1060 (31.69% women)  (469 public sector; 144 civil society; 447 private sector)	240	716 (28% women)  (427 public sector; 88 civil society; 201 private sector)	290	350	1776 (30% women)  (896 public sector; 232 civil society; 648 private sector)
CC2: Number of persons trained with USG assistance to advance outcomes consistent with gender equality or female empowerment through their role in public or private sector institutions or organizations (F GNDR – 8)		# of persons trained	Sex	2016	0	50	35	0	40	0	45	50	0

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