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SPEED PROJECT ANNUAL REPORT #1

SEPTEMBER 2010 – SEPTEMBER 2011

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Table of Contents

1. Background ..... **Error! Bookmark not defined.**
2. SPEED Analyses 2
   2.1. Business Environment 3
   2.2. Investment Environment 5
   2.3. Safety Nets 6
   2.4. Legislation 8
   2.5. Tourism 10
   2.6. Business Associations 10
   2.7. Private Sector Working Group 11
   2.8. Other Activities 11
3. Capacity Building Activities 12
   3.1 Private Sector Activities 12
   3.2. Public Sector Activities 14
4. Project Administration 15
   4.1 Startup 15
   4.1. 3.2. Grants and Special Activities Fund 16
   4.2. SPEED Website 16
   4.3. SPEED Funds 16
5. SPEED Project Tables 16
   5.1. SPEED Project Activities Table 18
   5.2. Performance Monitoring Plan (PMP) 19
   5.3. FY 2012 Workplan 24
   5.4. Publications 25

SPEED Project Annual Report #1
September 2011 – September 2012

1. Introduction

The SPEED project is a four-year USAID-funded trade and investment project. SPEED supports and expands ongoing efforts to strengthen Mozambique's economic, legal, and governance systems in order to improve the environment for doing business. SPEED's goal is to have more companies doing more business, resulting in increased trade and investment and a stronger competitive position for Mozambican firms, thus creating local opportunities for job and income growth.

The project focuses not only on reform of trade and investment policies, but attention also is directed to the policy implementation process and on monitoring implementation of reforms. The SPEED team delivers training and technical assistance that builds the capacity of business associations and corresponding government institutions and catalyzes trade and investment in Mozambique. SPEED operates a Special Activities Fund to complement the training and technical assistance activities with associations and government.

The SPEED approach places a high premium on the use of Mozambican expertise to achieve sustainable results. The project is being implemented by DAI and Nathan Associates using a technical assistance team comprised mostly of Mozambican nationals. The SPEED project also works closely with its local subcontractor, SAL & Caldeira.

This report is divided into five parts. Part 1 is this Background. Part 2 is a summary of technical analyses conducted by the SPEED project and is comprised of eight sections: the Business Environment; the Investment Environment; Safety Nets; Legislation; Tourism; Business Associations; the Private Sector Working Group; and Other Activities.

Part 3 is a summary of capacity-building activities conducted with the Special Activities Fund. It is divided into two sections covering SPEED's capacity-building activities: the first focuses on activities with the private sector and the second on activities with government partners. Each part is further divided to cover SPEED principal partners. For more details on either technical analyses or capacity-building activities, please consult SPEED Quarterly Reports.

Part 4 covers issues pertaining to project administration and management and Part 5 presents various SPEED project tables: a table of SPEED project activities; SPEED's Performance Monitoring Plan; the FY 2012 Workplan and a list of publications. [1]

2. SPEED Analyses

The SPEED project conducted analyses in the areas of: the Business Environment; the /Investment Environment; Safety Nets; Legislation; Tourism; Business Associations; the Private Sector Working Group; and Other areas. Topics for analysis were selected through a consultative process with SPEED's principal counterparts and with USAID. In the private sector, SPEED's principal counterpart is the

[1] SPEED documents can be downloaded through the link: www.speed-program.com

Confederation of Business Associations (CTA), and in government, SPEED's principal counterpart it the Ministry of Industry and Trade (MIC). Consultations also included a number of other private sector, government and donor organizations.

2.1. Business Environment

Improving Mozambique's "Doing Business" ranking: The Government of Mozambique's goal is to lead the SADC region in the Doing Business ranking by 2015. The Doing Business report is an annual World Bank Group publication that ranks countries using a set of indicators on the ease of doing business in the country. Though it does not capture all aspects of the business environment, Doing Business is a useful tool for focusing attention on key business constraints. Mozambique's Doing Business rank in 2010 – the year SPEED started - was 132nd out of 183 countries worldwide and 8th among the 15 countries in the SADC region.

In late January, 2011, MIC requested that SPEED work to identify reforms that would gain Mozambique 10 positions in the 2011 Doing Business ranking. In response, SPEED prepared a report highlighting immediate steps that government could take which would have a significant impact on Doing Business indicators. The analysis focused on feasible reforms considering the current state of reforms, the number of public institutions involved, availability of funds and international and local partners available to assist. The impact on Doing Business indicators was measured using a simulation tool available from the World Bank. As a result, 14 policy reforms covering four areas of Doing Business were identified and recommended to government (starting a business, dealing with construction permits, trading across borders and closing a business). Special attention was given to approval and enforcement of the new Insolvency law and streamlining the procedures for the construction permits, two reforms with highest impact on Doing Business ranking. These recommendations were presented to the Minister in early March and shared in a seminar with the Private Sector Working Group in April 2011.[2]

To complement the short term perspective, SPEED updated the report "*Doing Business and Mozambique - a Blueprint for Success*" (a paper originally requested by MIC and USAID in late 2009). [3] The aim of this report was to look at the bigger picture and longer term opportunities for moving Mozambique up significantly in the Doing Business rankings. The report identifies reforms that can be undertaken to improve the business enabling environment and affect the Doing Business indicators:

- Paying Taxes indicator - streamlining and automating taxes and social security payments, lowering Corporate Income Tax Rate, eliminating stamp duty;
- Trading Across Borders indicator - improving port handling efficiency, eliminating pre-shipment inspection, reducing number of scanned goods, developing electronic custom declaration;
- Dealing with Construction Permits indicator - introducing a "silence is consent" rule, completing property lot mapping, automating permit service provision;
- Registering Property indicator - automating property registry, converting SISA into a flat fee;
- Enforcing Contracts indicator - enhancing capacity of civil courts, changing billing practices, reforming code of judicial cost;
- Closing a Business indicator - passing and implementing the new bankruptcy law.

[2] SPEED/Reports/2011/001 and SPEED/Presentations/2011/001
[3] SPEED/Reports/2011/005

For each of the areas, the report highlights where reforms currently stand, the rationale for change, new reforms that could be implemented, the underlying risks that might impede implementation and the potential impact on Doing Business rankings.

For both short and long terms reforms, the report notes that other government agencies involved in reforms need to link into the reform process early, and that government needs a clear and effective monitoring system for business environment improvements.

Revising Mozambique's Business Environment Strategy: Improving the business environment goes beyond raising the country's Doing Business rank; it is a central part of government's strategy for expanding employment in Mozambique. Currently, only 10 percent of the labor force is in formal sector employment. Raising this percentage is hindered by Mozambique's cumbersome and bureaucratic regulatory system. To this end, the Minister of Industry and Trade requested SPEED's help in reviewing and updating the country's overall Business Enabling Environment Strategy, which comes to an end in 2012. SPEED brought in consultants from two countries, Georgia and Rwanda, which have significantly improved their business environments in recent years. Aleksi Alexsisvili had been Georgia's Minister of Finance and Minister of Economic Development and was central to that country's reforms. Karim Tushabe was in Rwanda's Doing Business unit, a unit dedicated to improving the business environment and with authority to get things done. The consultants met widely with stakeholders in Maputo and presented their findings in a seminar organized by SPEED and the Mozambican Association of Economists (AMECON).

Recommendations from this consultancy are presented in SPEED/Reports/2011/003.[4] The report emphasizes the need for: (i) strengthening leadership and political will, (ii) strengthening accountability mechanisms and deadlines, (iii) establishing a high-level coordination unit, and (iv) an open-mind in revising the strategy and policies. The report includes recommendations that, should they be implemented, would allow significant improvements to the business environment. The report was well accepted in particular by the private sector and CTA, but steps by government are yet to be initiated.

Doing Business Methodology: In the course of preparing SPEED reports on Mozambique's Doing Business ranking, SPEED identified a number of methodological problems in the way the World Bank measures Mozambique's performance. Thus, SPEED prepared a Memo aimed at persuading the World Bank/DB team to rectify the methodology used in assessing Mozambique's performance. The Memo recommends corrections to procedures used to capture relevant data on procedures, time and cost in the areas of starting a business and getting construction license. If accepted, the indicators would more accurately reflect Mozambique's business environment in these areas and result in an improved ranking for the country. [5]

Mozambique's Competitiveness in the SADC region: As part of the celebrations of 19th anniversary of the establishment of the SADC, SPEED was requested by CEMO to assess the challenges for Mozambique to improve its competitiveness in the SADC region. SPEED's report used data from three international competitiveness rankings (Global Competitiveness Index, Doing Business, Economic Freedom Index), all of which show the country performing poorly, to identify avenues for improving productivity. These avenues include: (i) faster adoption and implementation of business environment reforms, (ii) prioritization of public investment to improve infrastructure in key sectors; (iii) improvement of the quality of public service delivery, (iv) investment in vocational technical education to increase

[4] SPEED/Reports/2011/003, SPEED/Presentations/2011/002, SPEED/Presentations/2011/003 and SPEED/Presentations/2011/004

[5] SPEED/Reports/2011/003

basic skills of the workforce, and (iv) improvement of macroeconomic management. These results were presented in a seminar organized jointly with CEMO in August in Maputo. [6]

National Inspectorate for Economic Activities (INAE): A major concern raised by the private sector is the burden caused by the numerous uncoordinated and nontransparent inspections carried out by various government ministries. To address this, government created the National Inspectorate for Economic Activities (INAE) in order to bring together inspections from nine "economic" ministries. INAE requested capacity-building support from SPEED in order to effectively start up its activities. SPEED started working with INAE during the 4th quarter to adjust and update its human resources management system, including the design of new career and salary indexes for inspectors and a performance assessment framework for staff.

2.2. Investment Environment

Foreign exchange: Foreign exchange analysis has been at the center of policy reforms in the last 12 months. SPEED work concentrated mainly on assistance with improving the foreign exchange legal framework in order to stimulate exports, business environment reform and economic growth. Substantial analytical work was done on the legal framework and best practices, and on the behavior and trends of the foreign exchange in Mozambique, lessons and policy recommendations. SPEED work included the preparation of two Notes and the drafting of a Report – the report was conducted in July/August/September 2011 and will be finalized in November 2011. The two Notes are: SPEED/Notes/2001/001 - Economic Effects of Regulating the "Surrender" of Export Earnings; and SPEED/Notes/2011/002 – Regulation of the 2009 Foreign Exchange Law: Brief Comments to Implementation.

A new foreign exchange law was enacted in 2009 and regulations for implementation of the law were approved in 2010.[7] As initially drafted, the regulations required business to fully and immediately convert export proceeds into local currency. The private sector was deeply concerned about full "surrender" of forex and the impact on (a) costs of doing business in Mozambique, (b) forex borrowing by firms, and (3) competitiveness of exports. SPEED conducted discussions with the Banco de Moçambique (BM), Ministry of Finance (MF), Ministry of Planning and Development (MPD), private sector and other stakeholders on issues related to surrender schemes, advantages and disadvantages, main causes of foreign exchange instability in Mozambique, and experience of other countries in similar situations. The analysis of the regulation, expected impacts and the consultation process were reflected in the very first Note produced by SPEED - SPEED/Notes/2011/001 - Economic Effects of Regulating the "Surrender" of Export Earnings.[8] After publishing the Note SPEED followed up with additional government consultations.

In the end, government revised the regulation so that only 50 percent of export proceeds are required to be converted and exporters are provided a 90-day conversion window. The revised regulation also does not affect the possibility of borrowing or account holdings in foreign currencies. SPEED's policy Note found that the benefits of these measures were likely to be small, but also that the costs would be less serious than initially suggested by the private sector, because of the flexibility granted by allowing 50 percent of export earnings to be retained in foreign currency and the 90-day window. The new regulation is however a backward step towards the liberalization process, which can send mixed signals to business and investors.

[6] SPEED/Presentations/2011/006

[7] In Mozambique's legal system , laws first establish the main principles on a subject and subsequent regulations determine the instruments and specific rules to be followed for implementation of the law.

[8] Document can be downloaded through the link: http://www.speed-program.com/forex1

As a follow up, SPEED undertook further work on foreign exchange during its second quarter (Jan to Mar 2011) concentrating on implementation issues related to the regulation ("*Regulamento*") of the 2009 Foreign Exchange Law. A Policy Note was prepared following up discussions with Banco de Moçambique, commercial banks and companies – this Note was published on April 2011[9] and examined enforcing and monitoring issues related to: (i) the 50 percent convertibility/surrender of export earnings; (ii) the requirement that be converted within 90 days of acquisition. The Note expected no major implementation issues and envisaged that most of the burden would fall with the commercial banks, which would have to adjust their IT systems to ensure efficient and timely control of the law and its regulation. The Note forecasted the regulation to be enforced during the second semester of 2011 – the regulation began implementation in July 2011.

There was considerable concern among investors and exporters in mid-year 2011 as they looked back at a progressive strengthening – over 25% - in the value of Mozambique's currency over the past 12 months and experienced a significant loss in competitiveness. SPEED started a new study aimed at understanding the medium to long-run past trends of the real effective exchange rate, impacts on the economy and recommendations with respect to exchange rate policy. A consultant was commissioned in July 2011, who visited the country and met the central bank, financial institutions and banks, private sector and other stakeholders. Data has been collected, analytical work done and a first draft report has been submitted to SPEED. Next, under the auspices of CTA, SPEED will conduct a seminar with stakeholders for presentation and discussion on the report findings and recommendations. The main findings indicate that the real effective exchange rate has been appreciating by almost 50 percent since 2004. The report explores the impact of the real appreciation and its high volatility on the economy's competitiveness and growth prospects, and also advances recommendations for possible correction. The dissemination and discussion process will also explore the need for further analytical work on exchange rate policy. These reflections will be included in the final Report. SPEED expects the final report to be published in November 2011.

2.3. Safety Nets

Mozambique experienced riots in Maputo in September 2010 after government announced a rise in the controlled prices of bread and fuel. Government reversed the price increases, and then announced a series of policies (called *Medidas* , or measures*)* to deal with the rising cost of food and fuel and their impacts on the urban poor. The policies included (1) a subsidy to fix the purchasing cost of a basic consumption basket (known by the *Cesta Básica*) at a fixed level of MT 840 per month, or equivalent to $24, for individuals with a monthly income of up to MT 2,500[10] and (2) a subsidy to passenger transport costs. These two instruments would only be applied in the capital cities (Maputo and 10 provincial capitals) with beneficiaries estimated at 1.8 million people. The transportation subsidy however had a different target-group. It was targeting workers with a job, students and the elderly. In parallel, regulations were also drafted to oblige the posting/affixation of prices on all goods.

SPEED, working with CTA, embarked on a series of analytical pieces with the objectives to fully understand the *Medidas*, identify beneficiary needs, and provide recommendations to improve the efficiency and effectiveness of these safety net instruments. SPEED found the instruments were badly designed, with weak targeting and cumbersome and highly bureaucratic administrative systems. There was little likelihood for successful implementation and in fact the measures would create more problems than solutions. Four Notes were prepared on the *Cesta Básica* and the transport subsidy.

[9] SPEED/Notes/2011/002 – Regulation of the 2009 Foreign Exchange Law: Brief Comments to Implementation, which can be obtained through the link: http://www.speed-program.com/forex2

[10] At the time, April 2011, it was equivalent to some US $71.40 (exchange rate at MT 35.00 per US$).

A separate Note was prepared in response to a subsequent government proposal to administratively fix profit margin ceilings.

The analytical work developed by SPEED on the *Cesta Básica* and Transport Subsidy include the following Notes:

- SPEED/Notes/2011/003 – Recent Government "*Medidas*": Content, Implementation and Recommendations.[11]
- SPEED/Notes/2011/005 – Brief Comments to the Manual of Implementation of *Cesta Básica* and Transport Subsidy.[12]
- SPEED/Notes/2011/006 – *Cesta Básica*: New Fast Options?[13]
- SPEED/Notes/2011/010 – *Cesta Básica* and Transport Subsidy: Elimination or Redesign?[14]

SPEED/Notes/2011/003*: *Medidas - The "*Medidas"* include two instruments: (i) the *Cesta Básica*, a safety net instrument envisaging to fix the cost of a basic food-basket at 840 MT (the projected cost of a basket composed of 6 basic food products for June 2011) for individuals earning equal or less than MT 2,500 a month; and (ii) a subsidy on transport for workers, students and elderly. A critical unresolved implementation issue with the medidas was the identification and registration of beneficiaries. While it is easy to identify low wage formal sector employees, it would be extremely challenging to do so in the informal sector – which accounts for at least 90 percent of the active population. Further, beneficiaries would have to collect *Cesta Básica* payments through a particular retailer located nearby the beneficiary's residence. Implementation demands would imply a lengthy registry process before the scheme could start and was not taking into account that the large majority of potential beneficiaries do not use formal stores.

The transport subsidy intended to reduce transport costs to all workers, students and elderly, in both formal and informal sectors. How the subsidy would operate was never clearly defined. For both the *Cesta Básica* and the transport subsidy, the Note highlights unresolved implementation issues, high administrative costs and lengthy startup periods. It also stressed that these two instruments should have targeted the same population-group to facilitate administration and expedite launching possibilities. The Note proposed an alternative approach focusing instead on a safety net instrument targeting women and utilizing cash transfers. The alternative would be far more efficient and could be implemented more rapidly.

SPEED/Notes/2011/005: Alternatives to Medidas - This Note, in response to urgent requests from different stakeholders for further elaboration faster implementation and better targeting of safety net instruments, focuses on the development concept of two instrument alternatives to the *Cesta Básica*: (i) school-feeding program in which the Ministry of Education would define schools and enrollment with no need for further complicated and expensive registry of beneficiaries as with the *Cesta Básica*; and/or (ii) direct payments to women - all women above 19 years of age and living in the poorest suburbs. This alternative requires registry of beneficiaries and would consequently take longer to launch. For transport, the Note recommends issuing subsidized tickets that could be used daily. Books of tickets would be purchased in advance and would have 52 daily tickets (2 trips per day for 26 working days per month).

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[11] This Note can be downloaded through the link: http://www.speed-program.com/library/resources/speed/2011/speed-notes-2011-003comentariosmedidasabr2011final.pdf

[12] This Note can be downloaded through the link: http://www.speed-program.com/library/resources/speed/2011/speed-notes-2011-005cestabasicaesubsidiotransportesfinalmaio2011.pdf

[13] This note can be downloaded through the link: http://www.speed-program.com/library/resources/speed/2011/speed-notes-2011-006cestabasica-novasopcoesfinalmaio2011.pdf

[14] This Note can be downloaded through the link: http://www.speed-program.com/library/resources/speed/2011/speed-notes-2011-010cestabasica-qualfuturofinal.pdf

Tickets would be surrendered to bus driver/ticket collector at the time of use and transport companies could then redeem the tickets and collect their payments/subsidy.

SPEED/Notes/2011/006: Medidas New Options - In response to a possible change in objectives of the *Medidas* now focusing on social stabilization, particularly of unemployed youth in urban areas and especially in Maputo City, SPEED refocused the safety net proposals to focus on a cash-for-work program as a first option, prior to the school-feeding program and subsidy/cash-transfer to women. Cash-for-work programs are rapid instruments that can create thousands, if not millions, of work-days for the un-skilled. Work activities would be simple and temporary, the program would have minimum administration requirements through self screening mechanisms and it would have a strong social and economic impact on youth and their communities. The Note discusses the introduction of three cash-for-work options and examines their administration requirements.

SPEED/Notes/2011/010: Elimination or Redesign of Medidas – While the initial poorly designed measures were halted, this Note raises the question whether economic and social conditions that originally gave rise to the need for *Medidas* have been all resolved. The Note stresses the need for policy and instruments that will reduce the impact of increasing food and fuel prices on the deeply poor and guarantee economic and social stability, crucial for economic growth and poverty reduction. The Note proposes the creation of a long-term instrument (a program for the protection of poor urban women) and two short-term instruments (a cash-for-work program and/or a school feeding program). The safety net program for poor urban women and the cash-for-work program continue to be the best long and short-term instruments, respectively.

Price controls: In a subsequent round of policy proposals, government proposed to fix maximum ceilings for marketing margins of basic foodstuffs and SPEED prepared a Note analyzing the impact of this legislation through the SPEED/Notes/2011/004 – Brief Comments to the Maximum Profit Margins Legislation.[15] The Note points out that, fixing marketing margins has many of the same effects as fixing prices. This approach results, *always and in all cases,* in reduced supply. Fixed prices often push transactions to the parallel/black market, and always at higher price levels. This would be contrary to the desired result of keeping prices low. The Note also reflects on the impossibility of administering prices and the neglect of considering informal retailing instead of only formal stores in the proposal – most of the poor and vulnerable purchase food from informal stores/stalls. The Note recommends: (i) the need to examine the supply chain of basic foodstuff - in particular cereals - to identify their cost structure and possible triggers for price increases (for example, red-tape or non-competitive practices); (ii) the exemption of import duties and VAT on cereals in order to reduce domestic prices (duty and VAT exemptions would reduce budget revenue but they are far more efficient than a subsidy); and (iii) the use of safety net instruments are by far more efficient and effective in protecting the poor.

Despite this Note being very strong on the negative aspects and implications, the policy was adopted in October 2011. There is little chance for its successful implementation. It will however increase business inspections, which raises the difficulties and costs to wholesaling and retailing and likely will lead to greater corruption.

2.4. Legislation

Insolvency Law: The bankruptcy process in Mozambique, based on the Code of Civil Procedure of 1967, is slow, costly and complex. According the Doing Business report of 2011, bankruptcy proceedings in Mozambique last 5 years, cost 9% of the estate value and enable the recovery of only 17.7 cents on the dollar. Attempts have been made in the past to update legislation and streamline the process, but efforts had languished at the time of SPEED project startup. To reinvigorate reform efforts and get new

[15] This Note can be downloaded through the link: http://www.speed-program.com/library/resources/speed/2011/speed-notes-2011-004comentariosmargensmaximaslucromay2011final.pdf

legislation passed, SPEED, working with CTA and the law firm SAL & Caldeira, conducted a series of activities including review of draft legislation, meetings with government officials and legislators, and a public seminar on the proposed changes in legislation and their expected impact on the bankruptcy process.

An international expert completed an evaluation of Mozambique's draft insolvency law, which had been prepared several years before but never passed by parliament. His report concluded that the proposed law is well-drafted and conforms largely to international best practices for insolvency legislation. This conclusion, along with the expert's recommendations for implementation, was discussed with key stakeholders in order to accelerate the process for passage of the legislation by parliament. In September 2011, SPEED organized an awareness-building workshop with more than 90 participants from the private sector and government in order to further advocate for the draft legislation. This was followed by presenting recommendations for passage to the parliamentary commission responsible for the legislation. The new insolvency law is currently expected to be passed before the end of 2011.

Public and Private Partnership (PPP) law: Following a consultative process on "Public and Private Partnerships, Large-Scale Projects and Big Concessions," government circulated a draft PPP law and CTA requested SPEED's assistance in preparing a private sector position paper. SPEED's review concluded that the draft law followed international best practices and almost all recommendations the private sector made during the consultation phase had been taken into account.

However, the draft law required a concession award fee to be paid at contract signing in an amount between 5% and 10% of expected average annual after-tax profits. The fee seemed likely to be excessive, especially when combined with other mandated payments to be made by the concessionaire (e.g. concession and management contract royalties). In addition, the calculation of the fee base (expected average annual after-tax profits) was apparently undiscounted. Finally, the legislation treated all kinds of concessions - concession contracts and operating concession contracts - in the same manner (same rates, same treatment in general). SPEED recommended a reduction of the concession award fee and suggested a specification of the rate per types of project. Other specific comments for modification dealt with types of contracts, ownership of assets in a PPP contract and the institutional framework, which seemed overly complex and could create a heavy burden to investors.

Together with CTA, SPEED presented its position papers at a workshop with business associations and other interested business entities. In a consultative process with the Ministry of Finance and the Parliamentary Committee for Agriculture, Rural Development, Economic Activities and Services, a revised draft of the law was approved by the Council of the Ministers and then passed by parliament.

Competition Law: In recent decades, Mozambique's state-controlled economy has evolved to be largely market oriented. However, without the underlying competition legislation common for such economies, enormous distortions have developed in various sectors of the economy. First steps were taken to fill this gap as far back at 2003 with discussions on the need and proposed content of a competition law. This led to adoption of government's Competition Policy in 2007 - a policy that is to ensure healthy and fair competition and promote a better business environment for the consolidation and strengthening the national private sector. A draft Competition Law has been prepared by the Ministry of Industry and Trade creating the legal and institutional framework for competition, but it is yet to be submitted to parliament for action.

On behalf of CTA, the SPEED project prepared comments on the draft Competition Law which were used in discussions with government on the topic. This led to passage of the draft law in the Council of Ministers. It is expected that the Competition Law will be submitted for parliamentary approval in its first session of 2012.

Formalizing public role in legislative process: The SPEED project has begun a major effort to create a more transparent and formalized participatory system for formulating laws and regulations in Mozambique. Currently laws and regulations are developed by government and sometimes circulated for public comment, but sometimes not. When they are circulated, the comment period is often very short and opportunities for input limited. SPEED is working with CTA and the law firm SAL & Caldeira to introduce a formal mandate for public notice and public comment. The effort includes the following steps:

- Assess current attitudes and capacities for reform.
- Establish a public-private sector working group,
- Produce a discussion paper on Participatory Approaches to Policy Development
- Map the process for getting law approved
- Draft a model law
- Help identify and support influential champions
- Conduct an information campaign
- Prepare training materials

2.5. Tourism

Mozaico de Indigo – Strategic Review: SPEED conducted a Strategic Review of Mozaico de Indigo (MdI) during the quarter, a public company formed to mobilize government land resources for tourism sector development and to promote establishment of tourism development companies in Mozambique's tourism development zones. SPEED originally was approached to assist MdI in preparing its business plan, but due to many conceptual questions surrounding MdI, SPEED's SOW for this activity focused first on addressing issues of MdI's mandate, governance and funding.

The review concluded that MdI lacked clarity of its core function and specific mission, owing in part to the company's overly broad statues. It advised government, shareholders, the board and management to start with a narrower focus and to address: clarifying the mission and governance structure of MdI; bringing private sector entrepreneurs onto the board; proper capitalization; focusing on obtaining clear land use rights for investors; building expertise to execute the primary core functions of MdI. Additional assistance to MdI was planned, but has been on hold until a decision was made for addressing the issues above.

Tourism levy position paper: SPEED assisted CTA in preparing a position paper on the proposed introduction of a 1% levy on tourism revenues. The purpose of the tariff is to fund tourism sector development activities, including: tourism promotion and marketing, training, support to local communities and support to SMEs. While these goals appear to be relevant, the levy is an additional burden on operators and could undermine the operators' competitiveness. Using the SPEED input, CTA has offered counter proposals to government based on international best practices for fee levels and for administration and management. Government has agreed to modify the levy and both government and CTA have appointed members of a working group to work out a common position.

2.6. Business Associations

Framework for association support: The SPEED project was designed with a Grants Fund focused on helping private sector associations engage more effectively in attempts to improve Mozambique's business environment. Starting early in 2011, SPEED developed a strategy for working with associations

and utilizing this fund. Using a logical framework for assistance, SPEED surveyed all business associations in the country to develop a list of prospective partners and of types of available assistance. Selection criteria were applied to generate a short list of nine key associations. SPEED also elaborated the types of assistance available from the project, including technical assistance and three types of grants. As is noted in the section below on Grants, these activities are currently on hold pending resolution of grant funding by USAID.

Milange Business Association (AGECOM) assessment: At the request of the Ministry of Industry and Trade, SPEED conducted an institutional assessment of AGECOM. AGECOM had been formed several years previously by its members with no external assistance and was successfully running monthly agricultural trade fairs bringing together producers in the district with both Mozambican and Malawian traders. AGECOM had also successfully applied for funds out of the Milange District Development Fund to undertake further work promoting agricultural commercialization. MIC wanted accurate information on the history and operations of AGECOM and their capability to implement the agricultural promotion work. In the course of preparing the assessement, which was generally positive, SPEED proposed capacity building activities in marketing, business planning, management and finance over the remainder of the year.

Guide for district business associations: Following on from SPEED's work with AGECOM, the Ministry of Trade and Industry requested SPEED to prepare a guide for district business associations throughout the country. The objective of such a guide, using AGECOM as a model, is to show private sector operators in other districts how to form business associations and on which activities they could focus operations. The draft guide for district associations was submitted to MIC for their *Conselho Coordenador* in August 2011.

2.7. Private Sector Working Group

During the period from January through June 2011, SPEED provided support to the Private Sector Working Group (PSWG) in the form of coordinating group activities and communication efforts, and preparing technical inputs for the PSWG. SPEED input included:

- Establishing the liaison with the Trade Sub Committee and the Integrated Framework National Steering Committee;
- Drafting the donor-funded business environment project mapping jointly with the task force created for that purpose. The mapping provides a comprehensive picture of the donor community's support in designing, implementing and monitoring reforms focused on improving the business environment;
- Preparing comments on the establishment of an Integrated Framework National Implementation Unit, based on the request from the Directorate of International Cooperation (MIC) to the Trade Subcommittee;
- Providing input for the Performance Assessment Framework, under the G19-Government platform;
- Assessing existing indicators and preparing new indicators for the Employment Promotion subsection within the SME Promotion section of the broader PAF matrix. The list of indicators covering 2012 to 2014 were accompanies by a technical note submitted to the group.

2.8. Other Activities

Estimating benefits of policy reform: SPEED completed development of a pragmatic and systematic framework for estimating the monetary benefits for Mozambique from business environment reforms supported by the SPEED project.[16] The framework, which forms part of SPEED's Performance Monitoring Plan, can be applied to a variety of issues, including policy changes, regulatory measures, efforts to strengthen the implementation of reforms, and even interventions aimed at preventing the introduction of new regulatory obstacles to trade, investment and job creation. The framework involves four steps: establishing a pragmatic evaluation plan for quantifying benefits, conducting the analysis, preparing a benefits report with documentation, and having the results verified.

As of this point in the project, SPEED has prepared two evaluation plans (on the PPP law and on the *Cesta Basica*) and conducted one analysis (on the PPP law). Prior to the end of the project, SPEED will revisit each of the analyses conducted in order to update the analyses using updated data.

TIP policy recommendations inventory: A number of analytical studies were conducted under the TIP project, a predecessor project to the SPEED project, each concluding with a set of policy recommendations for improving the country's policy environment. SPEED completed an inventory of TIP policy recommendations which had not been implemented and are still relevant for Mozambique today.[17] SPEED will review and prioritize the recommendations and together with private sector partners identify those to pursue actively under the SPEED project.

3. Capacity Building Activities

The SPEED project conducts capacity-building activities with private sector and government partners using the SPEED Special Activities Fund. Principal activities have included conducting seminars, workshops, consultations, preparing strategies and resource documents and attending key events. SPEED's main partners in the private sector have been the Confederation of Business Associations (CTA), the Center for Mozambican and International Studies (CEMO), the Commercial and Industrial Association (ACIS) and the Institute of Directors (IoD). In the public sector SPEED has supported activities mostly with the Ministry of Industry and Trade (MIC) and specifically with the Export Promotion Institute (IPEX).

3.1 Private Sector Activities

Confederation of Business Associations (CTA): CTA is an apex confederation of business associations in Mozambique. As a non-governmental and non partisan organization, it provides a platform for a dialogue between the Government and the Private Sector aiming at a better business environment in Mozambique, and at protecting and promoting business opportunities through a reform of economic policy and the regulatory framework. CTA also provides guidance and capacity-building support to its member associations. SPEED is in continual contact with CTA in the process of identifying priority policy topics for analysis and pursuing the implementation of reforms. SPEED also supported CTA in undertaking four specific activities:

- **Northern region consultation trip** – Key members of the CTA board and management along with the Ministry of Industry and Trade conducted a consultation trip targeting local businesses and local government to four northern provinces during the 3rd quarter.

[16] "Estimating the Monetary Benefits of Business Reforms: SPEED project guidelines." Revised draft
[17] "Inventory of TIP Policy Recommendations" Draft

- **Board of Directors strategy retreat** – CTA's new Board of Director conducted strategic planning retreat in the 4th quarter
- **Insolvency law seminar** – CTA held a seminar on the country's new draft insolvency law in September 2011. The objective was to present and discuss changes proposed in the insolvency law and advance the legislation toward passage in the upcoming session of parliament.
- **Grant reconciliation** – SPEED assisted CTA in the accounting and reporting process for reconciling previous grant funds that had been obtained from USAID (2nd quarter).

Center for Mozambican and International Studies (CEMO): CEMO is non-profit civil society organization promoting analysis and debate of strategic public policies in Mozambique. SPEED has worked closely with CEMO during the year in organizing public events on important business environment topics:

- **Food subsidies debate** – CEMO held a public forum to discuss the sustainability of government's newly announced *Cesta Basica* – a subsidized food basket for the poor (3rd quarter).
- **Investment incentives seminar** – CEMO held a seminar on the best practices for investment incentives, including inter-country comparisons of tax incentives and special economic zones.
- **African Growth and Opportunities Act (AGOA)** – CEMO held a seminar on the 10th anniversary of AGOA to explore experiences under AGOA to date and identify export opportunities for Mozambique (3rd quarter).
- **SADC competitiveness seminar** – CEMO held a seminar to launch publication of two international reports, the Index of Economic freedom from Heritage Foundation and Wall Street Journal 's Index of Property Rights and to explore Mozambique's competitiveness within the Southern Africa region (4th quarter).

Commercial and Industrial Association (ACIS): ACIS is an a-political, autonomous, private, non-profit association with 240 members and an aim of contributing to the promotion and development of commerce and industry through the strengthening and sustainability of local business, as well as contributing to the development in Mozambique of an economy based on private sector participation. SPEED worked with ACIS during the year to update and expand its inventory of useful doing business tools for Mozambique, including:

- **Legal framework guide for land** – SPEED is updating and formalizing the Legal Framework Guide for Acquiring Land Rights, a guide to help companies get through the complex land process in Mozambique (4th quarter).
- **Legal framework series on tax** – SPEED is updating the tax guide series to account for numerous revisions in overall tax legislation as well as specific changes in VAT, income taxes and other levies (4th quarter).
- **Commercial code translation** – SPEED is translating Mozambique's Commercial Code so that it can be made available to the many foreign investors who are requesting the code in English (4th quarter).

Institute of Directors (IoD): IoD is a private non-profit organization created with the objective to promote good corporate governance in Mozambique. SPEED worked with IoD in the process of developing and disseminating a Code of Corporate Governance:

- **Code of Corporate Governance** – SPEED contributed to preparation of a draft Code of Corporate Governance and revising the draft with input obtained from IoD members throughout the country (3rd quarter)
- **Disseminating the Code of Corporate Governance** – SPEED contributed to dissemination of the Code both to IoD members and to the general public (4th quarter).

Other private sector activities:

- **Mozambican Association of Economists (AMECON), Business environment seminar** – SPEED assisted AMECON in holding a seminar where results of an assessment of Mozambique's strategy for improving the business environment were presented and discussed (3rd quarter).
- **National Federation of Agricultural Associations (FENAGRI), Launch of federation** – SPEED provided assistance in a launch event for the newly formed Agricultural Federation of Mozambique (3rd quarter).
- **Central Region Antenna (CEP), Business association workshop –** SPEED assisted with a large workshop in Dondo organized by CTA's Central Region Antenna focused on providing strengthening guidance and services to business associations in the region (3rd quarter).
- **FEMME, AGOA Forum –** SPEED provided assistance so that the head of FEMME, a woman's business association, could attend the AGOA Forum in Lusaka, Zambia.

3.2. Public Sector Activities

Ministry of Industry and Trade (MIC): The Ministry of Industry and Trade is SPEED's principal counterpart in government and SPEED works with many parts of the ministry. Aside from assistance on the policy subjects described above, SPEED has supported MIC in undertaking a number of activities:

- **Scholarship travel** – SPEED assisted a MIC officer with funds to take up a scholarship for advanced studies in Brazil (3rd quarter).
- **AGOA Forum** – SPEED provided funds so three senior MIC officers could attend the AGOA Forum in Lusaka, Zambia (3rd quarter).
- **Commodity exchange seminar** – SPEED assisted MIC in conducting a seminar on commodity exchanges with participation by an expert from the Ethiopian commodity exchange (4th quarter).

Export Promotion Institute (IPEX): The Export Promotion Institute is an autonomous institute reporting to MIC which SPEED has supported in several activities:

- **Conselho Consultivo** – SPEED provided funds for IPEX to conduct its annual consultative council for evaluating previous activities and planning activities for the coming year (1st quarter)
- **IPEX economist** – SPEED has funded an economist position within IPEX in order for IPEX to conduct monitoring and evaluation of its export promotion activities. The economist will be absorbed within the IPEX staff at the beginning of the next budget year.

Other public sector activities:

- **Agricultural Promotion Center (CEPAGRI), Agribusiness forum** – SPEED assisted CEPAGRI in holding an agribusiness forum in Manica, Mozambique, which brought together private businesses and government for addressing agribusiness constraints in the country.
- **SME Promotion Institute (IPEME), Bangalore trade fair** – SPEED provided funding for an officer of IPEME to attend a trade fair in Bangalore, India.

4. Project Administration

4.1 Startup

The SPEED project effective date was August 30th 2010. After two weeks of preparatory activities in Washington, DAI's Chief of Party left for Maputo on September 15th to begin field implementation. An initial issue to deal with was a cut in project funding and implications of that on the project's Scope of Work and technical assistance team.

Budget and Scope of Work: SPEED was contracted with a budget of $19.5 million. At the time of start up, likely funding available to the project had fallen to $16 million which was later reduced to $14 million. Aside from getting basic logistical and administrative tasks underway, no further start up activities or hiring were to proceed until the SPEED Scope of Work and budget were revised. A final revised SOW and budget were submitted in November at which time SPEED restarted activities. Items which were removed from the SOW in order to absorb the budget cut included:

- formalization of informal businesses,
- project management capacity building in government,
- formal training of journalists
- capacity-building support to associations.
- a sub-national business environment survey

The SPEED Team: Because of the uncertainty with respect to funding and SPEED's SOW, the SPEED team was mobilized progressively over a number of months. Some positions were dropped and others were re-cast in order to match the evolving budget and implementation environment. By August 2011 the team was complete and included:

- Scott Simons – Chief of Party*
- António Franco – Senior Economist*
- Luís Sitoe – Senior Economist*
- Rosario Marapusse – Business environment specialist
- Stelia Narotam – Attorney
- Benjamim Nandja – Director of Administration and Finance
- Sheila Amaro – Administrative Assistance and Receptionist
- Fernando Macamo - Driver
- Abdul Chamussidine – Driver

*Denotes key personnel

SPEED Office and Registration: The process of getting the SPEED office fully functioning and registered was slow and tedious and well illustrates the need for improving the business environment. The process started in October 2010 when SPEED submitted the application for business registration

(after obtaining guidance from legal advisors). Passing inspection of the office premises took until January as supply of office partitions, furniture, blinds and air conditioners was slow at the end of the year. Registration with the tax authorities and the labor authorities was next, and neither proceeded quickly. In all, a process which ideally should last only weeks took six months to complete. Pursuing the COP's work permit and residence permit started after issuance of SPEED's business license. The work permit was issued in April, 2011 and the residence permit in June.

4.1. 3.2. Grants and Special Activities Fund

The SPEED project was originally designed and contracted with a Grant Fund of $2.75 million (reduced to $1.87 with the redesign of SPEED's SOW and lower budget) along with $60,000 (reduced to $40,000) annually for program activities like conferences and training in what SPEED calls a Special Activities Fund (SAF). After discussions with USAID about the best way to utilize Grant and SAF funds, during the 3rd quarter SPEED submitted for approval a draft Grants Manual and a request to realign SPEED's Grant/SAF funds.

Subsequent to these requests, USAID has been considering issuing grants directly by the mission rather than grants being channeled through an intermediary like SPEED. Though a final decision is yet to be made, it is likely at this point that SPEED's Grants Manual will be approved and that SPEED would submit another realignment request to clarify activities of the project's Grant and SAF activities.

4.2. SPEED Website

SPEED's website was created during the 1st quarter by absorbing the website previously used for the USAID/TIP project. Information about the SPEED project was inserted as well as the newly approved SPEED logo. The Website URL is: http://www.speed-program.com/. All SPEED publications, whether they be Reports, Notes or Presentations, may be downloaded from the website through the link: http://www.speed-program.com/publications.

4.3. SPEED Funds

The SPEED project started with an obligation of $1.5 million in September 2010. Due to the months spent revising the SOW and re-budgeting, project activities were minimal during the first quarter and into January 2010 and project expenditures were similarly low. The rate of spending increased in February 2011, however, as the number of SPEED activities grew.

After running low on funds in July/August, incremental funding of $1.4 million was provided by USAID in September 2011 raising the total obligation to $2.9 million. Of this amount, $1.97 million was expended as of September 30, 2011, or 68% of obligated funds. The obligated amount remaining is expected to last the project to January 2012.

5. SPEED Project Tables

This part of the Annual Report presents SPEED project activities in three sets of tables. The first section contains a table listing project analytical activities and capacity-building activities, quarter by quarter. The second section is the SPEED project Performance Monitoring Plan (PMP) as agreed to with USAID.

The third section is SPEED's Fy 2012 Workplan and the fourth section is a list of SPEED project publication. All publications may be found in the SPEED website at: http://www.speed-program.com/publications.

5.1. SPEED Project Activities Table

SPEED PROJECT ACTIVITIES - FY '11							
		Capacity Building Activities					
		Private sector			Government		
			Participants			Participants	
Quarter	SPEED Analyses	Activity	M	F	Activity	M	F
Q1	Forex surrender - economic analysis	-	-	-	-	-	-
Total Q1	1	0			0		
Q2	Mozaico de Indigo - strategic review	CTA - grant reconciliation	-	-	IPEX Conselho Consultivo	26	15
	Doing business - quick wins	PSWG - Doing business	33	12			
	Visa fee reduction						
Total Q2	3	2	33	12	1	26	15
Q3	TIP policy recommendations inventory	CEMO - Subsidy debate	41	5	MIC - Scholarship student travel support	1	0
	Business environment strategy review	CEMO - Investment incentives seminar	33	7	IPEX - Staff economist support	1	0
	Estimating monetary benefits of reform	CEMO - AGOA seminar	129	24	MIC - AGOA Forum	3	2
	Insolvency law review	AMECOM - Business enviromment seminar	69	15			
	Medidas analysis - content, implementation and recomm	IoD - Code of corporate governance workshop	23	8			
	Forex surrender - anlysis of regulation	FEMME - AGOA Forum	0	1			
	Fixing price margin analysis	CEP - CTA central region antenna - Business associations workshop	124	76			
	Alternative safetly net approaches	CTA/MIC - Northern region consultation trip	4	1			
	PPP law review	FENAGRI - Launch event	47	8			
	Doing business methodology memo						
	Milange business association assessment						
	Assocation support programming						
	Safety nets - new options						
Total Q3	13	9	470	145	3	5	2
Q4	DB - memos for changing indicator procedures	ACIS - Update legal framework series	-	-	CEPAGRI - Manica agribusiness forum	116	17
	Update of Quick Fixes DB paper	ACIS - tax series	-	-	MIC - Commodity exchange seminar	11	4
	Cesta basica - eliminate or redesign	CTA - New board retreat	33	7	IPEME - Bangalore trade fair	1	0
	Tourism levy analysis	ACIS - Commercial code translation	-	-	INATUR - ANTDC Business plan translation	-	-
	Drafting PAF matrix and technical note	CTA and SAL & Caldeira - Insolvency law seminar	67	25			
	Metical appreciation analysis	IoD - Code of corporate governance dissemination	232	33			
	Formalizing public role in legislatiive process	CEMO - SADC competitiveness seminar	81	9			
	CTA - Competition law	AGECOM capacity building - association management training	13	2			
	MIC - Guide for district associations	AGECOM capacity building - agricultural commercialization training	30	5			
	INAE - HR management						
	MOA - SIMA and mobile banking						
	Construction license simplification						
	Evaluation plans						
	Monetizing benefits						
Total Q4	14	9	456	81	4	128	21
Total FY '11	**31**	**20**	**959**	**238**	**8**	**159**	**38**

5.2. Performance Monitoring Plan (PMP)

SPEED and USAID PMP: The SPEED project PMP has been designed in collaboration with USAID so that the indicator data collected and presented feeds directly into the USAID Agriculture, Trade and Business (ATB) office's PMP framework. The numbering of SPEED's PMP indicators corresponds with the respective numbering in USAID's PMP.

PMP Indicators: Information on the following indicators is collected and presented as part of the SPEED project Performance Monitoring Plan (PMP):

2. Estimate of jobs created/saved (if applicable)
2.1. Reduction in costs resulting from policy reform
2.1.1. Status of targeted policy reforms
2.1.2. Non-governmental policy advocacy groups strengthened
2.1.3. Policies advanced through non-governmental groups
2.2.3. Policies reformed by government
PPR indicator : Number of participants in SPEED-supported trade and investment capacity building

PMP Tables: Data for the SPEED indicators is contained in three tables.

- The first table is a summary table with aggregate data for each indicator.
- The second table, Worksheet 1, incorporates data for indicators 2, 2.1.1, 2.1.3, 2.1.3, 2.2.3.
- The third table, Worksheet 2, presents data for indicator 2.1.2

PMP Data collection:

Indicator 2 – Where applicable the SPEED project collects estimates on the number of jobs created or saved by policy reforms.

> ***Supporting documents for FY 2011 report:*** Technoserve, "The Future of Agribusinesses for Export under the new proposed Regulations to the Exchange Law (Law 11/2009, of 11 March)" 1 November 2010.

Indicator 2.1 – Reductions in costs resulting from policy reform are generated from SPEED project estimates of the monetary benefits of policy reform.

> ***Supporting documents:*** SPEED-Report-2011-007 Estimating the Monetary Benefits of Business Environment Reforms (see publication list).
> ***Supporting documents for FY 2011 report:*** Benefit Analysis of Changes to the PPP Law.

Indicators 2.1.1, 2.1.2, 2.1.3 and 2.2.3 - Data for these indicators are compiled from internal SPEED project tables and reports.

Supporting documents for FY 2011 report:
SPEED project Activities Table (see previous page).
SPEED Quarterly reports.

PPR indicator – Data on participants are obtained from sign-in sheets collected at each SPEED-supported trade and investment capacity building activity.

Supporting documents for FY 2011 report:
SPEED project Activities Table (see previous page).

SPEED Project PMP - Summary Table

ATB Indicator	FtF Indicator	Unit	Disaggregation	2011 Target	2011 Actual	2012 Target
2.Jobs Created		#	Male	not set	16,000	TBD
			Female	not set		TBD
2.1. Reduction (in $) in costs resulting from reform		USD (million)	reform	not set	84	20
2.1.1. (Change of) Status of targeted reforms following an improved policy process (see Worksheet 1)	Number of policies/regulations/administrative procedures in each of the five stages of development	#	none	not set	38	42
2.1.2. Policy advocacy CSOs strengthened (see worksheet 2)		#	none	not set	9	10
2.1.3. Policies advanced through CSOs (see worksheet 1)		#	none	not set	13	12
2.2.3. Policies the GOM reforms with USG support (see worksheet 1)		#	none	not set	5	6

PPR Indicator		Unit	Disaggregation	2011 Target	2011 Actual	2012 Target
Number of participants in USG supported trade and investment capacity building trainings		#	Men	not set	1118	800
		#	Women	not set	276	200
Number of policies promoting sustainable natural resource management and conservation that are implemented as a result of USG assistance		#			4	3

SPEED Project PMP - Worksheet 1: Policy Reform

	Policy Name	Policy Description	Stage achieved during the period (quarter):					Policies Advanced Through CSOs:	GOM reformed policies with USG support:	Sustainable natural resource managment	Significance	Estimate of jobs created/saved (if applicable)
			Analyzed	Presented for consulta-tion	Presented for legisla-tion	Passed	Impleme-tation begun					
Policy following process:			**Stage 1**	**Stage 2**	**Stage 3**	**Stage 4**	**Stage 5**					
1	Forex surrender	Mandatory conversion of forex earnings	q1	q1	q1	q2	q2	CTA	q2		loss in profitability and closue of firms	16,000
2	Mozaico do Indigo	Mozaico do Indigo strategic review	q2	q2						yes	platform for investment in tourism	
3	Business environment	Improving environment for doing business	q2	q3				CTA			more business and more jobs	
4	Visa fee	Reducing Mozambique's fee for visas	q2			q2	q2	CTA	q2	yes	increase tourism arrivals	
5	Code of corporate governance	Governance code for corporates	q3	q3	q4	q4		IOD			more investment in local companies	
6	Cesta basica	Measures in place of food/fuel subsidies	q3	q3	q3			CTA	q3		very difficult and expensive for government	
7	Fixed pricing margins	Control of markups by in marketing	q3	q3	q3			CTA	q3		very difficult and potential for corruption	
8	Tourism levy	Levy to fund sector development	q4	q4				FEMOTUR/CTA		yes	loss in competitiveness with little benefit	
9	Safety nets	Safety net alternative to cesta basica	q3	q3				CTA			feasible intervnetion to address most needy	
10	Insolvency law	Law dealing with insolvent/bankrupt firms	q3	q3	q4			CTA			speeds up resolution and frees capital	
11	Public private partnership law	Law covering public private partnerships	q3	q3	q3	q3		CTA	q3	yes	provides framework for PPPs	
12	Competition law	Law dealing with competition in economy	q4	q4	q4			CTA			reduce unfair competition and increase competition	
13	Metical appreciation	Rapid strengthening of currency	q4					CTA			loss in national competitiveness	
14	Construction licenses	Streamline procedures for licenses	q4					CTA			reduce cost/constraints to doing business	
		SUBTOTAL by stage	**14**	**11**	**7**	**4**	**2**	13	5	4		16,000
		Change of status of targeted reforms following an improved policy process	**38**									
		2012 Target by stage	**16**	**12**	**6**	**4**	**4**					

(Change of status) Number of policies/regulations/admisnitrative procedures in each of the five stages of developmente

Sum of the number of SEQUENTIAL stages that were COMPLETED IN THE REPORTING PERIOD concerning the number of business enabling environment policies / regulations / administrative procedures in the areas of agricultural resource, market standards & regulation, public investment, natural resource or water management and as it relates to the overall business climate that:

Stage 1:**Analysed** - Completed review of existing/proposed policy/ egulation/administrative procedure and/or proposal of new policy/regulations/administrative procedures in the reporting period.

Stage 2: **Drafted and presented for public/stakeholder consultation** - Completed public debate and/or consultation with stakeholders on the proposed new or revised policy/regulation/administrative procedure in the reporting period.

Stage 3:**Presented for legislation/decree** - Revised policy/regulation/administrative procedure was presented for legislation/decree to improve private sector-led economic growth in the reporting period.

Stage 4:**Passed/Approved** - Official approval (legislation/decree) of new or revised policy/regulation/administrative procedure by relevant authority in the reporting period).

Stage 5:**Passed for which implementation has begun** - Implementation of new or revised policy/regulation/administrative procedure by relevant authority in the reporting period.

SPEED Project PMP - Worksheet 2: Policy Advocacy CSOs strengthened

CSO Strengthened		Assistance finished in this quarter:				Type of assistance
		Q1	Q2	Q3	Q4	
CTA		1	1	1	1	capacity building, policies
IOD (institute of directors)				1	1	policies
CEMO			1	1	1	seminars
FENAGRI				1		seminar
AMECON				1		seminar
FEMME				1		forum
CEP				1		workshop
FEMOTUR					1	policies
ACIS					1	capacity building
	TOTAL CSO's strengthened:	**9**				

Examples of interventions are a memo, a workshop, a lecture, presentation,training, helping to write or analyse or monetary assitance to perform an activity

Not cumulative. Only counts when the activity finished in the reporting period

Mozambique SPEED Year 2 Work Plan

		Activity	Beneficiary	SPEED Team	Consultant	O	N	D	J	F	M	A	M	J	J	A	S
						Year 2 (Month)											
						1	2	3	4	5	6	7	8	9	10	11	12
Section 1: SPEED Analysis																	
1A:		**Business Environment (SPEED Lead: Marapusse)**															
	1A.1	Construction License Simplification	Maputo Municipality	Narotam	Arturo Samper												
	1A.2	Enterprise Development Project	Ministry of Commerce	Sitoe	TBD												
	1A.3	FIAS-type study CTA Agenda Setting	CTA	Franco	TBD												
	1A.4	INAE - HR Management	INAE	Marapusse	Joaquim Russinho												
	1A.5	Establish linkage between Maputo municipal tax system and e-Tributacao	CTA/MIC	Marapusse	TBD												
	1A.6	Assess feasibility of lowering corportate income tax rate	CTA/MIC	Marapusse	TBD												
	1A.7	SPEED response to partner requests	TBD	TBD	TBD												
1B:		**Investment Environment (SPEED Lead: Franco)**															
	1B.1	Metical appreciation assessment	CTA	Franco	Tyler Biggs												
	1B.2	Value addition - mining sector	TBD	Franco	TBD												
	1B.3	Forex law -- implementation experience	CTA	Franco	TBD												
	1B.4	Linkage study - mega projects	CTA	Franco	TBD												
	1B.5	Business Investment Conference	US Embassy	Simons	TBD												
	1B.6	SPEED response to partner requests	TBD	TBD	TBD												
1D:		**Legislation (SPEED Lead: Narotam)**															
	1D.1	Formalize public participation in the policy process	CTA/ACIS	Narotam	SAL & Caldeira												
	1D.2	Redrafting of municipal decrees on land and construction licenses	Maputo Municipality	Narotam	Robert White												
	1D.3	Labor regulations review	CTA	Franco	SAL & Caldeira												
	1D.4	SPEED response to partner requests	TBD	TBD	TBD												
1E:		**Agriculture (SPEED Lead: Sitoe)**															
	1E.1	Review of IVA Application in Agriculture	CTA	Marapusse/Simons	Hipolito Hamela												
	1E.2	Bio-tech in agriculture	Ministry of Agriculture	Sitoe	TBD												
	1E.3	Dar and Accra workshops	Ministry of Agriculture	Sitoe	n/a												
	1E.4	Food price differential		Marapusse	TBD												
	1E.5	SPEED response to partner requests	TBD	TBD	TBD												
1F:		**Tourism (SPEED Lead: Simons)**															
	1F.1	Protected area concessions	Ministry of Tourism	Simons	Spenceley / Casimiro												
	1F.2	Alternative visa regimes	Ministry of Transportation	Simons	TBD												
	1F.3	Tourism levy best practices and operationalization	CTA/FEMOTUR	Simons	Rui Monteiro												
	1F.4	Economic impact of tourism	Ministry of Tourism	Simons	TBD												
	1F.5	SPEED response to partner requests	TBD	TBD	TBD												
Section 2: Capacity Building Activities																	
2A:		**Private Sector Focus (SPEED Lead: Simons)**															
	2A.1	CCMUSA Accreditation	CCMUSA	Simons													
	2A.2	Investment and business environment workshop	Institute of Directors	Franco													
	2A.3	Economics training for journalists	MISA	Sitoe	Thomson Reuters												
	2A.4	Entrepreneurs fair	INJE	Sitoe													
	2A.5	CACM Grant	CACM	Nandja													
	2A.6	Update legal framework series - land	ACIS	Simons	SAL & Caldeira												
	2A.7	Update tax guides	ACIS	Simons	Deloitte												
	2A.8	Commercial code translation	ACIS	Narotam	Hovens												
	2A.9	CTA Governors meeting	CTA	Simons													
	2A.10	CTA Seminar Series	CTA	Sitoe													
	2A.11	Economics seminars for journalists	MISA	Marapusse/Franco													
	2A.12	Grant Fund for business associations	TBD	Nandja													
	2A.13	SPEED response to partner requests	TBD	TBD													
2B:		**Public Sector Focus (SPEED Lead: Simons)**															
	2B.1	E-licensing for simplified fees	DASP	Simons													
	2B.2	IPEME Retreat	IPEME	Nandja													
	2B.3	Milange - meticalization	MIC	Simons													
	2B.4	Manica Investors Conference	Manica Governor	Simons													
	2B.5	Guide for District Business Associations	MIC	Narotam	Marinho												
	2B.6	IPEME Local Currency Fund															
		(a) IPEME SME Support	IPEME	Nandja													
		(b) IPEME Capacity Building	IPEME	Nandja													
	2B.7	SPEED response to partner requests	TBD	TBD													

Page 1

5.4. Publications

SPEED Publications: Studies and Reports

Date of Upload	SPEED title	Title	Author(s)	Language Port/Eng		Subject area	Client(s)	Status Draft/Final	SPEED staff
March-11	SPEED/Reports/2011/001	Como melhorar o ambiente de Negocio em Mocambique? - Perspectiva a curto prazo	Rosario Marapusse	P		Business Environment	MIC	F	Marapusse
May-11	SPEED/Reports/2011/002	Strategic Review of Mozaico do Indigo S.A. Operations and Business Plan	Francis Skrobiszewski and Kwasi Agbley		E	Tourism	Mozaico do Indigo	F	Scott
July-11	SPEED/Reports/2011/003	Business Climate in Mozambique: Thoughts for Moving Forward and Making a Difference	Aleksi Aleksishvili, Tushabe Karim and Antonio Franco		E	Business Environment	MIC/CTA	F	Franco
		Ambiente de Negocios de Mocambique		P					
June-11	SPEED/Reports/2011/004	Review of 2009 Draft Law On Business Insolvency in Mozambique	Rémy N. Kormos, J.D., LL.M.		E	Business Environment	MIC	F	Narotam
June-11	SPEED/Reports/2011/005	Mozambique and Doing Business: A Blueprint for Success - Update	Alexander Greanbaum and Rosario Marapusse		E	Business Environment	MIC/CTA	F	Marapusse
August-11	SPEED/Reports/2011/006	Food Price Differentials Between South Africa and Mozambique	Rosario Marapusse			Agriculture	MIC		Marapusse
August-11	SPEED/Reports/2011/007	Estimating the Monetary Benefits of Business Environment Reforms	Bruce Bolnick and Bryan Roberts		E	Investment Environment	SPEED	F	Scott
October-11	SPEED/Reports/2011/008	Capacitacao da associacao dos agents económicos de Milange – AGECOM sobre Gestõa de Processos de Comercialização e Planos de Negócio	Reyes Marinho	P		Business Assocations	MIC	F	
September-11	SPEED/Reports/2011/009	Posicionamento da CTA obre Proposta da Introdução da taxa de Turismo	Rui Monteiro	P		Tourism	CTA	D	
October-11	SPEED/Reports/2011/010	Impact of Exchange Rate Fluctuation on the Economy of Mozambique	Tyler Biggs		E	Investment Environment	CTA	D	Scott
October-11	SPEED/Reports/2011/011	Overview and Analysis of the Anti-Corruption Legislative Package of Mozambique	Pedro Pereira and Joao Trindade		E	Democracy/Governance	Governance platform	D	
	SPEED/Reports/2011/012	Relatório de consultoria realizada à Associação dos Agentes Económicos de Milange_visita 1	Reyes Marinho	P		Associations	MIC	F	Narotam

SPEED Publications: Quarterly Reports

Date	SPEED title	Period of the Report	Author(s)	Language Port/Eng		Status Draft/Final	SPEED staff
December-10	SPEED/QR/2011/001	September – December 2010			E	F	Simons
March-11	SPEED/QR/2011/002	January – March 2011			E	F	Simons
June-11	SPEED/QR/2011/003	April – June 2011			E	F	Simons

SPEED Publications: Notes and Briefs

Date of Upload	SPEED title	Title of the note	Author(s)	Language Port/Eng		Subject area(s)	Client	Status Draft/Final	SPEED staff
January-11	SPEED/Notes/2011/001	Economic Effects of Regulating the "Surrender" of Export Earnings	Bruce Bolnik		E	Exchange rate policy	CTA	F	Franco
April-11	SPEED/Notes/2011/002	Regulamentacao da Lei Cambial 2009: Breves comentario a Implementacao	Antonio Franco	P		Exchange rate policy	CTA	F	Franco
April-11	SPEED/Notes/2011/003	Recentes Medidas Governamentais: Conteúdo, Implementação e Recomendações	Antonio Franco	P		Subsidies	CTA	F	Franco
May-11	SPEED/Notes/2011/004	Breves Comentários sobre a Proposta de Regulamento da Fixação de Margens Máximas de Lucro Para Produtos Básicos	Antonio Franco	P		Subsidies	CTA	F	Franco
May-11	SPEED/Notes/2011/005	Breves Comentários ao Manual de Procedimentos do Subsídio à Cesta Básica e Custos de Transporte e sua Mitigação	Antonio Franco	P		Subsidies	CTA	F	Franco
		Food Subsidies - English Summary			E				
May-11	SPEED/Notes/2011/006	Cesta Básica: Novas Opções Rápidas?	Antonio Franco	P		Subsidies	CTA	F	Franco
July-11	SPEED/Notes/2011/007	Recommendations on the 2011 Doing Business Report	Rosario Marapusse		E	Business environment	MIC/PSWG	F	Marapusse
July-11	SPEED/Notes/2011/008	Posicionamento do CTA em relacao a Introducao da Taxa de Turismo em Mocambique Proposta pelo MITUR	Rui Monteiro	P		Tourism	CTA	F	Scott
July-11	SPEED/Notes/2011/009	PAF.EmployimentPromotion.SMEPromotion	Rosario Marapusse		E	Poverty reduction	PSWG/G19	F	Marapusse
August-11	SPEED/Notes/2011/010	Cesta Básica e Subsídio de Transportes: Eliminação ou Redesenho?	Antonio Franco	P		Subsidies	CTA	F	Franco
		Food Subsidies - What's in the Future - English Summary			E			F	
August-11	SPEED-Notes-2011/011	Desafios da Competitividade de Moçambique na SADC	Rosario Marapusse	P		Regional integration	CEMO	F	Marapusse
	SPEED-Notes-2011/012	Desafios Economia Mocambicana: Sector Privado Veículo de Crescimento e Sustentabilidade	Antonio Franco	P		Investment	IOD	D	Franco
	SPEED-Notes-2011/013	Guiao Explicativo da Importancia da Comercilaizacao Agricola	Reyes Martinho	P		Associations	MIC	D	Narotam

SPEED Publications: Presentantions and Proceedings

Date of Upload	SPEED title	Title of the presentation	Author(s)	Language Port/Eng		Subject area	Client	Status Draft/Final	SPEED staff
March-11	SPEED/Presentations/2011/001	Melhorar o ranking de Mocambique no "Doing Business" - Perspectiva a curto prazo	Rosario Marapusse	P		Business Environment	MIC	F	Marapusse
June-11	SPEED/Presentations/2011/002	Economic and Doing Business Reforms in Georgia 2004 - 2007	Aleksi Aleksishvili		E	Business Environment	MIC/CTA	F	Franco
June-11		Reformas Económicas e do Ambiente deNegócios na Geórgia2004-2007		P				F	
June-11	SPEED/Presentations/2011/003	DB Reforms: Rwandan Experience	Tushabe Karim		E	Business Environment	MIC/CTA	F	Franco
June-11		Reformas do Ambiente de NegóciosExperiência do Ruanda		P				F	
June-11	SPEED/Presentations/2011/004	Business Environment Reforms Experience from Rwanda and Georgia - Presentation to the PM			E	Business Environment	Prime Minister	F	Franco
May-11	SPEED/Presentations/2011/005	Actuacao Estrategica Componente Associativismo	Reys Marinho	P			CTA	F	Narotam
August-11	SPEED/Presentations/2011/006	Os Desafios de Competitividade Economica de Mocambique na SADC: Um Olhar sobre os Indices Internacionais	Rosario Marapusse	P		Regional Integration	CEMO	F	Marapusse
August-11	SPEED/Presentations/2011/007	Revisao Estrategico do Mozaico do Indico Strategic Review of Mozaico do Indico S.A. Operations and Business Plan	Rosario Marapusse	P		Tourism	Mozaico do Indico S.A.	D	Marapusse
August-11	SPEED/Presentations/2011/008	Monetizing the Benefits of SPEED	Bryan Roberts and Alex Greenbaum		E	SPEED Monitoring	SPEED	F	Marapusse
	SPEED/Presentations/2011/009	Impact of Exchange Rate Fluctuation on the Economy of Mozambique	Tyler Biggs		E			D	Franco

SPEED Publications: Seminars and Conferences

Date of Upload	SPEED title	Title of the event	Partner	Subject area	Status Upcoming/ Done	SPEED staff
March-11	SPEED/Seminar/2011/001	Cesta Basica	CEMO	Business Environment	D	Antonio
	SPEED/Seminar/2011/002	AGOA	CEMO	Trade	D	Scott
	SPEED/Seminar/2011/003	Associations	CTA - Center Regional Anthen	Policy Advocacy	D	Narotam
	SPEED/Seminar/2011/004	Federation of Agriculture Associations	CTA	Policy Advocacy	D	Narotam
August-11	SPEED/Seminar/2011/005	Mozambique Competetitiveness in the SADC region	CEMO	Regional Integration	D	Marapusse
September-11	SPEED/Seminar/2011/006	Insolvency Law	CTA and Sal & Caldeira			Narotam