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CATALYZING REFORMS FOR COMPETITIVENESS IN MOZAMBIQUE SPEED PROGRAM COMPLETION REPORT

SEPTEMBER 2010–FEBRUARY 2015

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CATALYZING REFORMS FOR COMPETITIVENESS IN MOZAMBIQUE

SPEED PROGRAM COMPLETION REPORT

SEPTEMBER 2010–FEBRUARY 2015

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EXECUTIVE SUMMARY

SPEED is a USAID-funded program designed to improve the business environment in Mozambique through better trade and investment policies. 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. SPEED's [website](#) contains further information and [reports](#) published by the project, as well as a number of timely [blog](#) posts.

During the period between 2010 and 2015 the Program focused on reforming trade and investment policies and emphasized the policy implementation process, including monitoring implementation of reforms. The SPEED team delivered training and technical assistance to build the capacity of business associations and corresponding government institutions and catalyzed trade and investment in Mozambique.

"With SPEED, the private sector dialogue with Government is improving".

- Adriano Maleiane,
Mozambican Minister of
Finance

Finances and budget

SPEED is a four year \$19.4 million project which started in August 2010. Funding obligations and spending for the project totaled \$ 18,554,506 as of February 2015, of which \$7,550,000 was obligated in fiscal year 2014. The average annual burn rate for the project equaled around \$4,123,223.

The SPEED approach is demand-driven and flexible, and places a high premium on the use of Mozambican expertise to achieve sustainable results. DAI and Nathan Associates implement the project with the assistance of local legal advisors Sal & Caldeira.

Between 2010 and 2015 SPEED or supported a wide variety of activities on behalf of an array of different stakeholders. The results of these activities are divided into three categories:

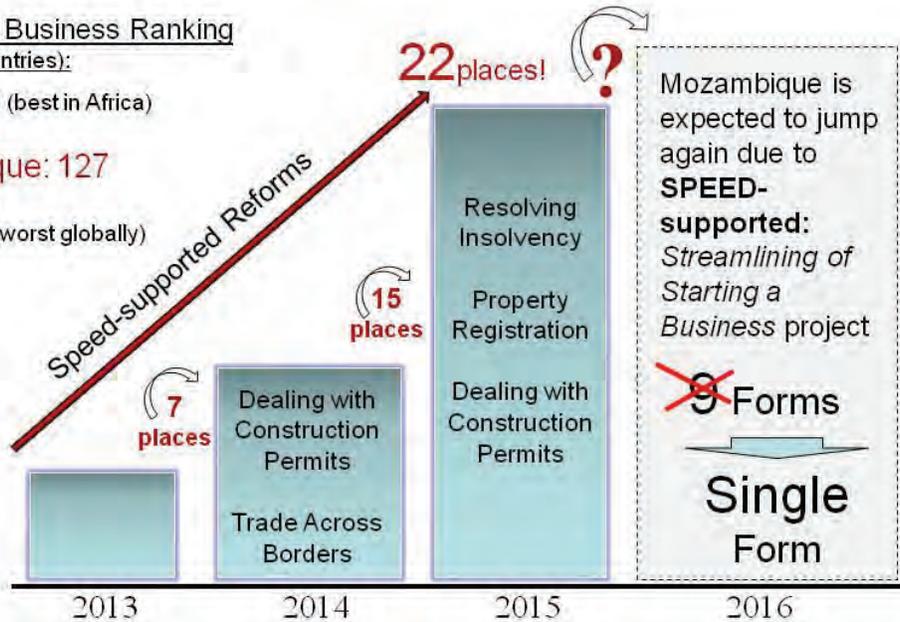
- Directly impacting reform
- Institutional strengthening - equipping partners with tools and information
- Fomenting and contributing to debate - influencing change

In a demand-driven program of this scale and scope, not all activities will ultimately achieve the results originally envisaged by the partners. However, among the strengths of SPEED were its ability to learn from less successful projects and to apply this learning to future activities, and its ability to use both successful and less successful activities to develop strong, ongoing working relationships with its partners. Often these relationships resulted in additional requests for support and helped the Program team and its partners gain the respect and trust necessary to generate traction on reforms. In addition, the Program leveraged initial requests for technical support into broader reform efforts. The Program's flexible approach also meant that activities put on hold by a partner could later be resumed and carried forward.

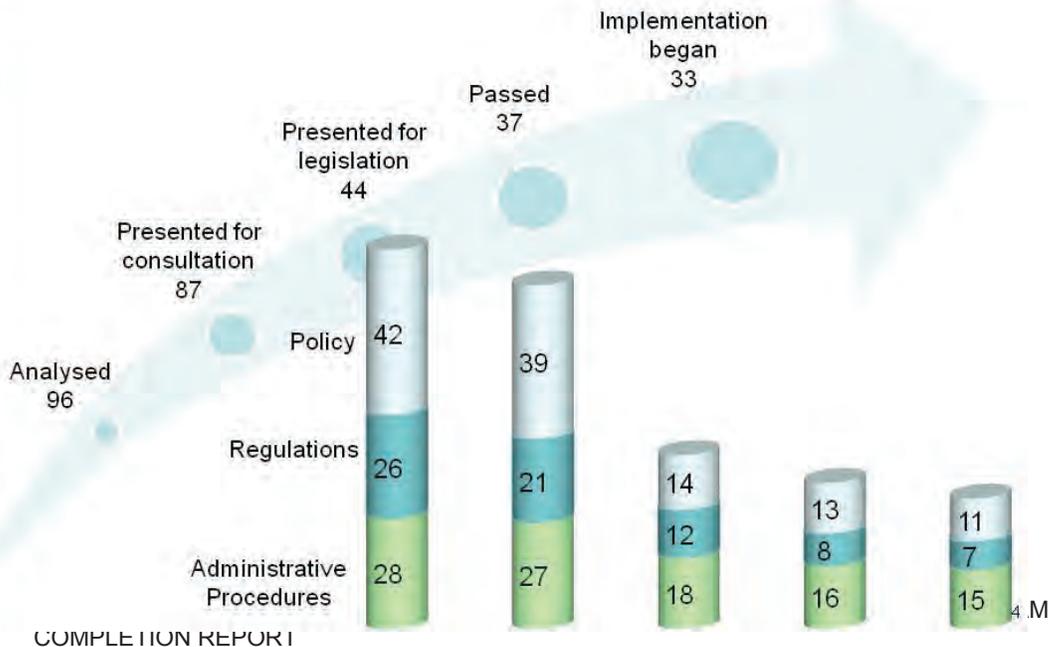
Since 2011, SPEED contributed to every reform that improved Mozambique's *Doing Business* ranking

2015 Doing Business Ranking
(out of 189 countries):

- Mauritius: 28 (best in Africa)
- Zambia: 111
- Mozambique: 127**
- Angola: 181
- Eritrea: 189 (worst globally)



SPEED helped progress nearly 100 reforms



SPEED's messages reached tens of thousands of Mozambicans



The activities described in this report are divided into four thematic sections: business environment, trade, and investment; agriculture; tourism and biodiversity; and democracy and governance. The report contains information on the context, activities undertaken, and results for each of the main activities which SPEED undertook.

SPEED's work on **business environment, trade and investment** is divided into seven key areas: trade facilitation, doing business, public-private dialogue and the business environment, competitiveness, employment, investment and infrastructure.

Under **trade facilitation**, the Partnership for Trade Facilitation (PTF) funding mechanism supported work with Mozambique's Tax Authority (AT), focusing on three main areas: internet publication of customs regulations and documents; improvements in transit trade within the Single Electronic Window (SEW); and gradual elimination of pre-shipment inspections. SPEED's relationship with AT strengthened significantly over the lifetime of the PTF project which has in turn facilitated other work undertaken by the Program.

An international trade website was launched in line with Bali recommendations and was disseminated widely, ensuring Mozambique's compliance with this WTO requirement. The findings of SPEED's recommendations on the roll-out of the Single Economic Window (SEW) platform for online customs

operations were accepted by AT and generally incorporated into the roll-out subsequent modules. SPEED responded to the private sector's concerns about transit cargo regulations, and supported AT in revising them, and assisted AT to disseminate and implement the new regulations. SPEED's assessment of the existing pre-shipment inspection (PSI) system recommended a migration strategy from PSI to a Risk Based Inspection. This work equipped AT with the information and tools necessary to migrate systems based on Bali requirements.

Under **Doing Business**, SPEED helped improve Mozambique's rankings in the World Bank's indicators on this subject. Work included supporting development, dissemination and implementation of an insolvency law; streamlining construction licensing procedures in Maputo and looking at such procedures in Quelimane; improving the system for registering property; assessing a legislative proposal for private credit bureaus; making it easier to pay taxes and providing information to businesses about the legal framework for tax; and simplifying the procedures for registering businesses. SPEED's work contributed to Mozambique rising 7 places in the 2014 ranking and 15 places in the 2015 ranking, the highest increase in Mozambique's history. SPEED also analyzed the impact of Central Bank procedures on the business environment.

An effective **Public-Private Dialogue** (PPD) is crucial to successful reforms. The Program focused on supporting the development of the national Business Environment Strategy, taking action on nine out of the twelve target areas in the strategy. SPEED also worked with the business community to assess the evolution of PPD over time and develop a new model for PPD.

The country's **competitiveness** became an increasing topic of debate as a result of SPEED's work. This effort began with analysis of Mozambique's competitiveness in SADC and moved through a comprehensive series of studies and dissemination activities related to the country's competitiveness in light of the coming resource boom. Competitiveness work includes contributing to the debate about an industrial policy; examining competitiveness in the manufacturing sector, supporting IPEME (SME Institute) to analyze opportunities and constraints facing SMEs, leveraging their "100 Top SMEs" prize, and focusing on levels of decision-making at the different levels of government with a view to equipping business with tools to advocate for increased reform.

Employment is a critical issue for economic development and a major concern for business. SPEED analyzed the competitiveness of Mozambique's labor market. Concerns about an influx of foreign workers led to the need to analyze their role in the economy. Declarations of ad-hoc public holidays proved costly to the economy and SPEED supported the business community with analysis to support advocacy in this area as well as in advocating for changes in the way visa rules are applied and the actions of trade unions in charging fees to business for delivering legally required services. SPEED also provided ongoing support to its strategic partner, CTA, in minimum wage negotiations.

Investment has been growing over the lifetime of SPEED. The Program was called upon by the business community to support it in advocating for a more investor-friendly environment, including analyzing several policies: the foreign exchange legislation; the impact of Central Bank procedures on the business environment; legislation relating to public—private partnerships; the competition law; and Special Economic Zones.

Infrastructure is critical to development and key constraints identified by business included mobile telephony and electricity access and quality, both of which were analyzed by SPEED.

Agriculture is a critical sector for Mozambique's economy. From small scale family sector farmers through to major commercial agriculture projects, each has a contribution to make to the development of the economy. Mozambique has committed through the New Alliance and Feed the Future initiatives and its agriculture development plans and strategies to promoting agriculture development based on the participation of business. However these initiatives are framed within the country's coming resource boom which is likely to transform the economy and brings with it the risk of Dutch Disease. The impacts of the economic transformation are likely to be strongly felt in the agriculture sector, with increased costs such as labor and imported inputs as well as a rise in land conflicts. However with these challenges could also come opportunities such as more competitive exports and a diversification of crops as well as a growing national consumer base.

At the same time the agriculture sector faces significant challenges in access to land, infrastructure, skills, and inputs. Mozambique is well-placed to take advantage of shortages within the region and is a potential transport hub for the export of agricultural commodities. It is a fertile country with significant areas of land for cultivation. Both companies and individuals in the sector are involved in innovation and experimentation

SPEED's work on **agriculture** has been a major Program focus. With three-quarters of the population dependent on agriculture for their livelihoods, there is consensus both globally and within the country that the private sector needs to play a leading role in developing the sector. SPEED's activities to support the competitiveness of agriculture in Mozambique centered upon providing a Senior Economic Advisor to the Minister of Agriculture, whose primary responsibility was to develop and implement the country's Agriculture Investment Plan. A central focus of the Senior Economic Advisor and the rest of the SPEED team, has been support to the Government of Mozambique to implement policy commitments under the **New Alliance for Food Security and Nutrition (New Alliance)**. In addition, SPEED supported a number of targeted activities that have been specifically identified by the private sector in agriculture. An example of this is work on land – both training officials on how to more effectively issue land use rights and assessing new regulations on land leasing. Another example entails international trade, seeking to support removal of non-tariff barriers such as inappropriate application of scanners or the introduction of unnecessary bureaucracy at the Nacala terminal.

In addition, SPEED built capacity at MINAG's CEPAGRI to provide services to investors, including New Alliance companies that signed Letters of Intent under the New Alliance (LoI companies). The Program communicated agriculture messages related to the New Alliance through its innovative Agro.Biz media partnership with the Confederation of Business Associations (CTA) and Soico. The media outreach also served to communicate the results of the Program's work on agriculture competitiveness. Other activities included focusing on taxes in agriculture, reviewing legislation on nutrition and supporting discussions around the role of mobile money in the agriculture sector.

In addition concerns of government, private sector and consumers were taken into account in developing an analysis of cross-border pricing mechanisms and differentials between major retailers in Mozambique and South Africa.

SPEED's work in **biodiversity and tourism** helped Mozambique realize its potential competitiveness in the sector. Tourism is widely seen as one of the most effective ways of preserving biodiversity, as market forces all pull in the same direction – consumers and service providers all have an interest in preserving the natural environment and ensuring sustainable use of natural resources. In addition, tourism tends to be labor-intensive, thus providing opportunities for broad-based economic growth as well as biodiversity.

The majority of SPEED's effort helped ensure a private-sector friendly legal and regulatory regime which has included analysis of proposed tourism regulations, and as a follow up to these regulations, development of a bilingual guide to the legal framework to support investors, and an examination of competition in aviation (Open Skies initiative). SPEED analyzed the impact of renewed conflict affecting the country on the tourism sector and followed this analysis with a broader assessment of tourism competitiveness. SPEED provided direct support in the form of an advisor to both the Ministry of Tourism and ANAC (conservation areas administration), as well as supported BIOFUND to analyze and develop a manual for implementation of the new Conservation Law.

SPEED's work on **democracy and governance** aimed to improve transparency around issues such as the impending resource boom, the increased voice of the private sector in policy, and the improvement of corporate ethics. Specifically, SPEED raised the quality and level of dialogue around the country's resource boom, with a special focus on examining the impact of the boom on the competitiveness of the rest of the economy. Another key area of work included the development of a legal framework to formalize public participation in the policy process. There is now a solid consortium of actors from the private sector and civil society committed to drive this new legislation forward.

Another major focus of the Program was on communication for policy change (C4PC) including training journalists in economics, rolling out an extensive communication program based on SPEED's web site, blogs and social media and the Agro.Biz media project. In addition the Program supported the private sector with analyses of key legislation affecting the extractives industry sector and supported the Attorney General's office to leverage funding to support the implementation of the Public Probity Law.

As part of the core technical work described above, SPEED provided **institutional support and capacity building** to a wide range of public and private partners. Institutional support was provided to private sector organizations including CTA, AMCHAM Mozambique, the Alternative Dispute Resolution Commission, the Center for Mozambican and International Studies, ACIS, and the Institute of Directors. Public sector beneficiaries of SPEED's institutional support included the Ministries of Industry & Trade, Agriculture, Tourism, Finance, and Justice. SPEED worked with 34 Civil Society Organizations. Capacity-building and outreach activities reached 8,362 people of which 1,750 were women.

As part of its **administration and management** SPEED supported USAID in developing its five-year strategy, undertook a series of strategic retreats to ensure that the Program remained aligned with its goals and the needs of stakeholders in a rapidly changing economy, underwent a Regional Inspector General performance audit and external evaluation, managed external funds for IPEME and trained its staff on procurement and other administrative matters.

INTRODUCTION

SPEED is a USAID-funded program designed to improve the business environment in Mozambique through better trade and investment policies. The program's goal is to increase trade and investment, strengthen the competitive position of Mozambican firms, and create local opportunities for job and income growth.

From 2010 to 2015, SPEED focused on trade and investment policy reform, with a programmatic emphasis on improving the policy implementation process and monitoring implementation efforts. The SPEED team delivered training and technical assistance, developed the capacity of business associations and corresponding government institutions, and catalyzed trade and investment in Mozambique.

SPEED's [website](#) contains further information and [reports](#) published by the project, as well as a number of timely [blog](#) posts.

Finances and budget

SPEED is a four year \$19.4 million project which started in August 2010. Funding obligations and spending for the project totaled \$ 18,554,506 as of February 2015, of which \$7,550,000 was obligated in fiscal year 2014. The average annual burn rate for the project equaled around \$4,123,223.

SPEED's approach is demand-driven, flexible, and places a high premium on the use of Mozambican expertise to achieve sustainable results. The program is managed by USAID's implementing partners, DAI and Nathan Associates, with additional assistance from local legal advisors, Sal & Caldeira.

Throughout the course of the program, SPEED directly implemented or supported various activities with a diverse group of stakeholders. The results of these activities are divided into three categories:

- Directly impacting reform
- Institutional strengthening - equipping partners with tools and information
- Fomenting and contributing to debate - influencing change

As a large-scale, demand-driven program, SPEED leveraged initial requests for technical support and delivered broad reform efforts consistent with the categories listed above.

DIRECTLY IMPACTING REFORM

Throughout the Program, SPEED supported a wide variety of partners, always with a focus on the Program's key goals of having more companies doing more business, resulting in increased trade and investment and a stronger competitive position.

During the life of the program, natural resource exploitation rose to the top of the national agenda. With SPEED support to the local Extractives Industry Transparency Initiative (EITI) office, Mozambique was declared "EITI compliant" by the EITI Board on 26 October 2012. Discussions between SPEED consultants and key stakeholders contributed to the completion of the LNG decree (Special Regime for LNG projects in Areas 1 and 4 of the Rovuma Basin). The decree was published in December 2014 and is

a major milestone in the development of Mozambique's oil & gas industry as it will enable the first LNG projects to advance.

Prior to SPEED's intervention legal non-compliance threatened of Mozambique's affiliation with CITES. Expulsion from CITES would have ended the viability of the country's nascent safari sector and resulted in significant revenue and job losses. To circumvent this program, SPEED supported the Ministry of the Environment (MICOA), and Mozambique now has draft legislation which aligns with the requirements of CITES.

In addition to making inroads in the extractives and natural resources industries, SPEED was instrumental in modernizing Mozambique's business environment. The computerization of Maputo City Council's Department of Urbanization and Construction (DUC) through a grant and technical support resulted in significant savings, increased efficiency for DUC applicants, and facilitated expedient file transfers within the DUC. SPEED's also helped streamline procedures which removing two steps from the property registration process, contributing to a 51-point improvement in Mozambique's Doing Business ranking for property registration to 101st from 152nd.

SPEED also provided recommendations for a new business registration system which resulted in the introduction of the Single Form. SPEED supported the Ministry of Industry and Commerce (MIC), providing market analysis, recommendations on the form's design, and an evaluation of the pilot phase. Based on the findings, a national roll-out Single Form is currently underway.

Another integral factor to an enabling business environment is the time and cost of obtaining construction permits. SPEED's support for implementation of short-term reforms streamlined the process for construction permitting, which caused substantial savings to the private sector, as well as increased investment and employment. As a result, Mozambique's standing under the 2014 Doing Business report jumped 46 places from 123rd to 77th.

Strong bankruptcy regulations and processes for resolving insolvency are important to keeping businesses viable, especially during times of economic insecurity. Where a strong insolvency structure exists, businesses are more sustainable and all stakeholders benefit. To this end, SPEED supported the Ministry of Justice to develop and pass insolvency legislation, and trained staff at the Ministry to facilitate roll-out. The passage and implementation of Mozambique's insolvency legislation resulted in a 27-place improvement in the country's 2015 Doing Business ranking for the "resolving insolvency" indicator.

Unleashing the potential of modern businesses in Mozambique requires dismantling structural and political barriers to free and fair enterprise. To this end, reducing and eliminating corruption is crucial to improving the business environment. SPEED supported the dissemination of the Public Probity Law, with 50,000 copies of the law being distributed. The Public Probity Law is expected to contribute to increasing the credibility of Mozambican institutions. SPEED also supported the Attorney General's Office (PGR), a key institution at the forefront of justice and anti-corruption initiatives. The PGR received institutional strengthening and management tools, which enabled the office to source and manage over \$6 million in external funding. SPEED also assisted the PGR in establishing the new structures that the public probity and anti-corruption legislation required.

Recognizing that the justice system continued to face challenges, SPEED also supported the national Alternative Dispute Resolution Commission (CACM) by expanding its capacity to deliver services. As a result, the number of cases seeking resolution by ADR (alternative dispute resolution) increased and businesses became more aware of the ADR as a viable option for resolving disputes.

To further enhance efficiency in public service delivery, SPEED worked closely with the Ministry of Finance (MoF) and its subordinate institution, the Tax Authority (AT). SPEED assisted the MoF in preparing a consolidated 2011 annual budget report and a 1st quarter 2012 budget report. As a result of the training and the provision of management tools, the MoF was able to initiate monthly budget reporting and establish this mechanism as a working routine.

MoF sought additional efficiencies by introducing a Single Electronic Window system for customs procedures. SPEED's work on the Single Electronic Window (SEW) led to recommendations being accepted by the Tax Authority and incorporated into the roll-out of subsequent modules of the SEW.

In addition to supporting efficiency initiatives, SPEED supported AT in developing and launching an international trade website in line with Bali recommendations, and in compliance with the WTO's requirement to have information about customs procedures available online.

Competition is critical to trade and as competition increases in Mozambique's economy it has become increasingly necessary to introduce legislation to manage anti-competitive behavior. SPEED's inputs contributed significantly to the promulgation of the Competition Law, and subsequently to the development and approval of the regulations needed to enable the Competition Authority envisaged under the law to begin operations.

SPEED supported MINAG (the Ministry of Agriculture) throughout the process of becoming a New Alliance participant and with SPEED's ongoing support through provision of a senior advisor to the Minister was able to assist Mozambique in complying with the necessary stages and developing the various necessary documents. SPEED continued to support the implementation of the New Alliance with a variety of activities which will continue under the Bridge Program (a new round of funding for SPEED under the Africa Lead II mechanism).

In pursuit of open skies, SPEED's support to Mozambican air transport authorities has brought a new dynamism into the sector. IACM (Mozambique's Civil Aviation Authority) has embarked on a speedy process of reforms, such as implementing ICAO standards, reviewing and drafting laws, enacting regulations and bilateral air service agreements (BASA), and negotiating the Fifth Freedom with South Africa. The private sector, through CTA, has been called upon regularly to participate in the process and provide technical inputs on policy and legislation reviews on civil aviation. Previous to SPEED's work, the private sector was rarely, if ever, consulted. SPEED supported both IACM and CTA with an on-call team of internationally recognized experts who could respond swiftly to requests for information and advice.

Throughout the life of the Program, SPEED has become a reliable and effective institutional reformer in the Mozambican space. One major contributor to SPEED's success is the program's intentional orientation towards the type of improvements it pursues, as well as its steadfast opposition to potentially detrimental policy reforms. SPEED's ability to adapt and respond with internationally recognized technical expertise was crucial when parliament presented a potentially harmful, draft law for agriculture, food security and nutrition. The draft contained a number of problematic aspects that would have been detrimental to businesses, and potentially unconstitutional. Navigating through a complex political process surrounding the legislation, SPEED's inputs equipped partners with the information necessary to ensure that the draft law was referred for wider debate. It eventually did not pass.

SPEED encountered a similar case of detrimental policy with the government's introduction of the tourism levy, which was opposed by business. SPEED assisted the CTA in developing a strong argument

against the levy, and the government agreed to modify its position through a collaborative negotiations process with the CTA.

SPEED empowered the CTA to intervene when language in the draft Public-Private Partnerships law looked potentially detrimental to the business environment. CTA delayed the passage of the bill until business groups could present an alternative. Through SPEED's support, the private sector presented changes to the draft law, which incorporated provisions that reduced or removed negative impacts. In the end, the consultation resulted in more investor-friendly legislation, which also considered the government's needs.

A final example of SPEED's ability to discern effective and detrimental policy is the Nacala Export Terminal (TEEN), which presented a number of problems for the business community including delays and additional costs. SPEED supported business organizations and challenged the legality of the terminal. The challenge resulted in a 10% fee reduction and improvements of the terminal's facilities. While there were no significant improvements in terminal efficiency, businesses were able to reduce costs resulting from inefficiency by negotiating to double the number of days users can leave their merchandise in the terminal warehouse while waiting for customs clearance. The AT recognized the problems identified by the private sector, and regulations for the use of the TEEN were prepared and submitted for legislation. Similar issues were raised by businesses about non-intrusive inspections, known as *scanning*. SPEED supported CTA with analysis and the private sector and Tax Authority agreed to draft a new regulation on scanners that will seek to resolve the problems identified by the study.

In addition to government support, SPEED facilitated activities with a variety of Civil Society Organizations (CSOs). For example, in June 2012, CCMUSA (The Mozambique – US Chamber of Commerce) became the ninth officially recognized American Chamber of Commerce (AMCHAM) affiliate in sub-Saharan Africa. With an improved business plan, Tiri Pamodzi began designing projects that allowed them to mobilize resources to make them self-sustaining and AGEKOM received technical assistance to support its work while serving as a best practice model for a guide prepared by SPEED which assists MIC in the development of district level associations.

INSTITUTIONAL STRENGTHENING—EQUIPPING PARTNERS WITH TOOLS AND INFORMATION

SPEED worked closely with both government and non-government actors to strengthen their ability to respond to private sector needs and to improve the business environment. Throughout the Program, institutional strengthening was a critical function of SPEED. Much of this involved equipping the Program's partners with the tools and information they required, thus empowering them to take specific actions forward themselves. Support has ranged from provision of advisors and equipment to training and technical support for advocacy.

For example, provision of an advisor to the Ministry of Agriculture's CEPAGRI, to support the New Alliance enabled that institution to provide direct support and advice to business seeking to invest in agriculture. As investors were made aware of the assistance available at CEPAGRI, contacts with the institution gradually increased and facilitation activities were centralized. New Alliance companies, have signed Letters of Intent (LoIs) with government, are using the service, and have advanced significantly with registration and expansion of their activities. This has increased the business community's confidence in the institution's capacity to assist them.

SPEED also provided ongoing support to MINAG through a senior economic advisor who worked directly with the Minister. The advisor was instrumental in ensuring that Mozambique has an agriculture investment plan (PNISA), joined the New Alliance framework and was able to meet its monitoring, reporting and research obligations. These actions resulted in a budget increase by almost 12% for the Ministry of Agriculture in 2014. The PNISA document has become a reference for policy dialogue in the agriculture sector and it is a leading document for public sector investment in this sector. The NEPAD report appraising PNISA was finalized and distributed to stakeholders. SPEED contributed significantly to the report by providing an independent analysis of government policy commitments and donor funding analysis. SPEED's analyses of taxes in the agriculture sector were incorporated into the government's policy commitments under the New Alliance.

SPEED provided an advisor to the Minister of Tourism and to the Director of ANAC (the National Conservation Areas Management Authority). As a result of SPEED's support, ANAC now has a strategic plan and is able to move forward to assume its role in conservation management. BIOFUND, an independent entity linked to the Ministry of Tourism, also received support from SPEED. As a result BIOFUND's financial and administrative staff now has increased capacity to implement USAID's procurement procedures. This enables them to develop the organization's own internal procedures and practices and thus be compliant to receive future direct funding from USAID and other donors. A compliant procurement process was undertaken jointly by SPEED and BIOFUND to identify a company to map the conservation areas, and BIOFUND now has access to all documents necessary to take the process forward and secure funding to map the relevant areas. The Conservation Law added a new dynamic to conservation activities due to the increase in political commitment to combat poaching. Analysis of the conservation law along with a manual to assist those to whom the law applies were developed and disseminated by SPEED and BIOFUND.

Support was provided to the Tax Authority through analysis of PSI (pre-shipment inspections) and provision of recommendations for a migration strategy from PSI to a Risk Based Inspection. The study equipped AT with the information and tools necessary to migrate systems based on Bali requirements.

SPEED equipped the Quelimane Municipality with the information necessary to begin a reform process of its construction permits issuing procedures, based on reforms SPEED supported at Maputo City Council.

Provision of new computer equipment and technical support for its installation and operationalization assisted the government's drive to digitize and reform the Registrar of Legal Entities, thus reducing time and costs to business when incorporating or altering a registry entry related to a company.

SPEED contributed directly to revising the government's second Business Environment Reform Strategy (EMAN II), making it more realistic and goal-oriented and improving its overall quality. SPEED further supported CTA and PSWG (Private Sector Working Group) in contributing to the discussions around EMAN II and worked with MIC to plan effective implementation, with SPEED taking direct action in 9 of the 12 reform areas in the strategy.

Under SPEED, CTA strengthened its analytical capabilities to better influence policy reforms for a better business environment. By the end of SPEED, CTA had a new Executive Director and Finance Director in place. SPEED had provided training and tools to build the organization's capacity to manage its finances and procurement and to implement new management systems. SPEED and CTA were able to work together throughout the Program to push forward important reforms as described in this report and

SPEED supported CTA in developing an improved model for Public-Private Dialogue as well as advocating for reform to public participation in the legislative process.

The implementation of legislation ensuring public participation in the legislative process is critical to reform of the business environment. SPEED has worked closely with CTA, ACIS and SAL & Caldeira on this matter throughout the life of the Program. A coalition of interested CSOs has been built, including many of the most prominent organizations in the country, across a wide range of sectors. A draft bill was developed and is expected to be presented to the new government by the coalition. Once passed this legislation would represent a major contribution to improved dialogue and ability of civil society to engage with the public sector.

CTA and ACIS received support from SPEED to undertake an Assessment of the Evolution of the Business Environment 1996 – 2013. The paper improved various stakeholders' understanding of the evidence surrounding progress – or lack thereof – on improving the business environment over the past 18 years. Additional support was provided to CTA to develop a new PPD mechanism based on the report's recommendations.

To further understand constraints to the business environment, SPEED prepared a study about levels of decision-making by the government, and then made this information available to the business community. The study has made it possible to identify additional reforms aimed at improving the business environment.

Support to ACIS included the updating of a series of guides in English and Portuguese to assist investors and existing business in navigating Mozambique's legal framework. Guides included those on tax, land and tourism. As a result of developing the guide to land SPEED and ACIS strengthened their relationship with MINAG leading to a series of training courses for government officials based on the guide and analysis on behalf of MINAG of the problems faced by business in acquiring land.

SPEED supported CTA and ACIS on a variety of issues related to employment. An analysis of the role of foreign employees in business ensured that ACIS was equipped with data and qualitative information, which enabled it to lobby with CTA to have the potentially detrimental changes proposed by the Ministry of Labor taken off the table. Through SPEED analysis, CTA was equipped with the data necessary to enable it to raise the issue of the cost of ad-hoc public holidays through the CCT (tripartite labor consultative forum). CTA's negotiating teams were supported during the 2014 minimum wage negotiations and following the negotiations an analysis of the minimum wage framework developed by SPEED will equip them for not only the 2015 negotiations but also to discuss minimum wage policy.

SPEED supported ACIS to analyze the uneven application of immigration visa requirements. No clear legal basis for the procedures was identified, and ACIS was equipped to take the matter forward with the National Immigration Directorate, to seek clarification, standardization and simplification of procedures. The application of fees by trade unions was also analyzed by the Program based on a request from ACIS. ACIS and CTA were equipped with a legal analysis they could use to raise the key issues through CCT with the Ministry of Labor and the unions.

Concerns expressed by the business community about costs and delays in the banking sector led to a SPEED study which resulted in an improved understanding of the impact of procedures imposed or required by BoM (reserve bank) on the business environment. The private sector was equipped with the information necessary to advocate for reform.

Awareness of Mozambique's relative position in SADC and options for using SADC membership to improve the country's economy was raised as a result of SPEED's work with CEMO. SPEED equipped CEMO with data and information to enable it to continue to advocate for improved competitiveness.

SPEED supported Mozambique's Institute of Directors (IoD) to develop a Code of Ethics, establishing a unique framework for transparency and individual and corporate accountability in Mozambique. This type of code is innovative in Africa and IoD's experience is being followed by those in other countries.

FOMENTING AND CONTRIBUTING TO DEBATE—INFLUENCING CHANGE

In Mozambique, high-quality information and analysis are often scarce as a result of limited data availability, which limits the debate around reform since debate cannot be substantiated with data. SPEED's approach to communication and information-sharing enabled the program and its partners to lead the way in fomenting discussion around major issues affecting the country. The team's technical experience and flexible approach enabled SPEED to contribute with substantive analysis, and raise awareness of issues that had not yet become a topic of public discussion, thus enhancing the quality of debate.

Mozambique's economy changed significantly during the life of the Program. SPEED was at the forefront of discussions around the country's competitiveness in light of the resource boom. SPEED's analyses contributed to enhanced understanding of exchange rate shifts in the economy and contributed to the private sector's ability to engage in national debate on this issue. The work contributed to CTA's successful efforts to advocate for changes to foreign exchange regulation. The research laid the groundwork for ongoing competitiveness initiatives. SPEED's exchange rate efforts also helped place currency appreciation on the agenda as a major policy issue and deepened understanding across stakeholders about the dangers of real appreciation of the exchange rate. This, combined with work on Sovereign Wealth Funds (SWFs), placed the discussion of the resource boom at the center of policy debate.

SPEED also contributed analysis of competitiveness of key sectors such as agriculture, labor, tourism and manufacturing. In the case of manufacturing, the Program also contributed to the discussion of a proposed industrial policy and provided recommendations about how best to achieve the industrialization goals of the National Development Strategy (ENDE). A compilation publication of the Program's work on competitiveness was published both physically and in an innovative e-book format, making it more accessible to teachers and students. The book was launched during a national series of seminars about competitiveness which SPEED organized. Participants from a wide range of institutions including business, government, donors, academia and the press took part in spirited discussions about the likely impact of the resource boom. The seminars included an experiential component based on case studies which put participants in the position of managing a business potentially affected by Dutch Disease. These case studies proved particularly useful in stimulating discussion and developing understanding of likely impacts. The seminars were covered widely in the national print and television media. Each of the visiting consultants developed blogs about the topics discussed, which were disseminated through SPEED's web site and social media to keep the debate going.

The program worked on the question of local content, in light of the resource boom, developing research and analysis to inform and influence the Government's choices and decisions on local content policy

process and strategies moving forward. CTA was equipped with the information and tools necessary to move forward in developing a local content task force.

At the request of the business community, SPEED analyzed the growing role of government in business, an analysis which revealed a number of business unfriendly practices. The state in Mozambique has become increasingly involved in business: it sets the policies, regulates the industry, establishes and runs its own companies competing with the private firms from which it also collects taxes. The analysis produced results which surprised business, and led to the private sector demanding that the state limits its involvement in the business environment unless it is for social and strategic interests. Following publication of SPEED's report, many in business and civil society have been on the watch for state engagement in business, including adopting a strong stance where the Law on Public Probity has been invoked to prevent the state and public officials' involvement in corrupt and unethical practices.

SPEED partnered with Soico and CTA to undertake the innovative Agro.Biz project aimed at communicating messages about agriculture and its role in the economy based on the priorities of the New Alliance and the outcomes of SPEED's analysis of competitiveness. 32 short films of real life stories, over 50 pages of print articles and 11 televised debates brought the issues to a national television, radio and newspaper audience.

SPEED supported the training of journalists, ensuring that trained journalists were better equipped to report on economic issues, and able to interact with thousands of journalists around the world through the Thomson Reuters Foundation network. The media strengthening function was subsequently taken over by another USAID-funded program Mozambique Media Strengthening Program IREX, and SPEED continues to liaise with that project.

Over the lifetime of the program, SPEED made significant progress on 96 reform policies, regulations or administrative procedures, ranging from macroeconomic policy to sectoral competitiveness in agriculture and tourism to trade policy. Progress on these reforms is explained throughout the document and Annex 3 contains a summary.

The activities described in this report are divided into four thematic sections: business environment, trade, and investment; tourism and biodiversity; agriculture; and democracy and governance. The report contains information on the context, activities undertaken, and results. In addition, those activities that address policy, regulatory or administrative procedure reforms as defined in the SPEED Indicators Tracking Table (SITT) are indicated in the SITT report (see Annex 3 and separate Excel document). Finally, the report also summarizes capacity-building activities (see Annex 1), outlines key management, finance, and administrative issues, and lists publications produced over the course of the Program (see Annex 2).

TECHNICAL ACTIVITIES

BUSINESS ENVIRONMENT, TRADE & INVESTMENT

SPEED's work on **business environment, trade and investment** is divided into seven key areas: trade facilitation, doing business, public-private dialogue and the business environment, competitiveness, employment, investment and infrastructure.

Under **trade facilitation**, the Partnership for Trade Facilitation funding mechanism supported work with Mozambique's Tax Authority (AT), focusing on three main areas: internet publication of customs regulations and documents; improvements in transit trade within the Single Electronic Window (SEW); and gradual elimination of pre-shipment inspections. SPEED's relationship with AT strengthened significantly over the lifetime of the PTF project which has in turn facilitated other work undertaken by the Program.

An international trade website was launched in line with Bali recommendations and was disseminated widely, ensuring Mozambique's compliance with this WTO requirement. The findings of SPEED's recommendations on the roll-out of the Single Economic Window (SEW) platform for online customs operations were accepted by AT and generally incorporated into the roll-out subsequent modules. SPEED responded to the private sector's concerns about transit cargo regulations, and supported AT in revising them, and assisted AT to disseminate and implement the new regulations. SPEED's assessment of the existing pre-shipment inspection system recommended a migration strategy from PSI to a Risk Based Inspection. This work equipped AT with the information and tools necessary to migrate systems based on Bali requirements.

Under **Doing Business**, SPEED helped improve Mozambique's rankings in the World Bank's indicators on this subject. Work included supporting development, dissemination and implementation of an insolvency law; streamlining construction licensing procedures in Maputo and looking at such procedures in Quelimane; improving the system for registering property; assessing a legislative proposal for private credit bureaus; making it easier to pay taxes and providing information to businesses about the legal framework for tax; and simplifying the procedures for registering businesses. SPEED's work contributed to Mozambique rising 7 places in the 2014 ranking and 15 places in the 2015 ranking, the highest increase in Mozambique's history. SPEED also analyzed the impact of Central Bank procedures on the business environment.

An effective **Public-private dialogue** (PPD) is crucial to successful reforms. The Program focused on supporting the development of the national Business Environment Strategy, taking action on nine out of the twelve target areas in the strategy. SPEED also worked with the business community to assess the evolution of PPD over time and develop a new model for PPD.

The country's **competitiveness** became an increasing topic of debate as a result of SPEED's work. This effort began with analysis of Mozambique's competitiveness in SADC and moved through a comprehensive series of studies and dissemination activities related to the country's competitiveness in light of the coming resource boom. Competitiveness work includes contributing to the debate about an industrial policy; examining competitiveness in the manufacturing sector, supporting IPEME (SME Institute) to analyze opportunities and constraints facing SMEs, leveraging their "100 Top SMEs" prize, and focusing on levels of decision-making at the different levels of government with a view to equipping business with tools to advocate for increased reform.

Employment is a critical issue for economic development and a major concern for business. SPEED analyzed the competitiveness of Mozambique's labor market. Concerns about an influx of foreign workers led to the need to analyze their role in the economy. Declarations of ad-hoc public holidays proved costly to the economy and SPEED supported the business community with analysis to support advocacy in this area as well as in advocating for changes in the way visa rules are applied and the actions of trade unions in charging fees to business for delivering legally required services. SPEED also provided ongoing support to its strategic partner, CTA, in minimum wage negotiations.

Investment has been growing over the lifetime of SPEED. The Program was called upon by the business community to support it in advocating for a more investor-friendly environment, including analyzing several policies: the foreign exchange legislation; legislation relating to public—private partnerships; the competition law; and Special Economic Zones.

Infrastructure is critical to development and key constraints identified by business included mobile telephony and electricity access and quality, both of which were analyzed by SPEED.

Each of the activities mentioned along with others carried out between 2010–2015 are discussed in greater detail below.

TRADE FACILITATION

PARTNERSHIP FOR TRADE FACILITATION

Context: Following recommendations from WTO, WCO and others, Mozambique has carried out a number of customs reforms for facilitating trade. Despite these efforts, reports such as the World Bank's [Doing Business](#) still find procedural difficulties, time delays and high costs in the processes for importing and exporting goods to and from Mozambique.

In April 2012 Mozambique introduced the Single Electronic Window (SEW), a positive development which encountered some serious problems in initial implementation.

The WTO Trade Facilitation Agreement reached in Bali in 2013, is going to be enforced in 2015 for all member countries. Mozambique will be required to comply, which will entail a number of additional reforms, including to PSI (pre-shipment inspection).

Activities: SPEED engaged with the Mozambican Tax Authority (AT), CTA, and other organizations to find solutions to the various issues affecting trade facilitation. SPEED worked with Mozambique's Customs Service to develop a proposal for funding from USAID's Partnership for Trade Facilitation (PTF). The proposal focused on three areas: internet publication of customs regulations and documents; transit trade under the Single Electronic Window (SEW); and pre-shipment inspections.

Website upgrade. SPEED worked with Tax Authority (the supervisory authority of the customs service), to establish a joint working group of key stakeholders (BoM, INE, MIC, IPEX, CTA and CPI) to conduct a survey on perceptions and opinions of stakeholders regarding the availability and quality of information on cross-border trade. The survey also examined the usability, reliability and efficiency of the relevant websites for trading across borders. The report highlighted the need for improving the quality and accessibility of trade related information. Findings and recommendations from the [survey](#) were then used as basis for compiling an inventory of trade-related information and legislation to be made available on the portal.

Rather than create a duplicate website for AT, the main AT website was revamped and the portal created within that same website. The international trade webpage was launched on August 6, 2014. Over 100 participants attended the event including the AT President, the Charge D'affairs of the US Embassy and the USAID Mission Director.

Portal users have access to new tools such as the customs fees calculator for international transactions which is a dedicated tool that provides all information about procedures to export/import, to or from anywhere in the world, and for any product in the customs tariff list; an online chat function to answer questions; requirements per stakeholder (broker, transit agent, transporters, etc); updated table of exchange rates; news; events; etc.

In addition, this page is compliant with the WTO Bali Agreement on Trade Facilitation, which recommends member countries have available, on the internet, all relevant information and regulations regarding trade across borders so as to promote trade both at national and regional levels.

The page is available online on www.at.gov.mz.



SPEED also supported training for AT officials on website management and sustainability, hardware equipment acquisition, and supported a media campaign to disseminate the website.

Single Electronic Window / Transit Module Implementation. In response to vocal private sector concerns, in 2013 SPEED conducted an [assessment](#) to review users' experiences with the SEW to identify ways to improve the system. The assessment was well received, and approved by AT. Among other things, the report raised concerns about the roll out of SEW components that had yet to be launched, since these not being available created significant constraints in functionality of the SEW over all. The report also stressed the need for customs and other government agencies to respond on a 24/7 basis and not only during regular government working hours. SPEED held workshops in Maputo and Beira to disseminate the findings of the review and obtain stakeholder feedback.

Consistent with recommendations from the SPEED study, the SEW's Customs Transit module was introduced in Mozambique in early 2013. With the new transit module came changes in transit customs legislation. Contrary to the approach recommended in SPEED's report, problems arose from weak dissemination of the legislation, contradictory information and lack of knowledge of procedures and regulations under the SEW system. The new procedures were neither understood by the majority of operators, nor by customs officials. SPEED supported AT to provide training across the country to disseminate the new legislation to customs officials, economic operators, clearing agents and other interested parties through workshops and local media.

As a result of private sector concerns a new customs transit decree, DM 116/2013, was passed and additional training workshops supported by SPEED were rolled out. All the main borders in the south, center and north of the country were covered as well as the 3 international ports.

An impact assessment of dissemination of the customs transit decree, DM 116/2013 took place. The assessment also looked into the overall situation with customs transit which had been problematic up until the dissemination of the new regulations. The study found that over all the project was a success, as there was an improved perception among the private sector about the procedures involved in moving transit cargo using the SEW system. However, problems persist with bond acquittals at exit borders and this continues to cause significant delays.

As well as assisting AT, SPEED's support helped private sector organizations improve their procedures, for instance Manica Freight Services used the information from the training to develop booklets on how to use the SEW transit system and shared these among staff and clients.

Pre-shipment Inspection (PSI). An [assessment of PSI](#) in Mozambique was carried out. It recommended a migration strategy from PSI to Risk Based Inspection. A Risk Based Inspection system would be coupled with a Compliance Enforcement system through the SEW. The new system would integrate all institutions involved, and control safety issues and standards compliance for imports. Inspection would be conducted by local authorities, in line with national and international norms. Consultation workshops took place regionally within Mozambique to present the proposals to the private sector and customs.

Results. SPEED's relationship with AT strengthened significantly over the lifetime of the PTF project which has in turn facilitated other work undertaken by the Program.

An international trade website was launched in line with Bali recommendations and the site was disseminated widely, ensuring Mozambique's compliance with this WTO requirement.

The SEW study recommendations were accepted by AT and generally incorporated into the roll-out of the transit module and into the internet publication component.

As a result of the working relationship with AT, SPEED was able to respond to the private sector's concerns about the transit regulations and support AT in revising them to take account of concerns, and to assist AT to disseminate and implement the new regulations.

Analysis of PSI and recommendations for a migration strategy from PSI to a Risk Based Inspection, were carried out. Findings were presented for consultation with the public and private sectors. The study has equipped AT with the information and tools necessary to migrate systems based on Bali requirements.

Growing Pains Lead to Faster Trade for Mozambican Businesses

Training eases enactment of new transit regulations

"SPEED jumped into action at a critical time to alleviate the pressure and gridlock at the country's main ports."

In 2012, the Government of Mozambique implemented a tool to better manage customs operations - the Single Electronic Window. Designed to enhance efficiency, efficacy and transparency of trade across borders, improve trade taxation management and enable effective controls, the Single Electronic Window promised to make it easier to do business in Mozambique.

However, problems arose when transit officials and companies attempting to move goods across the country's borders were not adequately trained on the new regulations or electronic system. Containers carrying goods that could not be cleared created bottlenecks at the ports and chaos ensued in major port cities of Maputo, Beira, and Nacala. The private sector was in an uproar because business was severely impeded as a result of the confusion.

USAID's Support Program for Economic and Enterprise Development (SPEED) assisted the government of Mozambique in addressing the challenge by developing training materials and disseminating information on the new laws, procedures, and regulations. USAID program staff traveled to all main points of transit including Maputo, Beira, and Nacala to train customs officials, transit agents, brokers, and members of the private sector in an effort to literally get business moving again in Mozambique.

While the new government regulations clarified transit requirements, made consistent procedures and fees for ports throughout the country, and reduced instances of fraud and smuggling, the roll-out and implementation of the regulations still created new problems.

After much debate and complaints from the private sector, the Ministry of Finance approved new customs transit regulations in August 2013. These regulations standardized procedures and requirements for companies transporting goods through Mozambique's ports to other countries, as well as identified goods subject to a bond guarantee deposit. Once again, USAID assisted the government and private sector by training customs officials, transit agency representatives, and business leaders on the new regulations.

The customs transit trainings offered at major transit points to both public and private sector representatives was extremely well received. At a June 2014 meeting between the US Embassy and the Mozambican Tax Authority, the President of the Tax Authority, Mr. Rosario Fernandes, praised USAID for helping to ease the roll out of the transit module and the implementation of the new legislation. The program Chief of Party, Brigit Helms commented, "SPEED jumped into action at a critical time to alleviate the pressure and gridlock at the country's main ports. This public education effort was a huge success and we are proud to have been part of the solution to facilitate improved business practices in Mozambique."

SPEED Success Story published [here](#)

DOING BUSINESS

Mozambique Aims Higher on World Bank Business Ranking

Streamlined business processes spur trade, jobs, growth

“Our goal is to encourage more companies to do more business in Mozambique.”

Each year, the World Bank publishes its Doing Business report—a survey of the ease of doing business around the world that includes 189 countries and 10 indicators. In this year’s report, Mozambique’s ranking rose 46 positions for the construction permit indicator, from 123rd place in 2013 to 77th in 2014.

Last year, the Mozambique Government renewed its commitment to improve the country’s Doing Business rankings and the overall business-enabling environment for private sector growth through a series of reforms to the way construction permits are granted. The USAID Support Program for Economic and Enterprise Development directly supported the implementation of those reforms.

While streamlining permit processes in 2013 led to an overall improvement of Mozambique’s ranking, moving from 142nd in 2013 to 139th in 2014, the country remains well below the top performers within the Southern Africa Development Community. To further improve the overall business environment and boost the 2015 rankings, the project identified a series of “quick wins,” key reforms that can be quickly implemented and have potential to improve three indicators: starting a business, registering property, and paying taxes.

Reforms are geared to simplify and streamline administrative processes and requirements to ease the burden for prospective and current business and property owners. USAID is helping the Ministry of Industry and Trade simplify the application forms required to start businesses in Mozambique and is coordinating with various public institutions to streamline processes. To expedite property registrations, the project is helping to integrate business processes that will reduce the time to obtain registration certificates.

The project is also introducing an online tax payment system, e-tax—primarily for value added tax and the simplified tax for small taxpayers—in Maputo and Matola, which will later be replicated across the country. These tax reforms will particularly impact those involved in small-scale agricultural, industrial and commercial activities.

“Our goal is to encourage more companies to do more business in Mozambique, thereby increasing trade and investment opportunities, and creating jobs and income growth,” said Brigit Helms, the program’s chief of party. “By implementing several high-impact reforms, we expect to see a marked improvement in the enabling environment and, hopefully, a leap in rankings next year on the World Bank’s Doing Business report.”

The goal of the Support Program for Economic and Enterprise Development is to improve the business environment and have more companies doing more business, resulting in increased trade and investment and a stronger competitive position. The program began in 2011 and concludes in February 2015.

SPEED Success Story published here

IMPROVING MOZAMBIQUE’S “DOING BUSINESS” RANKING

Context. At the beginning of the SPEED Program in 2010 the Government of Mozambique’s goal was to lead the SADC region in the Doing Business ranking by 2015.

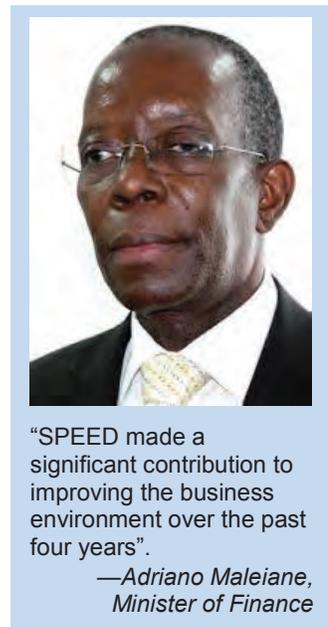
The Doing Business report is an annual World Bank Group publication that ranks countries using a set of indicators on the ease of doing business in the country. Though it does not capture all aspects of the business environment, Doing Business is a useful tool for focusing attention on key business constraints. Mozambique’s Doing Business rank in 2010 was 132nd out of 183 countries worldwide and 8th among the 15 countries in the SADC region.

Activities. In January, 2011, MIC (Ministry of Industry & Commerce) requested that SPEED 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 taking account of 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 insolvency law and streamlining the procedures for the construction permits, two reforms with the greatest potential impact on Doing Business ranking. These recommendations were presented to the Minister in early March 2011 and shared with the Private Sector Working Group in April 2011.

To complement the short term perspective, SPEED [updated the report](#) "Doing Business and Mozambique - a Blueprint for Success" (a [paper originally developed](#) for USAID and MIC in 2009). 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 identified reforms that could improve the business enabling environment and affect the Doing Business indicators as follows:

- 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 costs;
- Closing a Business indicator - passing and implementing an insolvency law.



For each of the areas, the report highlighted where reforms stood, 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. This report served as a guideline for SPEED’s Doing Business related actions throughout the Program. These activities are described below.

In the course of preparing reports on Mozambique’s Doing Business ranking, SPEED identified a number of methodological problems in the way the World Bank measures Mozambique’s performance. SPEED prepared a memo aimed at persuading the World Bank’s Doing Business team to rectify the methodology used. At the same time Government representatives raised concerns about Doing Business data, pointing to some discrepancies between these and the reality on the ground. The Ministry of Industry and Commerce, on behalf of the inter-ministerial group for the removal of investment barriers (GIRBI) requested that SPEED conduct a survey to assess the validity of these concerns.

SPEED carried out an independent survey focusing on: starting a business, getting electricity, international trade, paying taxes, and getting credit. The country’s ranking and the potential for changes were the criteria used for selecting the indicators. The survey examined the description of the procedures

reported by the 2012 DB report; time, cost, and documents requested to complete a procedure; the data behind the indexes; and the legal framework.

The study confirmed the government's concerns about the data on three indicators (getting credit, getting electricity and paying taxes). These findings were submitted by MIC to IFC Washington.

In part due to SPEED's support and ongoing focus on Doing Business indicators, over the lifetime of the Program the government solidified its commitment to improving the country's rankings and the overall enabling environment. A series of reforms on the Dealing with Construction Permits indicator, directly supported by SPEED saw Mozambique rise 46 positions in that specific indicator in 2014 and three positions on the overall ranking from 139 to 142 out of 185 economies.

However despite this improvement, Mozambique remained well below SADC's top performers, Mauritius and South Africa. Ideally for Mozambique to reach its target stated at the start of SPEED, the majority of the reforms would have to have been implemented before the Doing Business 2015 deadline of June 2014.

To keep up reform momentum SPEED identified three indicators that could provide 'quick wins' – i.e. short term administrative reforms with the potential for high impact which would enable Mozambique to move up in the rankings and have a reasonable chance of being implemented in the short term. The identified indicators were: Starting a Business, Registering Property and Paying Taxes.

On Starting a Business, in 2013, SPEED supported MIC to streamline application forms for starting a business in Mozambique and coordinate with the various public institutions involved. Streamlined forms and procedures are consistent with the new Integrated Platform of Citizens' Services and the implementation of *BAUs* (*Balcão de Atendimento Unico*, or one-stop shops). SPEED supported the pilot implementation of the new form and helped print 10,000 forms used for the pilot project.

On Registering Property, SPEED worked together with IFC, MIC and Ministry of Justice (MJ) to successfully streamline procedures and eliminate two steps in issuing certificates of registration. Submission of final registration certificates is now carried out internally between institutions and two procedures (SISA with the Property Registry) were partially merged through the BAUs.

On Paying Taxes, the focus of reform was the introduction of an online tax payment system, the e-tax. E-tax has been being rolled out since April 2014. SPEED worked with AT during 2014 to design a campaign to update NUITs (tax registration numbers) and register people into the system. However, due to national elections the tax campaign was postponed.

Results. The Program, SPEED supported the government in a variety of ways to improve its ranking in the Doing Business indicators. The methodological reforms recommended by SPEED to the IFC were partly taken into account in the 2012 report and the rest continue to be analyzed. Successful implementation of reforms on Registering Property, and the pilot project of the new form for Starting a Business in Mozambique were achieved. SPEED's Doing Business related work can be found [here](#)

Overall results are summarized as follows:

	Period of publication	Ranking	Number of places improved from the previous edition	Main reforms in Mozambique (all SPEED supported)	SPEED's role	Attribution to SPEED
DB 14	October 2013	142 (out of 189)	7 places	Dealing with Construction Permits	Supported the analysis and implementation of short-term reforms that streamlined the issuance of constructions permits	100%
				Trading Across Borders	Recommendations to improve implementation of the SEW and support roll out of the transit trade module under the SEW	20%
DB 15	October 2014	127 (out of 189)	15 places	Resolving Insolvency	Reviewed the bankruptcy legislation and proposed changes in legislation. Supported implementation of the law with regional training of judges	50%
				Registering Property	Partnered up with IFC and MJ in the streamlining procedures at the land registry and municipality	30%

Mozambique's Standing in World Bank's Doing Business Ranking Soars 15 places!

Mozambique has seen a dramatic improvement in the country's Doing Business ranking—the World Bank's annual survey of the ease of doing business around the world—and the overall business-enabling environment for private sector growth. Of 189 countries, Mozambique rose to 127th place in the 2015 ranking, which marked an improvement of 15 places compared to last year. Mozambique's leap in the rankings was the highest in the Community of Portuguese Language Countries, and in the Southern African Development Community (SADC), Mozambique only lags behind Mauritius, South Africa and Botswana. This reflects the commitment made by the Government of Mozambique (GoM) to implementing a series of legislative and business reforms that promote broad-based economic growth throughout the country.

The USAID-funded Support Program for Economic and Enterprise Development project (SPEED) directly supported the implementation of key reforms that contributed to the improved ranking. Specifically, reform initiatives that impacted the “resolution of insolvency” and “property registration” indicators are noted as having made substantial impact in the overall business climate and the Doing Business ranking.

Several years ago, SPEED identified the laws that governed business insolvency as problematic. The program partnered with the Mozambican Business Confederation and local legal advisors, Sale Caldeira, to advocate for new insolvency legislation that passed in 2013. Immediately thereafter, responding to a request from the GoM, USAID launched an ambitious training program for commercial judges and mediators throughout the country and published and distributed a guidebook on the new insolvency laws, meant as an educational resource for both public and private sector audiences. From these trainings, the consistent application of procedures and increased clarity around the insolvency process has resulted in businesses minimizing financial hardship and lengthy insolvency proceedings and increased their ability to recover assets and potentially resume business operations.

Additionally, SPEED identified the property registration indicator, as a quick win reform that could be implemented in the short term and would have a significant impact on the ease of doing business in Mozambique. Just last year, Mozambique was the worst positioned country in the SADC. This year Mozambique jumped 24 places in the ranking to be placed as the fourth best in the SADC. Working closely with the Ministry of Justice, Ministry of Industry and Commerce and IFC, SPEED supported the streamlining of procedures at the land registry and municipalities, resulting in a reduction from 8 to 6 procedures. In coordination with the IFC, brochures were produced to disseminate the short term administrative reforms that took place. Currently, further work supported by SPEED on property registration is focused on the review and drafting of new legislation as well as potential automation of the system. Looking at current rankings, it may be that such reforms may help Mozambique climb to the top of the SADC and the world on the ease of land/property registration. The Mozambican Minister of Mining Resources recently commented, “It is very good news for the Mozambican government and means that reforms that have been made are beginning to take effect.” The program's Chief of Party, Brigit Helms said, “Our goal with SPEED is to encourage more companies to do more business in Mozambique, thereby increasing trade and investment opportunities, and creating jobs and income growth.” By implementing several high-impact reforms, Dr. Helms said she “expects to see a further improvement in the enabling environment, and hopefully, another leap in rankings next year on the World Bank's Doing Business report.”

USAID Blog published [here](#).

EDBI CONFERENCE

Context. Each year, the World Bank Group organizes regional Ease of Doing Business conferences. The purpose of these conferences is to bring together delegates from across the region to discuss reform efforts related to the Doing Business reports, share experiences, and ultimately accelerate reform across a specific region.

Activities. Along with the IFC, MIC, World Bank and Irish Aid, SPEED supported the organization of the 2014 Eastern & Southern Africa Ease of Doing Business Initiative (EDBI) conference which took place in Maputo from June 30 to July 02, 2014. 110 delegates attended the conference including dignitaries from the participating countries.

The conference consisted of presentations on the different Doing Business indicators, with clear reform examples undertaken in countries from eastern and southern Africa allowing for exchanges of experience between participants. Areas presented included Obtaining Construction Permits, Property Registration, Enforcing Inspections, International Trade, Access to Finance, Starting a Business and others. There was

also a panel discussion on the Challenges, Opportunities and Constraints of the current investment climate in Eastern and Southern Africa.

The conference was closed by a presentation by Burundi, Ivory Coast, Madagascar and South Sudan on specific reforms currently being undertaken. Participants had the opportunity to visit institutions where reforms have taken place in Mozambique including the Single Electronic Window (SEW), the One Stop Shop (BAU), Maputo Port and Maputo Municipality.



Participants at the EDBI Conference

Results. The EDBI is expected to motivate the replication of successful reforms across countries in Eastern and Southern Africa.

INSOLVENCY LAW

Context. The bankruptcy process in Mozambique, based on the 1967 Code of Civil Procedure, was slow, costly and complex. According to the 2011 Doing Business report, bankruptcy proceedings in Mozambique lasted 5 years, cost 9% of the estate value and enabled the recovery of only 17.7 cents on the dollar.

Activities. Attempts had been made in the past to update legislation and streamline the insolvency process, but efforts had languished at the time SPEED began. To reinvigorate reform efforts and get new legislation passed, SPEED, working with CTA and SAL & Caldeira, conducted a series of activities including a 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. The draft legislation as reviewed by SPEED was then submitted to Parliament for legislative approval.

Mozambique Reforms Business Insolvency Laws

New laws help to resolve financial crises

“This initiative is a testament to the power of collaboration between the public and private sectors.”

The consistent application of insolvency procedures plays a critical role in fostering growth and competitiveness and may also contribute to the prevention and resolution of financial crises. Until recently, the laws governing business insolvency in Mozambique dated back more than a century. These outdated laws made the process to dissolve a business unduly complicated, slow, and costly. Moreover, the likelihood that businesses could recover assets once the process was completed was extremely low. USAID’s Support Program for Economic and Enterprise Development (SPEED) identified this as an area where legislative reforms would yield significant benefit, particularly for small and medium enterprises. As a result, the program partnered with the Mozambican Business Confederation (CTA) and local legal advisors, Sal e Caldeira (S&C), to advocate for new insolvency legislation.

While the process to reform Mozambique’s insolvency laws has been long, it has been successful. In 2011, the program integrated stakeholder input and reviewed draft legislation. Legislation that was submitted to Parliament that year was finally enacted and approved in 2013. While the approval of insolvency legislation by the Council of Ministers in June 2013 marked a major milestone, there was much work to be done. Within ninety days of the approval of the legislation, the Government of Mozambique (GoM) had to be prepared to enforce these new laws, and turned to USAID to help.

Partnering with CTA and S&C, USAID launched an ambitious training program for commercial judges throughout Mozambique. Between October and December 2013, the program trained 45 judges and mediators, more than double the goal set by the government. The program also published and distributed a guidebook on the new insolvency laws, meant as an educational resource for both public and private sector audiences.

USAID continues to assist the GoM with the enforcement of the new laws while advocating for the establishment of a cadre of insolvency administrators, people trained and accessible to business owners who need to be advised through the insolvency process.

“By training judges, advocating for the creation of a cadre of insolvency administrators, and launching education directed towards both the public and private sectors, USAID made an enormous contribution to the business

community and assisted the Government of Mozambique tremendously,” said Jeremias Manjate, Sofala Province’s chief judge, who participated in the insolvency training. Brigit Helms the program’s Chief of Party remarked, “This initiative is a testament to the power of collaboration between the public and private sectors, and the persistence and patience required to see business reforms in action.”

SPEED Success Story published [here](#).

The draft law remained before Parliament until it was enacted on the 19th of February 2013. SPEED was then engaged by the Ministry of Justice (MJ) to support implementation of the law.

Workshops to disseminate the law, and specific technical training of judges, prosecutors and clerks were conducted in the south, center and north of the country. In the past, there were few cases of declared insolvency before the courts and most people were not familiar with the process. Businesses would rather have dissolved than undergo a bankruptcy process, due the complexity and the time taken. At the same time many stakeholders were not familiar with the new law.

In Maputo the training included insolvency administrators/mediators, and trainers from the Judicial Training Centre (CFJJ). The latter participated to build their capacity to develop their own curriculum and continue with the training process. Overall, 45 judges, clerks, prosecutors, administrators and trainers were trained. This number was double the target set by the GoM. In addition all 11 Provincial Directors of Justice attended the workshops and received material to enable them to carry on disseminating the legislation in their respective provinces.

To facilitate ongoing dissemination and training, SPEED also supported the publication of 3,000 copies of a book on insolvency legislation which were distributed to course participants with the remainder being sold by CTA to the private sector.

Results. Legislation was developed and passed with support from SPEED. The strong working relationship developed with the Ministry of Justice during this process led to the same ministry requesting SPEED’s support to develop and roll out training and dissemination of the new legislation.

Judges, insolvency administrators and others are now equipped with information and materials to enable them to move forward with implementation, and the private sector has more knowledge about the new insolvency process.

This work directly resulted in Mozambique jumping 27 places in the 2015 Doing Business ranking for the “resolving insolvency” indicator. SPEED’s work on the topic can be found [here](#).

STREAMLINING THE CONSTRUCTION LICENSE PROCESS IN MAPUTO

Context. The process for issuing construction permits has been identified by the private sector as a major obstacle impeding business in Mozambique. According to the 2013 Doing Business report, it took the average business person 377 days to obtain a construction permit. There was evidence that relatively simple improvements in streamlining construction permits processes could improve the country’s ranking and make life easier for business.

Activities. SPEED began working with the Municipality of Maputo (CMM) on simplifying the process for obtaining construction permits in October, 2011. This work identified a series of short-term and long-term recommendations. The report and recommendations were presented to, among others, Maputo Mayor David Simango, and officials at the Ministry of Public Works and were subsequently approved by the Mayor.

In a second phase SPEED supported the CMM to implement the reforms. First, a set of detailed proposals for how to re-design the process for obtaining a construction permit were discussed with and approved by the Municipal Assembly. Following this approval, SPEED helped CMM staff to develop technical justification documents (*justificativa tecnica*) that formed the basis for actual implementation. In tandem with the administrative procedures outlined in the *justificativa tecnica*, SPEED supported a review of relevant ordinances and decrees to ensure consistency between proposed changes and the legal framework. SPEED also organized conferences to disseminate the proposed changes.

“This is the first time we have been asked to the table, and we had better jump on it! We cannot just sit around and complain; this is our opportunity to help make change happen”

- *Private Sector representative
on the Maputo Construction
Permits Reform Group*

SPEED facilitated CMM to create a group of business people in the building, construction, and housing sectors to guide the Municipality on how to implement its long-term recommendations. SPEED supported the group by helping to facilitate meetings and providing group members with the information required to fully understand the reform agenda. The formation of the group was a real milestone because the group was highly motivated and self-sustaining. They appreciated the opportunity to participate in the policy process.

To consolidate the reforms SPEED provided an In-Kind Grant of IT equipment to the Department of Urbanization and Construction (DUC) at CMM and hired two consultants to design a process management system, create a database that supported a file tracking system and to install and network the equipment. SPEED also hired a statistics consultant to perform a time-and-motion impact analysis on the implementation process of short-term reforms through quantitative and comparative analysis before and after the implementation.

To further streamline processes for obtaining construction permits, SPEED also supported the following activities:

- Further customization of the business process management system implemented at DUC, and training on changes made to the system;
- Scanning of over 5,000 construction permit files and storing them in the database that supports a file tracking system at DUC; and
- Revising the relevant bylaws (*Postura Municipal*) to update legal instruments required for simplifying the construction permit process.

Results. Doing Business 2014 shows a substantial improvement in the country’s construction permit indicator, with Mozambique jumping 46 places to 77th from 123rd. SPEED’s support for implementation of the short-term reforms played an important role in this, resulting in substantial savings to the private sector, increased investment and employment. SPEED’s estimates indicate that the private sector saved approximately \$3.7 million and created nearly 2,600 jobs over the course of the year as a result of these reforms.

The computerization of the Department of Urbanization and Construction (DUC) was a significant step which resulted in further savings, reducing the number of visits that an applicant needed to make to the DUC and facilitating the internal transfers of physical files within the DUC. It is expected that when the

system is fully operational with all documents digitalized this will shave the time required to issue the construction license down to approximately 45 days and the internal transfers of physical files within the DUC will be eliminated.

The development of a joint working group between business and CMM was very successful for all those involved and clearly demonstrated to both government and business the benefits of hands-on public-private dialogue.

It is expected that reforms to the municipal by-laws will be approved by the Council shortly, thus aligning the legal framework with the reforms undertaken.

SPEED's work on this issue is documented [here](#).

DIAGNOSIS OF CONSTRUCTION LICENSE PROCESS IN QUELIMANE

Context. Following SPEED's success with the Municipality of Maputo, the Municipality of Quelimane requested that the Program conduct a preliminary assessment of Quelimane's construction permits process.

Activities. SPEED conducted a [review](#) of the Quelimane municipality's construction permit process and worked with the municipality and business to disseminate the proposed reforms based on the Maputo model, and to discuss the relevance of the recommendations for all municipalities.

Results. SPEED equipped the Quelimane Municipality with the information necessary to begin a reform process. Unfortunately to date the municipality has been unable to follow up with additional actions.

REGISTERING PROPERTY

Context. The Doing Business ranking indicator relating to the registration of property evaluates the ease with which land and buildings may be purchased for commercial use. Economies worldwide have been making the processes of land registration and property transfer easier for business by reducing the time spent on procedures, adopting fixed deadlines for these procedures, introducing fewer (and simpler) internal and external requirements and creating fixed fees.

According to the Doing Business Report 2014, the land registry in Mozambique required 8 procedures, took 39 days and cost 7.7% of the property value. Overall, the country was 152nd in the ranking (out of 189 countries) in terms of the ease of registering property. This was the worst position in the SADC community. The previous "strategy for the improvement of the business environment" (EMAN, 2008-2012), identified the need to revise and simplify the procedures for land registration.

Activities. This indicator was identified by SPEED as a possible reform that could be implemented in the short term and would have a significant impact on the ease of doing business in Mozambique. During 2014, the following reforms were implemented:

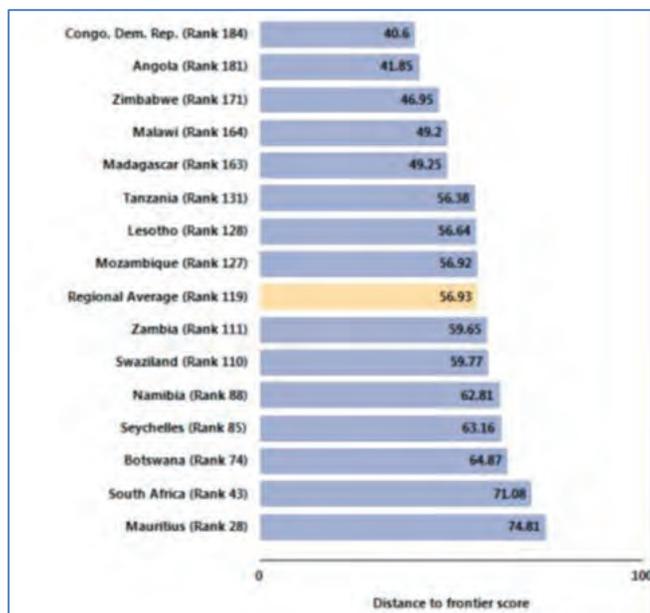
- Merging the payment of SISA (property transfer tax) and the land registry in BAU;
- Make it possible to submit a registration certificate to the municipality and the registration office internally.

This last reform is expected to reduce the time needed to register property from 39 to approximately 15 days. In coordination with the IFC, SPEED produced brochures to disseminate the short term administrative reforms that took place.

The Ministry of Justice (MJ) requested SPEED support to conduct a legal review of procedures for property registration in Mozambique, as there is need for change in legislation in light of this reform.

Results. Two steps were removed from the property registration process through the streamlining of procedures. These efforts translated into an improvement in Mozambique’s ranking to 127th place. SPEED’s work on this issue is available [here](#).

The following shows Mozambique’s relative ranking compared to other countries in SADC (graphic courtesy of World Bank):



CREDIT BUREAU REGULATION REVIEW

Context. Access to credit was one of the indicators that showed no progress in the [Doing Business 2012 report](#). According to that report, two types of frameworks can facilitate access to credit and improve its allocation: credit information systems and the legal rights of borrowers and lenders in collateral and bankruptcy laws.

Credit information systems enable lenders to view a potential borrower’s financial history, which is vital when assessing risk. This information also allows borrowers to establish a good credit history that will allow easier access to credit over time. Credit information systems usually imply the establishment of one or more Private Credit Bureaus of Reference. These do not exist in Mozambique.

To improve access to credit the Mozambican Central Bank proposed a regulatory framework for the establishment of private credit bureaus. CTA was asked to comment on the proposed regulatory framework on behalf of the business community.

Activities. SPEED assisted CTA to [assess the regulatory framework](#) to ensure that the Central Bank’s proposal met best practice standards. The SPEED consultant was impressed with the quality of the proposal and offered comments and key recommendations that were used by the CTA’s Financial Systems Committee to develop a private sector position on the proposed regulation.

Results. To date the credit bureau legislation has not been taken forward by the government despite this being an essential reform to improve the Doing Business ranking and being a commitment under the New Alliance Framework.

MAKING IT EASIER TO PAY TAXES

Context. Paying taxes was one of the indicators showing no progress in the Doing Business 2012 or 2013 reports. According to Doing Business, on average Mozambican firms make 37 tax payments per year, spend 230 hours a year preparing and paying taxes and pay a total tax rate as a percent of profit of 34.3%.

While taxes are essential to fund public services and infrastructure, if it is difficult and costly to pay them, a great share of economic activity ends up in the informal sector thereby resulting in no tax revenue for the government.

CTA identified simplifying and reducing the number of tax payments as one of its priorities in its Policy Matrices for 2012 and 2013.

In order to streamline the tax payment system in Mozambique, CTA asked SPEED to carry out a comprehensive study of: (i) the time and cost for companies to comply with tax obligations, (ii) tax payments that could be combined to reduce the number of payments over the course of a year, and (iii) possible impacts of such streamlining.

Activities: CTA and SPEED undertook a [study](#) which was validated in a public workshop. A working group comprising SPEED, AT and CTA prioritized the main recommendations. Prior to the public workshop, SPEED made three targeted presentations to gain buy-in among key stakeholders: one to the Private Sector Working Group (PSWG) and two to the Senior Council of the Tax Authority. The report was approved by AT.

The study recommended the acceleration of the pace of implementing reforms in the national tax system including: i) introducing e-taxation; ii) simplifying procedures; iii) decentralizing and segmenting small and large taxpayers; iv) introducing information campaigns on the advantages and the existing modalities of tax payments; v) increasing the numbers of payment locations in areas with high taxpayer concentration ; vi) reviewing the requirements for VAT reimbursement and the option of transforming the amounts owed in VAT into securities in the financial market; vii) reviewing tax rates.

Subsequent to these recommendations the government began implementing an e-taxation project (online tax payment platform) with the launch of the NUIT (tax ID number) module in October 2013. The Tax Authority worked with SPEED in early 2014 to develop a campaign to update NUITs (tax payer ID numbers) and register people into the system, so that they could have access to the e-tax system for VAT and IRPC payment purposes. The second module related to VAT payers and IRPC (corporate income tax) was scheduled for April 2014 but to roll out was delayed. Other tax regimes were to be incorporated in 2015. However due to elections e-tax was not implemented and the campaign was postponed.

Results. The results of SPEED's analyses show that other countries apply lower tax rates, have fewer taxes and procedures, and less onerous requirements for declaration and payment of taxes.

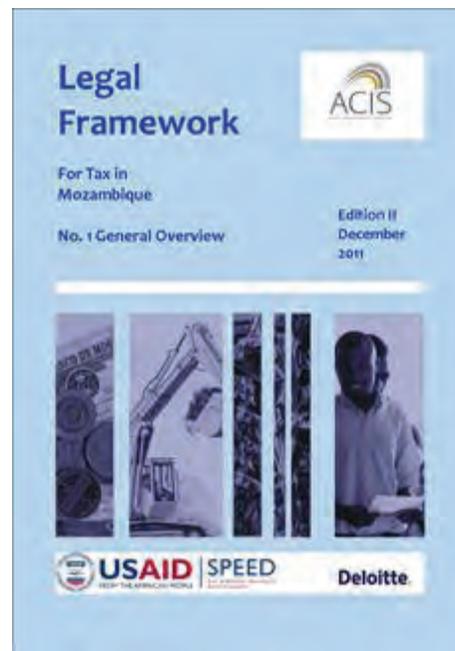
These conditions contribute to improved competitiveness of enterprises, increased tax revenues and more robust economic development. AT recognized the importance of reform in this area and of involving the Private Sector in discussions around reform.

It is likely that e-taxation will begin implementation in 2015 and when implemented, these improved administrative procedures will reduce costs significantly for the private sector.

PROVIDING INFORMATION TO THE PRIVATE SECTOR ABOUT TAX

Context. The process for paying taxes in Mozambique is complex. The more transparent the procedures for paying the various taxes (IRPS, IRPC, VAT and others), the better the business environment would be. ACIS, the Commercial, Industrial and Services Association, had developed a series of tax guides to assist their member companies and the public in general to navigate their way through Mozambique's complex and often confusing tax systems. Members found the guides extremely useful, but the guides needed updating due to changes in tax regulations since their original publication.

Activities. SPEED worked with ACIS and Deloitte to update the guides and obtain approval of the contents from the Ministry of Finance. Four [guides](#) were prepared: Legal Framework for Tax – General Overview; Legal Framework for Tax – VAT; Legal Framework for Tax – Income Tax; and Legal Framework for Tax – Other Taxes & Levies. The guides were disseminated through the ACIS website [here](#).



Results. All national and international investors in Mozambique can now obtain clear guidance on the tax regime in Mozambique, in Portuguese and English, based on information approved by the Ministry of Finance.

STREAMLINING APPLICATION FORMS FOR STARTING A BUSINESS

Context. Of the various indicators used to classify a country in the Doing Business ranking, Starting a Business is one of the most relevant. This indicator examines procedures officially required, or commonly practiced, for an entrepreneur to start up and formally operate an industrial or commercial business, as well as the time and cost to complete these procedures, and the paid-in minimum capital requirement.

There are a number of procedures for the normal licensing of private sector companies in Mozambique which appear unnecessary. A simple integration of registration forms would reduce procedures from nine to three. The number of days for starting a business would therefore likely reduce to seven from the current thirteen, and costs would likely come down. This simple reform would promote the creation of more jobs in the private sector, and generate more revenue for the government. It would also improve the country's position in the Doing Business ranking.

Activities. In 2013, SPEED supported MIC (Ministry of Industry & Commerce) to streamline application forms for starting a business in Mozambique, coordinating with the various public institutions involved. This activity was undertaken in line with the new Integrated Platform of Citizens' Services and the implementation of *BAUs (Balcão de Atendimento Unico)* – one-stop shops

A final version of the application forms was approved by the Council of Ministers.

In 2014 SPEED supported the printing of 10,000 forms that were used to roll out a three month pilot project of the new form for starting a business in Mozambique. The form is known as the *Formulário Único* (single form).

An M&E specialist was hired to monitor and evaluate the implementation of the new form. The M&E system was approved by MIC and covered 3 BAUs, namely Maputo, Beira and Nampula.

The M&E exercise helped raise awareness about the proper implementation of the form. There was some resistance from institutions to fully participate in the BAU and to accept the Single Form. The printed forms were distributed around the country and are beginning to be used. However, the private sector is still not fully aware of the new procedures, and a lack of coordination across Ministries involved in the use of the forms remains a problem.

Results. SPEED [analyzed](#) the existing system and provided recommendations for a new system, resulting in a legislative process leading to approval of new forms by the Council of Ministers. The forms were printed, disseminated in a pilot phase, and their use was monitored. A decrease in number of days from 15 to 8 with the introduction of the Single Form was measured in Beira. Based on the findings a full-scale national roll-out of the forms designed with SPEED's support is now underway.

IMPACT OF CENTRAL BANK PROCEDURES ON BUSINESS ENVIRONMENT

Context. BoM is the main regulator of economic activity in Mozambique. It has been relatively successful with its core mandate which is macroeconomic stability and inflation targeting. However, to achieve this stability, the institution has kept tight control over the activities of economic agents and the movement of capital.

Comments from various stakeholders in the business, legal, banking and investment community indicated that certain BoM regulations and procedures present an obstacle to doing business and a disincentive to investment. Issues cited included approval processes for import/export of capital, inconsistent application of foreign exchange legislation, arbitrary application of rules pertaining to corporate guarantees and intercompany loans, and the process for registration of investment projects.

Activities. ACIS requested that SPEED assess the impact of the regulations and procedures applied by BoM on Mozambican business and the investment environment.

A consultant interviewed a variety of stakeholders including commercial banks, multinational corporations, local businesses and the central bank. The experiences shared by the interviewees were analyzed to assess the impact of procedures on the investment climate and this was combined with analysis of the existing foreign exchange legislation, and other central bank procedures. A set of recommendations aimed at improving the role of the central bank in terms of its impact on the investment climate were provided. The study concluded that the BoM should more clearly assume a regulatory role, taking account of the market and the performance of economic actors as well as regulating the ways that banks and other institutions communicate and interact with their clients. It further concluded that the BoM should stimulate innovation in the financial market and find ways to more effectively protect both borrowers and lenders. There is also need for reform with systematization and simplification of the existing legal framework and the development of a Banking Code, particularly to protect small depositors and borrowers. There is also a need to reduce bureaucracy and simplify the overall engagement between BoM, banks and their clients.

Results. There is an improved understanding of the impact of procedures imposed or required by BoM on the business environment and the private sector is equipped with the information necessary to advocate for reform. The report is available [here](#)

BUSINESS REGISTRATION EQUIPMENT

Context. The Mozambican government recognized the need to simplify procedures for the constitution and registration of commercial companies, approve the creation of a single register of legal entities and establish a one-stop shop to encourage and stimulate private sector development and attract investment. Registration is carried out by the Registrar of Legal Entities, an institution which falls under the Ministry of Justice. To streamline registration a central system for data collection and management was required.

Activities. SPEED provided an In-Kind Grant of IT equipment to the Registrar of Legal Entities to accelerate the registration process as part of the Government's strategy for improving the country's Doing Business ranking.

Results. The new equipment has supported the government's drive to digitize and reform the Registrar of Legal Entities.

PUBLIC-PRIVATE DIALOGUE

REVISING MOZAMBIQUE'S BUSINESS ENVIRONMENT STRATEGY

Context. In 2008, the GoM approved the Business Enabling Environment Strategy (EMAN), which set forth its commitment to improving the overall enabling environment for private sector growth. The country made some improvements to the business environment but the overall pace and depth of reform was slow. Mozambique's business environment remains restrictive. To this end, the Minister of Industry and Commerce requested SPEED's help in reviewing and updating EMAN I, which came to an end in 2012.

Activities. Prior to the end of EMAN I SPEED brought in consultants from Georgia and Rwanda, countries which have significantly improved their business environments in recent years. Aleksis Aleksisvili had been Georgia's Minister of Finance and Minister of Economic Development and was central to that country's reforms. Karim Tushabe was a member of Rwanda's Doing Business unit, a unit dedicated to improving the business environment and equipped with the authority to do so. The consultants met widely with stakeholders and presented their findings in a seminar organized by SPEED and the Mozambican Association of Economists (AMECON).

Recommendations provided by these experienced reformers included the need for: (i) strong leadership and political will, (ii) strong accountability mechanisms and deadlines, (iii) a high-level coordination unit, and (iv) an open-minded approach to revising the strategy and policies.

The GoM requested that SPEED provide technical assistance to ensure that the new strategy followed international standards in terms of methodology, structure/form, content and effectiveness. SPEED financed and helped shape a retreat to refine the EMAN II proposal. Public institutions, private sector representatives, donor agencies and consultants participated. The resulting document contained fewer, and more realistic, objectives and activities within the lifetime of the strategy. A consultative process with a range of stakeholders followed.

The Council of Ministers approved EMAN II on 3 September 2013. A meeting was held between SPEED and MIC to define a joint agenda for implementation of EMAN II. Out of the 12 high-level objectives in the strategy, SPEED worked on nine: simplification of the business cycle; reduction of time for construction licensing; reduction of complexity in tax payments; implementation of insolvency law; implementation of competition law; reduction of the Positive List for pre-shipment inspections; reduction of costs in agriculture and fisheries sector as a result of VAT; reduction of transaction costs; reduction of risk and cost of credit.

Results. SPEED contributed directly to revising the proposed EMAN II, making it more realistic and goal-oriented and improving its overall quality. SPEED also supported CTA and PSWG in contributing to the discussions around EMAN II and worked with MIC to plan effective implementation.

EVOLUTION OF THE BUSINESS ENVIRONMENT

Context. At the XIII CASP (annual private sector conference), the Minister of Industry and Commerce indicated that the government had complied with 80% of its targets for business environment reform. His comments coincided with the conclusion of the first phase of the EMAN and preparations to implement EMAN II.

Despite the government's optimism about its policy reform activities, businesses' experience on the ground indicated that little had changed over the past several years. Companies reported still being severely affected by uncertainty in the business environment, unpredictable application of legislation, and other barriers to investment.

ACIS and CTA identified the need to conduct a fact-based analysis that evaluated what had been done to improve the business environment since the CASP began in 1996.

Activities. SPEED conducted a desktop study to assess the evolution of the business environment in Mozambique. It looked at the various socio-political, economic and institutional aspects that conditioned the status quo. This required a comparison of the CASP matrices, EMAN I and its outcomes, the IAN (Investment Confidence Index) and Doing Business surveys.

By mapping progress in the dialogue mechanism provided by CASP against actions taken in EMAN and the resulting rise or fall of business confidence (IAN) and world rankings (Doing Business), the paper presented a detailed overview of the impact of reforms to date, and highlighted what has still to be done. Input from interviews of key stakeholders who participated in, or witnessed, evolution of the business environment evolution since the first CASP in 1996 was integrated into the analysis.

In October 2013 CTA and ACIS published the [final report](#) which analyzed the evolution of business environment reforms between 1996 and 2013. The report highlighted a number of weaknesses in the current public-private dialogue (PPD) structure and made proposals for reform. Publication was followed by a qualitative analysis of the views of the private sector about the current public-private dialogue system. Both reports were then discussed by the private sector at a seminar in March 2014. Based on the reports, the outcome of the seminar and ongoing discussions within the private sector, CTA has sought to develop a new PPD model.

As a result of this, CTA and ACIS requested assistance to analyze best practice approaches to public private dialogue (PPD), and gather inputs from local opinion-formers on potential new approaches to PPD for Mozambique. SPEED produced a draft position paper which was presented to the CTA Board. The

position paper comprised a proposal for a new Public-Private Dialogue model. Based on recommendations from the CTA Board, SPEED redrafted the position paper for CTA to take forward.

Results. The Assessment of the Evolution of the Business Environment 1996 – 2013 was widely disseminated, resulting in discussion by government and donors organizations. The paper improved various stakeholders’ understanding of the evidence surrounding progress – or lack thereof – on improving the business environment over the past 18 years.

Additional support was provided to CTA to develop a new PPD mechanism. This model has yet to be finalized by CTA and taken to the government.

DIGITIZATION OF CASP MANUALS

Context. The Confederation of Business Associations of Mozambique (CTA) is an economic non-governmental organization, nonpartisan, whose mission is to contribute to economic and social development of Mozambique, based on private sector growth promoting and protecting the business opportunities and private initiatives, culture and business associations.

CTA is the official partner of dialogue with the government, in private sector representation and working towards a better business environment in Mozambique, through promotion of economic and regulatory reforms.

The need to establish a common platform for dialogue and interaction in order to coordinate and facilitate communication with the government dictated the creation of a model of dialogue that involves two main actors: on the one hand the Government and other side the Private Sector. This dialog platform consists of consultative mechanisms that culminate in the Private Sector Annual Conference (CASP), an opportunity of interaction between the private sector and the government at the highest level.

Change through dialogue is the essence of the annual conferences of the private sector. The first conference dates back to 1995 and 13 conferences have been held since. These conferences result in documents making up the inventory of properly identified problems and action matrices for solving stated problems. Manuals are then produced, which represent the minutes of those conferences, and contain very important information for future reference and consultation on debated issues, as well as the evolution of the Public Private Dialogue and the business environment in Mozambique.

Activities. CTA approached SPEED in order to find a way to preserve the CASP manuals so that valuable information is not lost as well as to have a digital version of the documents, that anyone can consult at any time and place. The manuals were then digitized and digital versions of the manuals dating back to the first CASP in 1995, were made available both through SPEED’s and CTA’s website.

Results. 11 manuals digitized and made available online for consultation and reference.

COMPETITIVENESS

MOZAMBIQUE’S COMPETITIVENESS IN THE SADC REGION

Context. As part of the celebrations of 19th anniversary of the establishment of the SADC, in 2011 CEMO requested that SPEED assess the challenges for Mozambique to improve its competitiveness in the SADC region.

Activities. SPEED’s developed a [report](#) using 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 technical and vocational education to increase basic skills of the workforce, and (iv) improvement of macroeconomic management. These results were presented in a seminar organized jointly with CEMO.

Results. Awareness of Mozambique’s relative position in SADC and options for using SADC membership to improve the country’s economy was raised. CEMO was equipped with data and information to enable it to continue to advocate for improved competitiveness.

INDUSTRIAL POLICY REVIEW

Context. Mozambique is currently in the process of updating its industrial policy. Several initiatives involving CTA, MIC, UNIDO and AIMO are under way to develop content for a policy. At the same time the GoM has approved the National Development Strategy (ENDE) in July 2014 which also includes a strong focus on industrialization. Globally, industrial policies are becoming increasingly popular but whether or not they achieve the desired impacts remains in question. Historically Mozambique’s attempts to implement industrial policies focusing on sectors from textiles to tourism have achieved little success.

The proposed industrial policy and discussions around its implementation tied in to SPEED’s work on competitiveness, agriculture and overall business environment reform.

Activities. SPEED prepared a [discussion document](#) entitled “An Industrial Policy for Mozambique” which describes global trends in industrial policy development, highlights successes and failures in other jurisdictions and in Mozambique, and provides several recommendations for consideration in the discussions around Mozambique’s development of a new industrial policy.

Results. A discussion document was disseminated through the SPEED website, and blogs on the development of an industrial policy and the industrial focus of ENDE were posted on the web site and disseminated through social media. The outcomes of the manufacturing competitiveness study (below) were shared with MIC to feed in to the industrial policy development process.

MANUFACTURING COMPETITIVENESS

Context. The GoM’s National Development Strategy (ENDE) focuses heavily on industrialization as the key for economic development based on the resource boom but does not provide clear indications of how the government proposes to realize this. At the same time the 2014 annual SADC conference also focused on the need to industrialize to make the region competitive. Legislative developments such as the Mozambican petroleum legislation also indicate a strong interest at parliamentary level to see income from the resource boom channeled into industrial development.

The Government is currently considering the development of an industrial policy aimed at strengthening the country’s manufacturing base. Significant discoveries of coal and natural gas have been confirmed and exports of these products will likely increase rapidly. The mineral resources sector will generate major inflows of foreign exchange that could rapidly transform the country. These resources have the potential to increase public revenues, which may be used to improve productivity, incomes, and the country’s competitiveness. However, massive inflows of foreign exchange could place significant pressures on an economy. For example, the value of the Mozambican Metical could appreciate in real terms, causing so-called “Dutch Disease,” i.e., bringing shifts in the relative prices of tradables and non-tradables, labor costs, incentives to trade, and negative pressures on economic competitiveness.

Outside of agriculture (see later section on agriculture competitiveness) and in addition to the resource extraction industries, tourism and manufacturing are expected to be cornerstones of the future Mozambican economy. These sectors are also likely to be affected by resource boom-driven changes. Light manufacturing and more capital intensive manufacturing for export tend to rely on importing materials or components and exporting assembled or processed products. If manufacturing is based on assembling or transforming imports for re-export, the advantages of lower costs of imports will not be strong, because the import component is just re-exported. If labor costs increase, however, this would have particular impact on the profitability of labor intensive light manufacturing. Manufacturing that depends on a natural resource (e.g. local power or minerals) will more likely be insensitive to labor availability or costs. An appreciating exchange rate may put Mozambique at a comparative disadvantage to other resource-rich locations.

Manufacturing for regional markets may hold promise, if transport service and availability is robust, but any industrial business model would have to overcome South Africa's head start in terms of skills, manufacturing infrastructure and logistics. Agro-processing, adding value to Mozambique's own-grown products, or regionally-produced products could motivate local growth and sustained development.

Following on from a preparatory [trip report](#) prepared in 2013 by Martin Weber, SPEED, in partnership with CTA undertook a series of studies aimed at assessing Mozambique's competitiveness in light of the resource boom in key sectors including manufacturing. These studies along with others already undertaken were compiled into a publication about competitiveness.



SPEED's study on manufacturing competitiveness was debated during a "road show" in December 2014.

Activities. A [study](#) into competitiveness in the manufacturing sector was published on SPEED's web site and disseminated. The report found that the parts of the manufacturing sector most likely to support the government's drive to industrialize (labor-intensive, export oriented) are the parts most likely to be negatively affected by Dutch Disease.

Currently the manufacturing base is low and most companies are barely competitive. Those that do compete do so on the basis of strong brand recognition and desirability (unlikely to be affected by the resource boom), or customization (possibly affected). Those that produce items which have little differentiation from imports, are export-oriented and/or are labor-intensive have problems competing. These problems would be exacerbated in the face of an appreciating exchange rate and rising labor costs.

Results. Research was undertaken into the profile of manufacturing in Mozambique and likely impacts of Dutch Disease. A report into findings was made available on SPEED's website and shared through social media as well as being presented at a series of seminars around the country and included in a compilation publication about competitiveness and the resource boom.

TOP MOZAMBICAN SMES

Context. The latest Doing Business (DB15) published annually by the World Bank, showed Mozambique rise fifteen places, at a time when the Small and Medium Enterprises (SMEs) begin to gain visibility and market opportunities. The Institute for the Promotion of Small and Medium Enterprises (IPEME) has contributed to the improvement of the business environment for SMEs by providing information relevant

to the business and investment on the one hand; moreover guides the business and entrepreneurial effort, and ensures competitiveness through corporate assistance.

SMEs account for 98.7% of the Mozambican business community. They have the expertise to generate direct and indirect employment and be a mechanism for implementation of entrepreneurship, which translates into increased income for Mozambicans in general and for young people and women in particular. Within the promotion of SMEs in Mozambique, the Grupo SOICO and the Ministry of Industry and Trade of Mozambique, through IPEME, launched the top 100 SMEs award, an initiative to encourage excellence and promote competitiveness in this key sector of the national economy. To be published annually under this initiative, the magazine "Mozambican SMEs" aims to be a reference for all those interested by micro, small and medium enterprises in Mozambique.

In this context, IPEME, requested assistance to USAID/SPEED in conducting a consultation study with Mozambican SMEs. Results of the study would be published in the magazine 'Mozambican SMEs'.

Activities. A consultation study was conducted with SMEs in Mozambique. The study is available [here](#). The study analyzed the political/legal, business, social and technological environments of SMEs in Mozambique. The analysis was carried out across different sectors, regions and age of the companies. It was found that to a certain extent, Mozambican SMEs are now better prepared to face future challenges, largely due to their greater maturity and ability to identify opportunities, plan and promote their work. However, constraints were identified, namely: the lack of skilled labor; poor diversification of funding sources; little capacity in planning and strategic vision; barriers to trade; unsatisfactory public infrastructure; corruption and complexity of processes with the State; relationship between public and private sector. The impact of these constraints was analyzed across different variables. A workshop to present the findings took place on December 16 in Maputo. The study was later published in a magazine called "PME Moçambicana". The magazine was launched in Beira, Nampula and Maputo respectively, at events with an average attendance of 35 people per event. This represents a continuous project that IPEME intends to carry on for years to come.

Results. A study was conducted with Mozambican SMEs and results of the study were presented for consultation with the public and private sector in workshop. A new magazine was produced to disseminate results of the study.

LEVELS OF DECISION-MAKING

Context. In recent years, Mozambique has made efforts to improve the business environment and attract investment. However, in many areas such as import and export, opening and closing a business, paying taxes, obtaining construction permits, Mozambique consistently under-performs relative to competitors. Inconsistent implementation of reforms emerges regularly as a key constraint.

One specific problem is the lack of clarity about the decision-making powers of the central, provincial, municipal and district authorities in administrative processes related to economic activities. In many sectors, there is no clear, consistent source of information about officially required or commonly practiced procedures for an entrepreneur to start up and formally operate an industrial or commercial business. There is reportedly unevenness in terms of competence of those public sector bodies involved in administrative tasks related to economic activities.

Activities. In response to private sector concerns, SPEED engaged with CTA and other organizations to find solutions to these problems and specifically, to identify and make accessible to the business community relevant information regarding the decision-making powers at different levels of government.

SPEED mapped decision making levels and levels of responsibility at central, provincial, district and village level, giving greatest emphasis to mapping those authorities working with in sectors affected by the Doing Business indicators.

Results. The [draft report](#) was presented to stakeholders for comments and the [final report](#) was completed in early 2015. The study makes relevant information about levels of decision-making to the business community, which will speed up administrative procedures and improve the business environment. It is also expected that based on this work it will be possible to identify reforms aimed at improving the business environment

EMPLOYMENT

LABOR MARKET COMPETITIVENESS

Context. Despite over a decade of strong economic growth, Mozambique remains an extremely poor country with low human development outcomes. Mozambique’s poverty reduction strategy paper highlights three employment-related priorities: 1) stimulating the creation of new employment, 2) improving the employability of the Mozambican labor force, and 3) facilitating linkages between labor supply and demand.

Growth of the extractives sector is expected to lead to growing demands for labor. As demand for labor increases in mining areas and related sectors, able-bodied males may opt to leave family agriculture in search of mining jobs. Those left behind, particularly women household members in the rural sector may face labor shortages. Alternatively, rural labor may not meet skill demand requirements in the resource extraction sector. In such a case, the rural economy may be largely insulated from higher-wage urban labor markets, and therefore agricultural production may not face significant labor-related pressures, and low cost labor may continue to be available for labor-intensive manufacturing and other activities taking place in rural areas. However, appreciation of the Metical will likely affect other sectors which are traditionally labor intensive, such as manufacturing and tourism.



SPEED’s report on labor competitiveness was presented at a series of seminars in December 2014.

Activities. In order to better understand Mozambique’s labor market dynamics and what is required to ensure its competitiveness, SPEED in partnership with CTA undertook a series of studies aimed at assessing Mozambique’s competitiveness in light of the resource boom in key sectors, including labor.

In particular, the labor competitiveness study explored the impacts of a potential appreciation in the value of the Metical in response to the resource boom, and its implications for the relative prices of tradables and non-tradables, labor demand, wages, and hence economic competitiveness.

The report characterized the market's segmented structure, costs, and elasticities. It also described expected impacts of growth in the mining and construction sectors on the labor sector. These impacts were measured using a set of alternative scenarios based on expected impacts of changes elsewhere in the Mozambican economy. The report also examined potential impacts on rural smallholders in Mozambique, examined current policies that affect the labor market and presented scenarios of alternative policies to mitigate the expected impacts.

Results. The [report](#) was disseminated through SPEED and CTA contact lists as well as to those who participated as informants, and presented at a workshop in Maputo attended by around 50 people from government, unions, business and NGOs. Further dissemination was undertaken through a series of events in December 2014 which took the debate about competitiveness to various parts of the country. The report's findings were publicized in the national press and through social media and the report was included in a compilation publication by SPEED about Mozambique's Competitiveness in Light of the Resource Boom.

FOREIGN EMPLOYMENT IMPACT ANALYSIS

Context. The current Mozambican labor legislation allows private businesses to hire foreign workers under a quota system, based on the total number of employees. The introduction of this system was seen as a major improvement over the previous legislation which included greater degrees of discretion and unpredictability. Currently therefore employers have the option to hire foreign workers within their allocated quota based on firm size. If they need to hire additional foreign staff beyond their quota limit they must use an "out of quota" system which is highly complex and discretionary. In 2012 the Ministry of Labor proposed revisions to the decrees regulating the hiring of foreigners, both in general (Decree 55/2008) and for the extractive industry (Decree 63/2011). These revisions would have applied the "out of quota" system for all foreigners coming to work in Mozambique and placed a heavy burden on firms. In response to this proposal, ACIS asked SPEED to finance a review of the impact of foreign employment on the economy.

Activities. SPEED supported a [firm-level study](#) which included in-depth case studies of Mozambican workers with experience of working with foreigners, as well as interviews with the embassies of countries with investments in the country.

While there seems to be a popular perception that foreigners are taking jobs that could be done by Mozambicans, this study found that in general, foreigners hired through the quota system bring skills and experience that positively impact on Mozambican workers. Further, bringing in foreign expertise leads to firm expansion and job creation for nationals. It seems therefore that the more negative perception of foreigners 'stealing' jobs may be coming from experience of foreigners operating outside the quota system, effectively working illegally.

The study found that the vast majority of respondents agreed with the principle that the state should ensure that Mozambican jobs are protected. When certain skill sets are not found locally, firms recruiting foreigners should demonstrate a compelling case for a foreign worker and a policy for investing in training of nationals. The response to the proposed revisions to the existing labor law was overwhelmingly negative, even though nearly all participants in the study agreed that Mozambique needs to work through its illegal immigration problem.

The study recommended that before making any alterations that could have potentially negative effects on job creation and the business environment, there needs to be an informed debate about the government's

employment objectives . It is also necessary to separate immigration issues from labor issues, and to assess whether it is the regulations themselves that need to change, or their implementation.

Results. ACIS was equipped with data and qualitative information which enabled it to lobby with CTA to have the proposed changes taken off the table, thus ensuring that the quota system remains in place.

IMPACT OF “TOLERANCIA DE PONTO”

Context. The Mozambican Labor Law provides for the concept of *Tolerâncias de Ponto* – TdP. These are ad hoc public holidays that must be declared by the Minister of Labor, and communicated with a minimum warning period of 48 hours. As a matter of practice the Minister consults with the tripartite labor committee (CCT) for approval when declaring TdP. However, since the body is tripartite, unions and government are able to out-vote the private sector. This means that TdP are generally declared even if the private sector opposes them. Even when the business community is consulted through the CTA representative at CCT, the time given to respond is rarely sufficient to permit a wider consultation among the private sector.

TdP represents a political tool which is particularly used in election years to gain favor with the electorate. For example, by February 2014 there had already been three TdP as well as two official public holidays in a 39 day period. This trend continued throughout 2014.

Activities: There has been increasing pressure from the private sector to limit the declaration of TdP and to take into account its impacts on business, as well as to improve predictability in the working year. In light of this, CTA requested SPEED to quantify the economic cost of TdP to business, and identify the various economic issues affecting business so that these could be put forward as a basis for developing an improved legal framework to manage the TdP issue.

Using an evidence-based formula, economic analysis found that the economy loses at least 48% of daily GDP, or an estimated US\$ 26 million per day for each TdP.

The legal analysis undertaken by SPEED resulted in development of alternative policy options that CTA could use in discussions with the government.

Results. CTA was equipped with the data necessary to enable it to raise this issue through the CCT. However to date no change in government policy on this matter has been achieved. SPEED’s work on this issue is [here](#).

SUPPORT TO THE MINIMUM WAGE NEGOTIATION FRAMEWORK

Context. In Mozambique, minimum wages are set by government, in consultation with the Consultative Labor Commission (CCT), a tripartite body that includes representatives from workers (labor unions), employers (CTA), and government.

Since 2000 minimum wages have been established by sector, and currently there are minimum wages set for 7 main sectors (some of which also include sub-sectors). However the negotiations tend to be fragmented and not based on sound data, resulting in unsustainable increases.

Activities. CTA requested technical advisory services from SPEED to assist with the annual national minimum wage negotiation process.

In addition to the support for the specific minimum wage negotiation round in early 2014, SPEED supported CTA in evaluating the overall framework for determining the minimum wage, and compare it

with international practice, including assessing the context and criteria for the minimum wage framework in Mozambique, implications due to the resource boom and international case comparisons. Stakeholder consultations were undertaken and a report presented to the CTA labor sub-committee.

Preliminary study findings indicate that the minimum wage adjustment equation used in Mozambique is a very blunt instrument, since the sectoral growth estimates do not reflect labor productivity in sectors and sub-sectors. Furthermore, sector disaggregation (small/large; electricity/water; etc.), does not allow the equation to be strictly applied since there is no GDP information available by size, sector or enterprise.

The study recommends an adherence to market conditions. There should be no increases in minimum wage when unemployment is high or rising and is concentrated among the most vulnerable low-skilled and low paid workers. Other key recommendations have to do with improvements in labor market information, and overall statistics.

Results. The matrix comprising the negotiated minimum wage for each sector was submitted to the CTA labor sub-committee for consultation and the new wages were adopted by CCT and then passed into law by Cabinet and applied nationwide from 01 April, 2014.

Based on experiences in the 2014 negotiations, additional assistance will be provided to prepare for the 2015 negotiations to ensure that the CTA negotiating teams are better prepared and that the agreed minimum wage increases better reflect the needs of business.

Based on the report developed CTA is reviewing recommendations. Comments on minimum wage are available [here](#)

IMMIGRATION REQUIREMENTS

Context. ACIS approached SPEED based on requests for assistance from members affected by the implementation of new procedures by the National Immigration Service with regards to inviting potential clients and investors to visit the country. The new procedures added significant complexity to the process of obtaining visas for potential investors. ACIS requested SPEED's assistance in determining whether or not the new procedures had a basis in law and what could be done to simplify the system while at the same time retaining the protection required by the Immigration Service against illegal immigration.

Companies regularly have investors, clients, overseas suppliers and other interested parties who need to visit them and do business. *Procedure pre 01 April 2014:* Companies were required to apply to the Provincial Directorate of Immigration for a certificate of no impediment on behalf of the visa applicant in support of their visa application. The document was usually issued within 7 working days. A fee was payable. *Procedure post 01 April 2014:* Anyone requiring a certificate of no



“ACIS and SPEED have worked together on various projects over the past four years. SPEED’s technical assistance has enabled ACIS to respond to questions posed by our members and to take issues of concern to business forward to government. SPEED also helped us update a number of manuals for national and international investors to help them better understand Mozambique’s legal framework, and at the same time adding value for our organization to our members”.

—Denise Cortes-Keyser, ACIS Executive Director

impediment to obtain a visa for entry into Mozambique must apply at least one month in advance (in fact on average applications take two months to process). All requests are now processed in Maputo. This

procedure is a precursor to the visa application process. The original certificate, once issued, must be couriered to the traveler who can then submit it with additional documents to a Mozambican Embassy abroad.

Activities. SPEED contracted legal partner Sal and Caldeira to analyze the procedures, determine what the legal basis was for their application and provide a series of recommendations as to how the same objectives could be met but with less delay, cost and difficulty to travelers. The analysis and recommendations were provided to ACIS and lawyers supported ACIS in addressing the recommendations to the National Immigration Service. The analysis found that the procedures varied widely from place to place and had limited legal basis.

Results. Analysis was completed and found that the procedures had been introduced in an ad hoc manner at various Mozambican embassies, but that in fact the procedures for verifying whether or not a person should be granted a visa were designed in law to be carried out internally within the Immigration Service, rather than imposed on those whom travelers were planning to visit.

The report found that fees charged varied across provinces, procedures varied from embassy to embassy with some embassies not demanding a certificate of no impediment. No clear legal basis for the procedures was identified. The report is available [here](#). ACIS and SAL & Caldeira are now taking the matter forward with the National Immigration Directorate, to seek clarification, standardization and simplification of procedures.

TRADE UNIONS “PARECER”

Context. ACIS approached SPEED on behalf of members affected by the implementation of charges by Trade Unions for issuing documents required by law.

Companies are required under the Labor Law to request from trade union bodies opinions about their applications to employ foreign workers. These opinions are referred to in Portuguese as “*pareceres*”. Where a company does not have an internal trade union they are required to request these opinions from the relevant national union body for the sector in which they operate. Unions are increasingly instituting charges for the issuing of these opinion documents. This increases costs to business for obtaining a document which they are required by law to have.

In addition provincial directorates of labor are insisting that companies that do not have unions within the company have their annual named list of employees (*relação nominal*) stamped by the relevant national union, for which there is a charge. Other charges are also reportedly levied by unions.

Activities. SPEED contracted lawyers to determine the legal basis for the charging of these fees, and to provide a series of recommendations on how ACIS and its members could contest the charges. The analysis found that the fees charged were illegal and contrary to the statutory role of the Trade Unions.

Results. The analysis found that unions charging of fees to business is illegal. This finding was based on the legal structure of the unions themselves, as well as being against the spirit of the law wherein trade unions are expected to independently represent the work force and not sell services to employers of said work force.

The matter was discussed with CTA’s labor sub-committee which had already raised this matter on previous occasions with the Ministry of Labor and it was agreed that ACIS and CTA would take the matter forward in discussions with the Ministry and unions through the tripartite labor committee (CCT).

The report is available [here](#). ACIS and CTA have been equipped with a legal analysis and presentation which can be used to raise the key issues through CCT with the Ministry of Labor and the unions.

INVESTMENT

FOREIGN EXCHANGE LEGISLATION

Context. At the start of the SPEED Program, reform of the foreign exchange legislation was a major policy issue. A new foreign exchange law was enacted in 2009 and regulations for implementation of the law were approved in 2010. As initially drafted, the regulations required business to fully and immediately convert all 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 (c) competitiveness of exports.

Activities. SPEED’s focused on improving the foreign exchange legal framework to stimulate exports, business environment reform and economic growth. Substantial analytical work was done on the legal framework, best practices, trends in foreign exchange in Mozambique, and lessons and policy recommendations. This resulted in a series of publications and discussion forums.

SPEED conducted discussions with the Banco de Moçambique (BoM), Ministry of Finance (MF), Ministry of Planning and Development (MPD), private sector and other stakeholders on issues related to surrender schemes, the main causes of foreign exchange instability in Mozambique, and experiences of other countries in similar situations.

SPEED’s involvement in the debate contributed to the government revising the regulation so that only 50 percent of export proceeds are required to be converted and exporters are provided a 90-day conversion window. Despite this, the new regulation was seen as a backward step in the liberalization process, which sent mixed signals to business and investors.

The regulation being in place SPEED concentrated on implementation issues. Following discussions with Banco de Moçambique, commercial banks and companies, SPEED analyzed enforcement and monitoring issues related to: (i) the 50 percent convertibility/surrender of export earnings; (ii) the requirement that these be converted within 90 days.

In mid 2011 there was considerable concern among investors and exporters about the progressive strengthening – over 25% - in the value of Mozambique’s currency over the preceding 12 months and a potential consequent loss in competitiveness. SPEED analyzed past trends of the real effective exchange rate and its impacts on the economy and provided recommendations with respect to exchange rate policy. The main findings indicated that the real effective exchange rate had appreciated by almost 50 percent since 2004. SPEED’s analysis explored the impact of real appreciation and high volatility on the economy’s competitiveness and growth prospects, and also advanced recommendations for possible correction.

Results. SPEED’s [analyses](#) contributed to enhanced understanding of exchange rate factors in the economy and contributed to the private sector’s ability to engage in national debate on this issue. The work contributed to CTA’s efforts to advocate for changes to the foreign exchange regulation, which were successful. The research laid the ground work for ongoing work by SPEED on competitiveness (see related sections on competitiveness).

PUBLIC-PRIVATE PARTNERSHIPS (PPP) LEGISLATION

Context. Following a consultative process around “Public and Private Partnerships, Large-Scale Projects and Concessions,” (PPP) the government circulated a draft PPP law in early 2011 and CTA requested SPEED’s assistance in preparing a private sector position paper about the law.

Activities. SPEED’s review of the draft legislation concluded it followed international best practice and almost all the recommendations the private sector had made during the consultation phase had been taken into account.

However, the draft 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. Further, the legislation treated all kinds of concessions - concession contracts and operating concessions in the same manner.

SPEED recommended a reduction of the concession award fee and suggested a specification of the rate per types of project. Other specific comments 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.

SPEED supported CTA to engage in a consultative process with the Ministry of Finance and the Parliamentary Committee for Agriculture, Rural Development, Economic Activities and Services, resulting in a revised draft being approved in 2011 (*Lei 15/2011 de 10 de Agosto*).

In 2012 the government presented draft regulations for the law and SPEED was once again asked to support CTA in the consultation process. The draft regulations contained a number of areas of significant concern to business and SPEED supported CTA and the government in redrafting these. The final draft regulation reflecting the positions of both government and business was approved in June 2012.

Results: SPEED enabled CTA to intervene at a crucial moment when the PPP law looked set to be promulgated in a form which would have been significantly detrimental to business. As a result of SPEED’s support the private sector was able to table changes which were incorporated, thus reducing or removing negative impacts.

Similar support was given when the draft regulation of the law was presented for consultation, again resulting in a more investor-friendly piece of legislation which at the same time took account of the needs of government. SPEED’s work on this matter can be found [here](#)

COMPETITION LAW

Context. While Mozambique’s previously state-controlled economy has evolved to be largely market oriented, without competition legislation, monopolies and other distortions have developed in various sectors of the economy.

In 2003 discussions about the need for, and proposed content of, a competition law led to adoption of a Competition Policy in 2007. By 2010 a draft Competition Law existed but had not been submitted for approval.

Activities. In 2012, on behalf of CTA, SPEED prepared comments on the draft Competition Law which were used in discussions with government. However it took a further 12 months before GoM published

Law 10/2013, approving the new legal framework for competition in Mozambique. The law entered into force on July 10th, 2013. The new competition law creates a Competition Regulatory Authority, which would operate as an independent administrative authority. The competition regulations and statutes of the new Competition Authority should have been approved by the Council of Ministers by the end of 2013.

However delays in the development of the subordinate legislation needed to enable the implementation of the law led to the Ministry of Industry and Commerce (MIC) asking SPEED to support the design of the regulatory framework for the competition law.

Three regulations were drafted to help set up the Competition Authority (CA): an organizational statute, an operational regulation, and internal regulations. The legislation was approved by the Council of Ministers and implementation will begin when MIC appoints a head of the CA.

Results. SPEED's inputs contributed significantly to the promulgation of the Competition Law, and subsequently to the development and approval of the regulations needed to enable the Competition Authority envisaged under the law to begin operations.

COST OF CAPITAL

Context. According to the World Bank's 2015 Doing Business report Mozambique ranks 131st out of 189 countries in terms of access to credit. Lending rates are high (between 16 and 20%). These borrowing costs slow business expansion and limit entrepreneurship.

Fewer than 15% of Mozambicans hold accounts with formal financial institutions and, of these, less than 5% record positive savings. Poor credit information infrastructure and contract enforcement methods make long-term lending too risky for many banks. Other typical suppliers of long-term finance such as insurance companies and pension funds are limited by underdeveloped capital markets, making reliable long-term investments difficult.

Mozambique's financial system is characterized by high interest rate spreads and high real interest rates signaling an underdeveloped banking sector with little or no competition. The resilience of the average lending rate signals considerable credit market distortions and limited monetary policy transmission. High interest rates and banking fees have also curtailed SME access to credit, meaning most credit expansion is attributable to private consumption.

Activities. SPEED in partnership with CTA investigated the reasons for prevailing high interest rates and the interest rate spread, and the way this in turn impacts the cost of capital. The study assessed the reasons behind the persistent large spread between deposit and lending rates, and high banking fees, while bearing



“SPEED has been contributing to an increased and rich dialogue amongst the key stakeholders of the financial sector in Mozambique. Recently, USAID sponsored a debate on the cost of capital in the country, its main factors and the respective impact in private sector investment, focusing primarily on issues related to the SME's activity. The contribution of key actors in various meetings coupled with the insight of some market experts, has unraveled some of the factors that have led to a high cost of capital in the financial system in Mozambique. The result of a prolific discussion regarding the next steps has led to a mutual understanding that there is an urge to address keys issues and that the cost of financing in the future should target a more inclusive economic growth”.

— André Olivença, KPMG, Partner, Advisory

in mind Banco de Moçambique's (BoM) strategic objective "to promote a healthy and competitive financial sector with attractive interest rates, diversified financial services, and lower transaction costs".

The BoM points to the following actions to reduce the credit risk, to be considered by the banking sector:

- Presentation of a sustainable solution - limits (ceilings) can be set to interest rates, however there are ways to get around limits (commissions, pledged deposits, etc.).
- Inflation control - the sustained solution is to guarantee small inflation fluctuations to ensure future earnings.
- Reducing exposure of the Bank - solve the constraints on the commercial banks' pension fund deposit auctions, created by the large depositors. Banks could lend on the interbank market to reduce exposure to the lack of liquidity.

The commercial banks consider the following actions to reduce credit risk.

- Regulation of institutions with liquidity in the time deposits auctions - the rate of return on deposits is fixed administratively by the BoM in order to avoid auctions of large deposits and to eliminate the imposition of prices by the large depositors.
- Design of products and services linked to the type of market demand – prices should be differentiated by sector, given the risks perceived in each sector.
- Creation of a center for shared risk information – which allows to assess the client's risk and fix the interest rate according to the risk level.

According to respondents, the private sector and other stakeholders think the following actions should be taken:

- Center for private credit registry - to reduce the lack of credit information.
- Control of pension funds - to avoid auctions of the contributions of citizens.
- Adapt financial products to local needs - observation of behavioral trends of groups, monitoring and analysis of client data in order to better define instruments/products for the market.

Results. Preliminary results of the research were presented at a workshop in Maputo. The [report](#) was indicative but inconclusive given the depth of the subject matter. However the study contributed to discussions at the CTA's Financial Policy Committee's annual retreat, and will provide the basis for ongoing discussion and debate on this important issue.

SPECIAL ECONOMIC ZONES

Context. Mozambique's experience with Special Economic Zones is relatively new, dating back to Decree 75/2007, which established the Office of the Economics Zones for Accelerated Development (GAZEDA). This office oversees the promotion and coordination of creation, development and management of Special Economic Zones (SEZs). To date, 5 SEZs have been established, namely: Nacala Special Economic Zone in Nampula Province; Manga-Mungassa in Sofala Province; Crusse and Jamali integrated tourism zone under an SEZ regime in Nampula; the Beluluane Industrial Park in Maputo; and the Mocuba SEZ in Zambézia.

The Government aims to continue pursuing the establishment and support of SEZs to accelerate development and reduce asymmetries. To date no SEZ had been evaluated nor had GAZEDA benefited from an impact assessment since its establishment. Private sector entities argued that analyzing this important development initiative was critical.

Activities: SPEED's intervention at the request of CTA and GAZEDA was to undertake an assessment of the impact of the SEZ initiative thus far including benchmarking Mozambique's SEZs against international best practice. Specifically, the study looked at the institutional and regulatory frameworks for supporting and managing SEZs, their impact and prospects for expanding the initiative.

Field visits were undertaken to the Beluluane Industrial Park and Nacala Special Economic Zone, where the team conducted interviews and collected data on the SEZ initiative.

A report was presented at a business briefing. The study notes that for the Mozambique's SEZ program to succeed the Zones must live up to their name and be 'special' - that is they must function such that that the facilities, procedures and regulations in the zone are globally competitive. Merely being better than elsewhere in the country is not good enough, SEZs should deliver a business enabling environment that is internationally competitive with essential prerequisites including property rights, stable macro-economy, infrastructure, and trade facilitation.

Results. A report on SEZs in Mozambique is available [here](#). The report provides CTA and GAZEDA with the tools to begin adapting the SEZ structure to international best practice.

INFRASTRUCTURE

QUALITY OF SERVICE BY MOBILE OPERATORS

Context. Mozambique suffers from uneven and poor quality service among mobile operators. The failure of voice calls, data and SMS inconveniences business users and creates acute difficulties in places with low population density.

The National Telecommunication Institute of Mozambique (INCM) is responsible for regulating, supervising, and representing the telecommunications sector.

Activities. INCM approached SPEED for assistance to validate and test the existing quality of service standards and to determine the best methodology to monitor adherence to those quality standards.

The resulting [study](#) was based on a review of Decree 6/2006, which deals with service quality in telecoms and information and communications systems. The study included the development of a manual to guide measurement and monitoring of service quality among operators by INCM.

Results. INCM adopted the manual as its standard procedure for measuring service quality.

ELECTRICITY ACCESS AND QUALITY

Context. SPEED's work on the business environment and competitiveness indicates that the electricity quantity and quality deficit is emerging as the biggest constraint to economic development. The private sector, including leading industries, has openly complained that development and expansion plans have stalled due to the lack of reliable power.

Activities. Getting electricity was also one of the indicators showing no progress in [Doing Business 2015](#) with Mozambique showing no progress over the previous four years and the indicators illustrating that it

takes approximately 107 days to establish an electricity connection in Mozambique, compared to 89 days on average in OECD countries. To reduce the amount of time to connect, the Ministry of Energy, in coordination with EDM has introduced substantial reforms that should result in the reduction of administrative procedures. These reforms need to be widely disseminated and implemented correctly across the country.

SPEED, in partnership with CTA and ACIS, undertook a study to determine the economic impact of the power supply and quality deficit, taking account of the likely surge in electricity demand driven by the extractives and associated industries, and increased urban growth.

The study drew on the work already done by EDM, and aimed to contribute to the debate around how Mozambique can best leverage its natural resource base to play a determinate role in ensuring adequate energy supply at cost effective rates.

Results. SPEED recruited a team of consultants which collected the relevant data and a [report](#) has been prepared and will be presented early in 2015 to relevant stakeholders including CTA, and ACIS. The report is being disseminated through the SPEED, CTA and ACIS websites.

Data indicates that Mozambique suffers from administrative, transmission and distribution losses totaling 27% of power generated which further exacerbate the country's increasingly acute energy shortage. As per Energy Policy Directives electricity suppliers are expected to commit to serve the customer with high quality and low cost electricity to ensure the human right to development which is not achievable without access to sustainable energy. The policy of universal standardized price access to electricity means an increased overall unit cost of supply with no corresponding positive impact on revenue as the majority of new consumers lie below the social tariff level. The differentiation in tariff is set by consumer categories and by consumption levels rather than the cost of supplying power. As in any business the cost of production and unit sales price determines performance. In Mozambique every citizen has the right to enjoy the benefits of electricity at the same rate no matter his location. This fixed tariff rate is a disincentive for private investment. The report calls for a revision of the tariff policy as to allow for more PPP arrangements in the industry.

In order to mitigate continuing crisis situations in the short term, the study recommends interventions in three distinctive areas: generation by opting for alternative sources of power, transmission infrastructures to deliver the power thus eliminating bottlenecks and distribution by introducing a rational use of power (including demand side management).

AGRICULTURE

Agriculture is a critical sector for Mozambique’s economy. From small scale family sector farmers through to major commercial agriculture projects, each has a contribution to make to the development of the economy. Mozambique has committed through the New Alliance and Feed the Future initiatives and its agriculture development plans and strategies to promoting agriculture development based on the participation of business. However these initiatives are framed within the country’s coming resource boom which is likely to transform the economy and brings with it the risk of Dutch Disease. The impacts of the economic transformation are likely to be strongly felt in the agriculture sector, with increased costs such as labor and imported inputs as well as a rise in land conflicts. However with these challenges could also come opportunities such as more competitive exports and a diversification of crops as well as a growing national consumer base.

At the same time the agriculture sector faces significant challenges in access to land, infrastructure, skills, and inputs. Mozambique is well-placed to take advantage of shortages within the region and is a potential transport hub for the export of agricultural commodities. It is a fertile country with significant areas of land for cultivation. Both companies and individuals in the sector are involved in innovation and experimentation.

SPEED’s work on **agriculture** has been a major Program focus. With three-quarters of the population dependent on agriculture for their livelihoods, there is consensus both globally and within the country that the private sector needs to play a leading role in developing the sector. SPEED’s activities to support the competitiveness of agriculture in Mozambique centered upon providing a Senior Economic Advisor to



“SPEED’s support to the Ministry of Agriculture and Food Security has been remarkable and instrumental in helping us achieve our goals with regards to policy under the New Alliance for Food Security and Nutrition. The willingness, promptness and professionalism constantly presented by this program are exemplary.”

—*Raimundo Matule, National Director for Economy, MINAG*

the Minister of Agriculture, whose primary responsibility was to develop and implement the country’s Agriculture Investment Plan. A central focus of the Senior Economic Advisor and the rest of the SPEED team, has been support to the Government of Mozambique to implement policy commitments under the **New Alliance for Food Security and Nutrition (New Alliance)**. In addition, SPEED supports a number of targeted activities that have been specifically identified by the private sector in agriculture. An example of this is work on land– both training officials on how to more effectively issue land use rights and assessing new regulations on land leasing. Another example entails international trade, seeking to support removal of non-tariff barriers such as inappropriate application of scanners or the introduction of unnecessary bureaucracy at the Nacala terminal.

In addition, SPEED built capacity at MINAG’s CEPAGRI to provide services to investors, including New Alliance companies that signed Letters of Intent under the New Alliance (LoI companies). The Program communicated agriculture messages related to the New Alliance through its innovative Agro.Biz media partnership with the Confederation of Business Associations (CTA) and Soico. The media outreach also served to communicate the results of the Program’s work on agriculture competitiveness. Other

activities included focusing on taxes in agriculture, reviewing legislation on nutrition and supporting discussions around the role of mobile money in the agriculture sector.

In addition concerns of government, private sector and consumers were taken into account in developing an analysis of cross-border pricing mechanisms and differentials between major retailers in Mozambique and South Africa.

NEW ALLIANCE FOR FOOD SECURITY AND NUTRITION

Context. Following the CAADP Compact, in 2010 the African Union, NEPAD and the World Economic Forum launched the “New Vision for African Agriculture”, also known as “Grow Africa” which is aimed at boosting private investment to develop and transform African agriculture and fight food insecurity and poverty on the continent. The group of the world’s eight most industrialized countries (G8) also launched the New Alliance for Food Security and Nutrition in Africa in May 2012 (hereafter New Alliance).

Mozambique and seven other African countries are pilot countries under Grow Africa. Beneficiary countries prepared and presented concrete business and investment opportunities that were showcased at the Grow Africa Investment Conference in Addis Ababa in May 2012. Beneficiary countries were also required to establish a follow-up mechanism for companies that showed interest in investing.

Under the New Alliance, Mozambique and six other African countries were considered “vanguard countries”. This initiative requires countries to commit to improving their business environments through implementation of an agreed set of policy reforms. The G8 countries undertake to provide financial support and to mobilize international private investment. The private sector is expected to make investment commitments in the agriculture sector. USAID and JICA are the coordinating partners for Mozambique in this process.



“Agriculture is the basis for Mozambique’s economy and crucial for the country’s development. Over the past four years SPEED has actively supported those working in the agriculture sector to place key issues such as access to land and credit on the agenda. SPEED has supported important dialogue innovations in the sector helping create forums for the companies

involved in the New Alliance framework to come together and discuss problems they face directly with government”.

— *Carlos Henriques, ACIS President*

Mozambique expected to mobilize over one billion dollars for the agriculture sector from the New Alliance initiative, including significant private sector contributions through Letters of Intent (LoIs) signed with the government. Under the Cooperation Framework, Mozambique was able to mobilize US\$ 333 million from the G8 countries and over US\$ 500 million in pledges from 16 national and multinational companies.

Activities. SPEED organized an Agriculture Forum as part of the preparation for the 2012 Grow Africa event. SPEED’s senior economic advisor to the Ministry of Agriculture (MINAG) supported the Minister to prepare the Mozambican delegation. 155 participants attended the Agriculture Forum, including members of the international and Mozambican private sector, government, and the donor community.

The SPEED-funded senior economic advisor was appointed focal point for the New Alliance, together with the heads of CEPAGRI and the Zambezi Valley Development Authority. Responsibilities included negotiating the policy matrix, and facilitating dialogue between MINAG and G8 partners for the development of the Framework Cooperation Agreement, which was adopted in September 2012 in New York.

A Steering Committee comprising representatives from MINAG, Rio Tinto, and AgDevco was established for the initiative. The senior economic advisor was appointed as a member of the Steering Committee in representation of MINAG.

The New Alliance Initiative was formally launched in Maputo in April 2013 at a two-day international conference chaired by the Minister of Agriculture and attended by international delegations from the G8 member countries, FAO, NEPAD, World Economic Forum, AGRA and national stakeholders representing the public and private sectors and farmer organizations.

At this meeting, the Government committed to implement 15 key policy reforms under the [Country Cooperation Framework](#), the donor community promised to support the policy reform process, and private sector committed to make investments in agriculture projects that have a pro-poor element.

The framework cooperation agreement under the New Alliance was endorsed by the Council of Ministers in September 2012.

Some progress has been made on the reforms to which Mozambique committed (see table below). However, much work remains, especially in ensuring that these reforms facilitate private sector involvement in the agriculture sector and implementation of the reforms themselves.

At the same time the private sector indicated that it intends to invest in Mozambique's agriculture sector. By the end of 2014, 35 companies had signed Letters of Intent (LoI) under New Alliance taking the total amount pledged by companies to US\$ 668 million.

G8 member countries made commitments in support of CAADP/PEDSA investment plans and New Alliance goals with US\$190 million committed in sector support.

New Alliance for Food Security & Nutrition in Mozambique - Policy Framework		Status
1	Revise and Implement National Seed Policy	Completed
2	Implement approved regulation governing seed propriety laws which promote private sector investment in seed production (basic and certified seed).	Completed - with quality concerns
3	Revise and approve legislation regulating the production, trade, quality control and seed certification compliant with the Southern African Development Community (SADC) Seed Production (basic and certified)	Completed - Quality concerns
4	Develop and implement a national fertilizer regulatory and enforcement framework	Completed
5	Assess and validate the National Fertilizer Strategy	Completed
6	Adopt procedures for obtain rural land use rights (DUATs) that decrease processing time and cost	Some Progress
7	Develop and approve regulations and procedures that authorize communities to engage in partnerships through leases or sub-leases (<i>Cessão de Exploração</i>).	Some Progress
8	Eliminate permit (<i>guia</i>) requirements for inter-district trade in Agriculture commodities	Some Progress
9	Develop and approve invoices that can be issued by purchasing firms on behalf of suppliers (i.e. smallholder producers) that are not registered taxpayers; develop and approve respective monitoring and control procedures. Implement fiscal education program for small holders, concluding tax registration.	Some Progress
10	Eliminate the Simplified VAT scheme and replace with the existing ISPC (Simplified Tax for Small Contributors	Some Progress
11	Approve a decree allowing the setup of Private credit information bureaus	Some Progress

New Alliance for Food Security & Nutrition in Mozambique - Policy Framework		Status
12	Enact mobile finance regulations that are risk-based and allow for experimentation and innovation	Not Completed
13	Enact approved Food Fortification Regulations (including bio-fortification).	Some Progress
14	Determine optimal structure for institutional coherence within nutrition, as per SUN country - Level Strategic priorities	Completed
15	Ensure the PAMRDC and CAADP/PEDSA implementation plans are aligned with one another	Completed

On private sector engagement, during 2014, SPEED deepened and accelerated engagement with LoI companies, MINAG, USAID, and other stakeholders to increase private sector engagement in the New Alliance process, support progress toward implementation of key policy commitments, and promote coordination and collaboration across various stakeholder groups.

SPEED, CTA and LoI companies held the inaugural High Level Business Advisory Working Group on the New Alliance (BAWG), a dialogue forum that allows private sector companies to jointly address their policy-related concerns. The second BAWG meeting took place in November 2014 gathering 11 LoI signatories and including representatives from MINAG and CEPAGRI. Other participants included CTA, USAID, Grow Africa, Banco Terra, and IDH Sustainable Trade. All meeting minutes can be found [here](#)

The Agribusiness Forum organized by CEPAGRI in Zambia offered further opportunities to interact with different stakeholders. SPEED also took part in a Global Alliance for Improved Nutrition (GAIN) Technical Advisory Committee, charged with selecting innovative nutrition-improving agribusiness ideas which would benefit the largest number of people in addition to being profitable. Additionally, SPEED liaised with the World Economic Forum - Grow Africa, to partner more closely with the private sector to accelerate sustained, inclusive agriculture growth.



Meeting of New Alliance Stakeholders

On seeds, GoM approved the regulation of new plant breeder rights to supplement the already-approved seed regulation. SPEED conducted a high-level analysis of the seed legislation to establish whether it promoted competitive, private sector agriculture input markets, especially for smallholder farmers.

SPEED also conducted a [seed policy and market analysis](#) to (i) examine how much breeder seed is produced, how much basic seed is multiplied locally and how is it distributed to farmers; (ii) estimate the size of the seed market and analyze market share in terms of quantities, suppliers, and buyers; (iii) examine how a typical smallholder accesses seeds; (iv) and examine what factors affect smallholder adoption of improved seed and why adoption of some crops is more successful than others.

Preliminary findings indicate that the majority of certified seed in the market is bought by the public sector for distribution to farmers at subsidized prices, either during normal preparation for the agricultural season or in emergencies. Seed demand from the public sector creates an immediate and assured market for seed companies but prevents the development of a truly sustainable market as it does not create an

effective and growing demand from smallholder farmers. The role of the public sector should focus on regulation and monitoring of the sector in order to provide breeder seed and basic seed production, and to ensure that the market provides quality seed to farmers.

SPEED co-financed and participated in the National Seed Conference which aimed to ensure the establishment of policies and regulations that promote competitive, private-sector agricultural input markets, especially for smallholder farmers.

SPEED supported the establishment of the National Seed Dialogue Platform, a forum that gathers government, private sector, civil society, smallholders and other key players to discuss and address constraints related to the seed value chain. SPEED is currently assisting the platform in drafting its strategic plan and disseminating the seed regulations.

On fertilizer, SPEED established the National Platform for Dialogue and Promotion of Fertilizer Use in Mozambique, alongside MINAG (National Directorate for Agrarian Services), the African Fertilizer and Agribusiness Partnership (AFAP), the International Fertilizer Development Center (IFDC), the Alliance for the Green Revolution in Africa (AGRA) and the International Rice Research Institute (IRRI).

The platform is a mechanism for policy dialogue and debate on issues related to the fertilizer value chain, with a view to promoting the sustainable use of fertilizer by farmers to increase agricultural production and productivity.

SPEED assisted the platform in drafting its annual action plan and is currently assessing the need to draft a fertilizer law as requested by the platform.

The platform led to the establishment of the National Fertilizer Forum which in turn led to the establishment of a legal entity - *Associação Moçambicana para Promoção do Uso de Fertilizantes*” (Mozambican Association for the Promotion of Fertilizer Use - AMOFERT). The group seeks to spearhead the increased domestic use of fertilizers and has developed a comprehensive action plan.

On land, the SPEED senior advisor worked with MINAG to advance the drafting of regulations on *Cessão de Exploração*, which envisage creating a legal structure to permit the leasing of land, within the constitutional provisions which stipulate state ownership of all land.

SPEED undertook a [review](#) of the proposed draft regulation. Findings of the analysis were presented at three regional workshops and then passed back to GoM for incorporation. The overall conclusions were that the concept of the proposed regulation was good but concern was expressed that in practice it would prove difficult to implement, result in additional time and cost burdens for applicants and include significant levels of discretion.

Additionally SPEED is working with MINAG on streamlining existing procedures for obtaining land.

On taxes, CTA, with the support of SPEED, proposed a pilot project to implement a procedure whereby companies could issue purchase receipts as justification for purchasing produce from small farmers thus negating the requirement for the company to pay 20% withholding tax on purchases from non tax registered farmers. The 12-month pilot would identify companies to be authorized to issue receipts and also focus on bringing farmers into the tax system. The pilot is pending approval by AT.

On nutrition, SPEED undertook a review of the proposed draft Food Fortification Law and Food Fortification Program, which seek to legally oblige industries to supply only fortified foods that address

nutrient deficiencies in the general population and which is considered especially critical for children between the ages of 0 – 5 years old.

A [report](#) on this topic was produced after which presentations to CONFAM – the National Committee on Food Fortification, the New Alliance Business Advisory Working Group and the National Nutrition Congress. The report was also published on the SPEED website [here](#).

The report found that the two commodities selected at the outset of the fortification program (vegetable oil and wheat flour) have over 90% local production, thus the program appears well conceived and has a high likelihood of success. However, concerns were raised in regard to the local Fortification Standards and how they would apply to imports. If the standards do not adhere to WHO and regional norms, they could be considered a barrier to imports.

SPEED worked with GAIN and WFP to design the SUN Business Network (SBN) in Mozambique. The SBN aims to support countries to engage with business within a multi-stakeholder, country-owned, approach to scaling up nutrition. The SUN Movement is seen as an implementation mechanism for the New Alliance. In this context, SPEED developed and validated a concept for SBN in Mozambique, supported set-up and prepared the launch of SBN-Mozambique, and coordinated facilitation of ‘fast-track’ partnerships.

On the 13 and 14 November 2014, the 1st National Congress on Nutrition and the National Nutritionists Meeting was held on the campus of Marrere – Unilurio University, in Nampula. The event drew an audience of the Prime Minister and the Minister of Health, nutritionists, dentists, psychologists, general medical practitioners, nurses and students and aimed to identify the current situation of nutritionists and determine future actions for the development and recognition of the profession.

SPEED presented the findings of the analysis of the draft food fortification legislation and program review, and participated in a panel debate which included representatives from the Ministry of Health, the Technical Secretariat of Food Security and Nutrition and Unilurio professors.

General support to the New Alliance. SPEED produced the [2014 New Alliance Annual report](#), which includes updated country information on: (1) the status of the implementation of the New Alliance policy reforms; (2) a donor tracking exercise of funds spent in the agriculture sector by the development partners; and (3) an updated activity tracker of LoI companies, including levels of investment and activities.

Results. SPEED supported MINAG throughout the process of becoming a New Alliance participant and with SPEED’s ongoing support through provision of a senior advisor to the Minister was able to assist Mozambique in complying with the necessary stages and developing the various documents necessary. However the speed of reforms has been relatively slow with five reforms completed, two completed with some concerns, seven making some progress, and one not started. SPEED continued to support the implementation of the New Alliance with a variety of activities described above. These activities will continue under the Bridge Program.



The National Seed Conference, supported by SPEED

SPEED launched [The New Alliance Website](#) that contains the work that done by the SPEED New Alliance Team.

SUPPORT TO CEPAGRI FOR NEW ALLIANCE LOI COMPANIES

Context. In early 2013, 17 companies signed agreements under the New Alliance for Food Security in Mozambique, committing to contribute to sustainable agricultural development through investments in various commodities and value chains. In 2014, 18 more companies signed Letters of Intent (LoI) bringing the total number of LoI companies to 35 that have committed to invest in Mozambique under the New Alliance and taking the total amount pledged by LoI companies to US\$ 668 million.

CEPAGRI, the Government's nominated representative for engagement with these companies, has limited capacity to help and asked SPEED for a consultant to support investment facilitation.

Activities. Investor facilitation activities expanded from assisting New Alliance companies, to helping all companies that were in need of investor assistance or basic agribusiness information. A CEPAGRI staff member was assigned to work with the SPEED consultant, given the volume of work required to facilitate numerous companies simultaneously, leading to the creation of an investment facilitation team.

In 2013, 48 investors were assisted and in 2014, 99 companies received assistance. The concerns or requests were responded to, even though at times resources were limited (such as specific data that was requested at times not being as recent as the investor would have liked). Enquiries ranged from gauging Mozambique's agricultural potential to seeking financing solutions for agricultural projects.

The facilitation team continued to provide assistance to New Alliance LoI companies, such as by assisting Corvus Investments with identifying suitable land for the additional planned investment activities, helping Cargill obtain information on specific donor activities, assisting Rei do Agro with identifying opportunities in alternative electricity solutions for their project, and guiding Sumitomo Corporation toward opportunities for financing for their fertilizer facility. There was also increased emphasis on encouraging more companies to sign up for the New Alliance initiative, a suggestion that has generally been well received. There were opportunities for the facilitation team to interact more with different stakeholders through the 2nd Agribusiness Forum organized by CEPAGRI in Zambezia.

Outside of the regular assistance provided to investors, the facilitation team took part in a number of activities that contributed to the effectiveness of the team's performance. This included participation in the Global Alliance for Improved Nutrition (GAIN) Technical Advisory Committee, NEPAD Business Foundation Southern African Agriculture Development Partnership Platform (SAADPP) meeting, and participation in a Trade Facilitation Workshop organized by the Ministry of Industry and Commerce.

The team worked with the SPEED New Alliance team on recommendations for participants in the Business Advisory Working Group (BAWG). In coordination with Grow Africa, the team assisted in the elaboration of the Grow Africa Investment Forum 2014 report, as it pertains to New Alliance companies' progress. At the first BAWG meeting, CEPAGRI agreed to actively participate in the activities of the Group by accepting to be co-chair.

Results. Investments comprising \$90 million of capital expenditure and \$1 million of operating expenditure were made in 2013. 2014 figures will be compiled by the second quarter of 2015. As investors were made aware of the assistance available at CEPAGRI, contacts with the institution

gradually increased and facilitation activities became centralized. Some New Alliance companies are using the service, and have advanced significantly with registration and expansion of their activities.

The initiative to support CEPAGRI in investor facilitation efforts has been well received by the business community, and can be said to have increased the community's confidence in the institution's capacity to assist them. This is shown by the regular assistance investors are seeking from CEPAGRI.

The interest to invest in agriculture remains high, mainly due to the availability low cost arable land, although some have expressed frustration with the difficulties in obtaining the land. Although overall progress in obtaining concrete results has been low (including the slowdown in inquiries during the period leading up to the election in October 2014), pending investments are promising.

AGRICULTURE INVESTMENT PLAN

Context. In May 2011, the GoM approved the Strategic Policy for Agriculture Sector Development (PEDSA). Subsequently, in December 2011, the government, with development partners, signed the CAADP Compact. To operationalize these initiatives, in January 2012 the GoM launched the preparation of the Agriculture Sector National Investment Plan (PNISA). USAID was asked for assistance and SPEED provided a senior economic advisor to coordinate the process. Under the senior economic advisor's coordination and with FAO's methodological guidance, a technical team started working in February 2012.

Activities. The team prepared sectoral investment proposals which were consolidated by a senior national consultant hired by Michigan State University (MSU). The first draft of PNISA was completed and presented for comments in a stakeholder's workshop in August 2012. Other rounds of consultative meetings were held with the donor AgRed working group and with Ministry of Planning and Development.

Under the investment plan, Mozambique expects to mobilize around three billion US dollars over a period of five years. The investment plan is an important instrument that sets priorities and guides public and private investments. Development partners conditioned their sector support to agriculture on the conclusion of this instrument.

The Investment Plan was approved in December 2012 and submitted for review to the NEPAD Secretariat. The CAADP Secretariat concluded the review in early 2013 and a report with comments and recommendations was submitted to the Government of Mozambique to form a base for a final version of the Investment Plan. In April 2013, the Government of Mozambique publically launched the National Investment Plan at a business meeting held Maputo. The business meeting was chaired by the President and was attended by government ministers, heads of mission, international organizations, and representatives of the private sector and farmers associations.

At the meeting development partners reaffirmed their support to Mozambique's economic and social development, particularly to the agriculture sector and pledged an initial amount of \$800,000. With this amount the Investment Plan began implementation in 2013. For the first year of full implementation of the Investment Plan, the government budget for the agriculture sector was expected to increase by not less than 12% and that the total budget was to represent 50% of the financial needs for PNISA in 2014.

Following the recommendations from the NEPAD review, a monitoring and evaluation plan for the implementation of the Investment Plan was prepared along with Terms of Reference for the Agriculture

Sector Coordinating Committee envisaged in the Investment Plan as the governing structure. The Government undertook to increase efforts to strengthen evidence-based policy planning and implementation, including through broad based dialogue, benchmarking, and review of the implementation of PNISA. Following the agreement on a mutual accountability and review mechanism, an assessment of the status of implementation of PEDSA/PNISA was carried out to serve as a basis for the Joint Sector Review (JSR) to be held by the end of 2014.

The national political dynamics hindered important events planned to support the implementation of the CAADP process, leading to several postponements of important dialogue and review events designed to support PNISA implementation. Notwithstanding, the senior advisor has been instrumental in developing a positive institutional relationship between MINAG and development partners and knowledge support institutions such as IFPRI and ReSAKSS (Regional Strategic Analysis and Knowledge Support System).

The economic advisor participated in the IFPRI/ReSAKSS annual symposium in Addis Ababa in October 2014, where he presented Mozambican experiences in capacity building for knowledge support to MINAG, and evidence based policy planning and implementation. This was an opportunity to highlight SPEED's support to the agriculture sector and specifically to MINAG, including through the New Alliance Initiative as well as the agriculture sector competitiveness study.

The senior economic advisor worked closely with the African Union, ensuring Mozambican participation in the setting of the continental agenda for agriculture sector development. One important development in this regard was his participation in the preparation phase of the new Malabo Declaration, setting new goals for agricultural development in Africa in the next decade.

With regard to funding of PNISA, development partners continue to express concerns about the capacity of MINAG to manage large amounts of funds and are pressing for the development of disbursement mechanisms. They are withholding disbursements and making them contingent on the development of said mechanism. Only a few donors have started making funding available to PNISA through ongoing initiatives and new commitments.

In addition, there are concerns regarding the alignment between PNISA and the state budget. The World Bank has agreed to fund a consultancy to develop a tracking mechanism for agriculture related budget expenditures to allow alignment between PNISA and the state budget, and to support the PNISA reporting mechanism.

Results. 2014 was the first year of full implementation of PNISA. One significant result of this was a budget increase by almost 12% for the Ministry of Agriculture. It must be noted that disbursement of funds by development partners is generally very low causing the 2014 budget for the sector to be short and because of the funding gap important activities remained unfunded. In fact, the total state budget for MINAG in 2014 represented only 50% of what PNISA required for the year. It is anticipated that the funding issue will be one of the main priority topics for MINAG to discuss with development partners. The Government of Mozambique has mobilized World Bank support to align national budget expenditure in the agriculture sector with the sector strategic planning document, and boost DE analytical capacity through IFPRI and ReSAKSS.

The PNISA document has become a reference for policy dialogue in the agriculture sector and it is a leading document for public sector investment in this sector.

The NEPAD report appraising PNISA with the review and mutual accountability process has been finalized and distributed to stakeholders. SPEED contributed significantly to the report by providing an independent analysis of government policy commitments and donor funding analysis.

MINAG SENIOR ADVISOR

Context. The Ministry of Agriculture experienced a high rotation of ministers prior to the SPEED Program, which reflected the elevated expectations – mostly unfulfilled – of the ministry’s contribution to poverty reduction. In fact, agriculture is one of the sectors accorded the highest priority in the national Poverty Reduction Strategy. The Minister asked USAID to second a senior economist to serve as his advisor to strengthen the capacity of MINAG. SPEED was asked to provide one of its professionals to MINAG in this role in 2011.

Activities. One of the main contributions of Luis Siteo, the SPEED-sponsored senior economic advisor to the Minister of Agriculture was the completion and launch of the agriculture investment plan (described above) as well as the improvement of MINAG-donor relations, in particular the relationship with USAID.

The economic advisor was critical in the Grow Africa/ New Alliance process for Mozambique. He provided the necessary link among the Ministry, the G8 coordinating countries (USA and Japan) and the corporations participating in the New Alliance. The advisor also helped conclude the accession process of Mozambique to the New Alliance Initiative.

Both the investment plan and accession to New Alliance are critical for resource mobilization for public and private investment in agriculture in Mozambique. In addition, the contribution made by the economic advisor to the Grow Africa Program, where Mozambique is regarded as one of the leading examples, is another achievement.

The economic advisor played a central role in mobilizing technical support to CEPAGRI with the secondment of an expert to assist investors under the New Alliance and Grow Africa Initiatives. It was also pivotal in promoting technical cooperation between MINAG and research and educational institutions both national and international, including United States-based universities.

The World Bank provides budget support to Mozambique for improvements in the legal and policy framework in agriculture and fisheries. Under this initiative, the Bank was expected to provide two loans of US\$ 50 million and US\$ 100 million over a period of three years starting in 2013. The senior economic advisor was part of the MINAG negotiating team, ensuring that this initiative was aligned with the PNISA objectives and investment priorities. In addition, the SPEED team supported the review of the World Bank policy matrix.

Another significant contribution of the senior economic advisor was his participation in the discussion of relevant documents for the Agriculture Joint Sector Review process and for the Agriculture Sector Coordination Committee. He provided technical analysis of investment proposals submitted to the Minister and economic regulations proposals submitted to the Council of Ministers, including review of the draft text of a revision of the constitution. He facilitated the visit to Mozambique by a senior official from the Grow Africa Office in Geneva and represented MINAG in CAADP events in Malabo, Equatorial Guinea. He participated in the Minister’s visit to China and advocated for the Sanitary and Phytosanitary Cooperation Agreement to be signed allowing Mozambican agricultural products such as bananas and other fresh produce to be exported into China.

The economic advisor worked alongside DE (MINAG Economic Directorate) in devising measures to curb under-invoicing in the export of agriculture products such as pigeon pea and sesame. He supported the preparation for and participation in the bilateral meeting between the US Ambassador and the Minister of Agriculture to discuss the agenda for US leadership of AgRed.

Feedback from the Minister regularly indicated that Mr. Siteo was a highly trusted advisor, who regularly accompanied the Minister to high-profile international events.

AGRO.BIZ MEDIA PROJECT

Context. Despite its importance to the Mozambican economy, agriculture has a low profile in the country's communications media, especially when compared to the fast-growing extractives sector. CTA, in partnership with SPEED has been seeking ways to increase dialogue around economic and business development, and particularly agriculture and agribusiness. With this in mind CTA and SPEED created a partnership with Soico, a leading media outlet. The initiative developed an innovative series of media actions aimed at promoting dialogue and discussion around agriculture policy and the role of agribusiness. It also showcased the opportunities and constraints faced by companies in the sector and illustrated success stories.



“In its mission to contribute to the economic and social development of Mozambique, taking advantage of its multimedia platform, Soico worked closely with SPEED to develop an innovative series of programs and publications about agriculture and the changes facing that sector in Mozambique. Working together SPEED and Soico were able to present agriculture firmly on the national agenda at an important moment in the country's history, and to take stories of real people and the impacts of agriculture on their lives to

a broad audience.”

—Dailton Fonseca, Soico Commercial and Business Development Administrator

Activities. The project was called Agro.Biz with the sub-title “*Cultivar Mercado para Todos*” (cultivating a market for everyone). Agro.Biz used a variety of approaches to communicate key messages about agricultural development (including competitiveness and gender) to a wide variety of audiences using all the media types at Soico's disposal. The range of activities included short success story feature spots, case study mini documentaries, televised debates, audience participation through phone-ins, and publication of content in print media.

The project was guided by a content committee comprising representatives of USAID, CTA, MINAG, SPEED and Soico. The committee identified key themes based on the New Alliance framework and competitiveness issues.

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Results. The Agro.Biz project was undertaken between October and December 2014 and featured the following:

- 1 televised national interview program with Helder Muteia (ex minister of agriculture and currently at FAO)
- 5 televised debates on the O País Económico Program
- 5 televised phone-in programs on Linha Aberta

- 10 x 4 page supplements in O País newspaper with a specific focus on agricultural success stories and challenges
- 10 x 1 page opinion / editorial articles in O País newspaper
- 20 x 60 second real life case study success stories broadcast on radio and TV
- 12 x 15 minute Agro.Biz mini documentaries on key issues broadcast on TV

All material developed is also available on SPEED’s web site [here](#) (printed materials) and SPEED’s YouTube channel [here](#) (broadcast material). Material has also been disseminated through social media.

AGRICULTURE COMPETITIVENESS

Context. Mozambique’s future growth story should not be limited to the extractive industries. The importance of other sectors, including agriculture, should continue to pave an important path to Mozambican development. Agriculture’s contribution to the country’s GDP is around 30 percent and provides an occupation for almost 80 percent of population. The sector provides food and other agricultural products to more than 25 million domestic consumers as well as raw material to a growing agro-industry. Agricultural exports have consistently contributed about 20% of the total value of exports of Mozambique; in a context of rapid export growth, driven by exports of major mega-projects (aluminum, electricity, and heavy sands) including the emerging gas and coal industries.

The expected gains from the Mozambique’s emerging and fast growing extractive industries, particularly coal, gas and other minerals, projects a strong growth over the coming years. However, massive inflows of foreign currency can also place significant pressures on an economy. Sharply rising inflows of foreign currency from mineral sands, gas and coal export sales can lead to strengthening of the value of the local currency, relative to foreign currencies. The immediate “exchange rate effect” is appreciation of the local currency, which may set in motion a set of economic consequences, causing pressures on economic competitiveness and on the growth of tradable industries such as agriculture.

As documented in SPEED’s compilation on [Competitiveness and Natural Resource Boom](#), the potential risk of Mozambique falling into the “resource curse” cannot be ignored. Cognizant of the potential occurrence of “Dutch disease” that may emerge from the natural resource boom, how can the growth opportunities be capitalized upon so as not to jeopardize the livelihoods of 80% of the population who rely on the agriculture economy? How can Mozambique build on the benefits of coal, gas, and other mineral resources to spur resource-led growth that can lead to more diversified economic growth, including a competitive agriculture?

SPEED’s [report](#) on Mozambique’s agriculture sector in light of the natural resource boom aimed to inform Mozambique’s private sector and government policymakers about the potential impacts of the country’s natural resource boom on the agricultural economy. These insights can be used by decision makers to choose appropriate policy options, and by investors to take the right decisions and actions today. The study sought to help build understanding and develop consensus around the opportunities and challenges to Mozambique’s economic competitiveness, in the context of the resource boom.

Activities. In a follow up to SPEED’s [overview](#) of the range of potential impacts of a resource boom on economic competitiveness, SPEED contracted a team of consultants to undertake the study on agricultural competitiveness. The study benefitted from an extensive stakeholder consultation. Five agricultural value chains – bananas, cotton, rice, soybeans, and tomatoes were selected with input from private and

public sector representatives, to test what might happen in the case of strong appreciation of the Metical in the wake of the natural resource boom. Two products (bananas and cotton) are mostly grown for export, two (rice and tomatoes) are fundamental foods in Mozambicans' diets that are imported to meet the shortfall in domestic production, and the fifth – soybeans – is a rapidly growing crop that is presently grown as a feed input for poultry operations.

However, should the metical strengthen to 20 MT/\$ (Dutch disease impact), cotton and soybeans look vulnerable and their competitiveness is under threat. The rice non-competitive situation is accentuated. Similar to other industries (e.g. tourism) raising productivity is key to mitigating challenges that may arise from Dutch disease. The combination of a stronger metical with a 25-45 percent increase in yields restores economic profitability to cotton and soybeans; however, more than a doubling of yields (to 9 tons of paddy rice per hectare) is required in rice, all else equal, to compensate for the metical's simulated appreciation.

SPEED continued extensive dissemination of the agriculture competitiveness study amongst stakeholders. In summary, the key messages were:

- The assessment suggested that bananas, cotton, soybeans, and tomatoes value chains are relatively competitive at current costs, yields, and world prices, whereas rice is not.
- Mozambican agriculture competitiveness is already weak, and will be worse if there is a strong appreciation of the local currency. The level of competitiveness varies by commodity value chain, depending on factors such as markets, institutions and policy environment and levels of productivity across the different value chain segments.
- Cotton and soy bean value chains are relatively competitive at current costs, yields, and world prices; with a cost/benefit ratio of 0.67 and 0.71 respectively.
- Banana and tomato value chains are strongly competitive under current market conditions, where the tomato value chain benefits from an informal import ban during the Mozambican tomato season, and bananas are exported to South Africa. Their cost/benefit ratios are 0.40 and 0.43 respectively.
- Rice value chain is not competitive, with a cost/benefit ratio of 1.41.
- Should the metical strengthen to 20 MT/\$ (Dutch disease impact), cotton and soybeans look vulnerable and their competitiveness is under threat. The rice non-competitive situation is accentuated. Banana and tomatoes continue to be competitive.
- The combination of a stronger metical with a 25-45 percent increase in yields restores economic profitability to cotton and soybeans; however, more than a doubling of yields (to 9 tons of paddy rice per hectare) is required in rice, all else equal, to compensate for the metical's simulated appreciation.

To mitigate potential impact of “Dutch disease” on agriculture competitiveness, it is critical to:

- Improve productivity and efficiency across commodity value-chains.
- Improve access to markets. Additional revenues from the natural resource boom should be used to increase public investments in agriculture and supported infrastructure.
- Other constraining factors to agriculture competitiveness include difficult access to land, which discourages long-term investments in commercial agriculture; logistics/infrastructure constraints

(storage, roads, power) hamper market access for producers; trade facilitation constraints (ports, customs, taxation) raise transaction costs and reduce efficiency of agriculture value chains and the recent increase in agricultural minimum wage reduces competitiveness.

Results. The study contributed to raising awareness of likely impacts of Dutch disease on agriculture competitiveness. It provided information to support policy and investment choices in a dynamic environment influenced by a developing extractive industry. The study comprised part of a compilation publication on competitiveness and was presented in Maputo, Beira and Nampula as part of a competitiveness “road show” which aimed to contribute to discussions around the issues of the resource boom. The report’s findings fed into the Agro.Biz project and were also taken up by other local media.

CROSS-BORDER PRICE DIFFERENTIALS

Context. Mozambique’s major retailers, particularly those found in Maputo City (Shoprite, Game, Pick n Pay, and Spar) rely on South African imports, yet appear to charge much higher prices than those charged in their South African operations, and prices also appear to vary between branches of the same stores within Mozambique. These price differences have raised concerns with government, consumers, and the private sector.

Activities. SPEED sought to contribute to an improved understanding of pricing patterns between South Africa and Mozambique by studying differences between prices charged in Nelspruit (South Africa) and in Maputo, and estimating price transmission mechanisms between the two cities / countries, by examining the prices of both South African produced commodities, and of commodities produced in both locations (e.g. sugar, milk, oil). In addition, the study looked at pricing patterns within Mozambique by focusing on the largest cities/markets: Maputo, Beira and Nampula. The study found that the price differentials themselves between the three cities were not as significant as they were between Nelspruit and Maputo, and so bulk of the study does not delve further into the provincial differentials.

Results. The results of the [study](#) showed a clear price different in prices between Maputo and Nelspruit, and Maputo consistently had higher prices. In nearly all cases, the estimated retail and wholesale markup is the main source of price differential, with sales markup being higher for processed products. For staple foods, markups account for at least 50 percent of the observed price differences with sugar appearing to have the highest retail markup differential—accounting for about 70% of the difference in prices. In order to reduce or eliminate these significant differentials, the country needs to address infrastructure gaps to connect production regions to consumption markets, promote greater competition (e.g. in the case of processed foods, sugar), continue pursuing business environment reforms, Address loopholes permitting retailers to structure procurement systems to maximize mark-ups, improve capacity within MIC and other governing agency to collect and analyze market data and revisit import restrictions.

Further issues were raised such as the enforceability of Decree 56/2011, which places a maximum of up to 20% that retailers are allowed to mark up some basic goods, as well as its viability and effectiveness, as it could encourage higher mark-ups having allowed such “generous” amount. Overall, given that a lot of the data necessary for a deeper study is proprietary which we were not able to obtain yet, the study was more exploratory and there is an opportunity for further research. It would be useful to revisit the analysis of price differences with more detailed data on cost structure, to further study the price differences within Mozambique, including differences between supermarkets and smaller food shops and we also need to evaluate the economic impact of price controls.

TAXES IN AGRICULTURE

Context. Mozambique's agricultural production comprises about one-quarter of GDP, while it incorporates three-quarters of the population. Yields are low and have stagnated for over 30 years. Poverty reduction has also stagnated despite overall economic growth. The Government has approved several incentives for the agriculture sector which include VAT exemption for initial transactions in the value chain, 80% reduction on the Corporate Income Tax, 50% reduction on the excise duty paid on fuel, duty and VAT exemptions on imports of equipment and spare parts, and VAT exemption on certain inputs. However, discussions with the private sector and other stakeholders revealed that these tax benefits do not promote domestic production and could even be hurting it.

Activities. At the request of CTA, SPEED embarked on an [analysis](#) to identify how and when VAT exemptions and zero-tax were being applied. SPEED further examined the implications for production and the business environment. A paper published in March 2012 found that implementation of the VAT policy prevented companies recovering VAT on their inputs and, consequently, these VAT payments added to costs. For the vast majority of agriculture companies and products, VAT is operating as a regular sales tax and not as a tax on the final consumer as it should be by definition.

Building on this earlier work, together with CTA, SPEED commissioned a new study to: (i) investigate if VAT application stimulates or thwarts locally-produced agricultural goods, (ii) determine if discrimination or impediments to VAT operation exist, (iii) develop a survey of similar countries' experiences with respect to VAT application and best practices, and (iv) propose recommendations on policies that will improve the efficiency of VAT in agriculture in terms of stimulating domestically-produced goods and the overall objective of tax revenue mobilization.

SPEED's [research](#) found that not only did the VAT regime need changes, but also the government would likely need to re-think its policy on universal taxation via such instruments as the ISPC (Simplified Tax for Small Taxpayers). Key recommendations were:

- Develop and approve invoices/receipts that may be issued by purchasing companies on behalf of smallholder farmers (suppliers) who are not registered taxpayers;
- Eliminate the simplified VAT regime, replacing it with the current ISPC (Simplified Tax for Small Taxpayers).

Results. Reforms emerging from this work were incorporated into the GoM's policy commitments under the New Alliance for Food Security and Nutrition.

BARRIERS TO AGRICULTURE – NON-FISCAL BARRIERS AND ILLEGAL FEES

Context. While undertaking the original tax study (see above), SPEED's researchers encountered a number of additional problems facing the agriculture sector beyond tax issues. SPEED was asked by CTA to identify those other problems and come out with key recommendations to overcome them.

Activities. The final [report](#) was presented and debated in public workshops in Maputo, Nampula, Manica and Zambezia, where the findings were validated. Participants included USAID-funded projects, the Ministry of Agriculture, and FENAGRI - National Farmers Federation.

Research and discussions covered several levels of Non-fiscal Barriers (NFBs), in particular: (i) distortion in the application of customs procedures, (ii) difficulty of accessing the diesel subsidy,

(iii) challenge of accessing financing, (iv) technical impediments resulting from weak pest control management (e.g. linked to fruit-fly and aflatoxin), (v) the role of rail and port services, and (vi) implications of dispersal fees and licenses (*guias-de-marcha*) on the movement of agricultural commodities or products through specific checkpoints (*postos de controlo*).

A key obstacle identified in the research was the number of illegal taxes, permits or fees required in certain parts of the country. The taxes, permits and fees had either been formally abolished or had no legal basis and were arbitrarily applied in certain places.

To address this issue, the study recommended a national communication campaign to call for a standardization and removal of taxes, fees and permits with no basis in law. SPEED supported CTA to engage a professional marketing firm, Golo, to design and implement a communication campaign aimed at making people aware of the impacts of the application of extra-legal taxes, fees and permit requirements on the agriculture sector and to encourage those being charged for such taxes, fees and permits to report this to the Tax Authority's hotline. The campaign is designed to target audiences working in the transport and trade of agricultural commodities in specific geographical areas where these extra-legal barriers to business are arising.

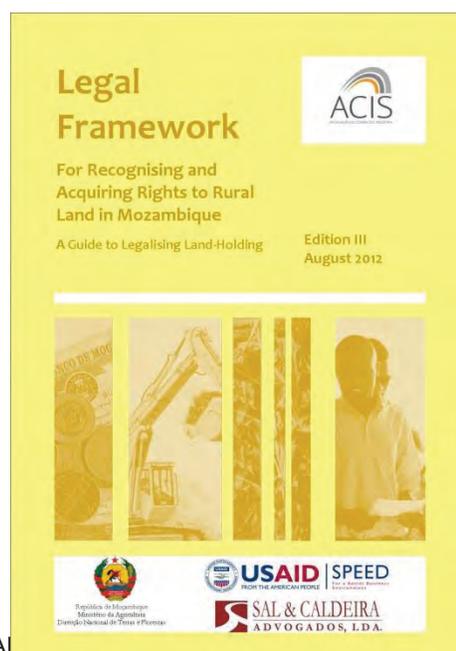
SPEED worked with CTA and other relevant stakeholders - Ministry of Agriculture (MINAG through CEPAGRI), Ministry of Industry and Trade (MIC), and the Revenue Authority (AT) to ensure that Golo developed a campaign agreed by all parties. The initiative was led by CTA and secured full buy-in from MIC and CEPAGRI. However difficulties were encountered with MINAG which felt that the campaign should focus not on extra-legal taxes and fees but on encouraging citizens to pay taxes.

Results. The initiative is expected to result in the reduction or total elimination of illegal taxes on agriculture supply chain. In the long-term the elimination of these illegal taxes will contribute to improve agriculture competitiveness and reduction of transaction costs as well as compliance with New Alliance goals. However it will be essential to have buy-in from all stakeholders for the campaign to move forwards.

THE LEGAL FRAMEWORK FOR RURAL LAND

Context. Land may be one of the most important policy issues limiting agriculture development in Mozambique. Difficult access to land discourages new investments and hampers the expansion of commercial agriculture. In Mozambique all land is the property of the state. The Land Law recognizes the right to land use, known by the Portuguese acronym, DUAT (*Direito de Uso e Aproveitamento de Terras*). There is a growing perception that Mozambique's land law is relatively complex and gaining access to land is still a cumbersome process, involving multiple institutions. The process to acquire DUAT does not facilitate investments, particularly in the agricultural sector. DUATs obtained for business purposes, are indeed leased parcels for a period of 50 years renewable.

Reports on land conflicts between local communities and large-scale investors have been on the rise. These conflicts are partly explained by the increasing pressure and high demand for land



associated with limited administrative capacity of DUATs both at central and local levels. Furthermore, gaining access to land with emerging mineral, gas and coal industries is compounding the challenge, raising tensions amongst community, government and extractive industry. The challenges potentially increase opportunities for social instability, corruption and other inappropriate practices in land administration and management. It is therefore critical to strengthen processes and procedures for obtaining land rights, respecting the legal procedures as well as understanding the macro, institutional and business environment framework underpinning the process of acquisition of rural land. This will help with conflict prevention and facilitate business in a community ‘friendly’ environment. Furthermore, under the New Alliance for Food Security and Nutrition, the GoM has committed to specific policy reforms related to obtaining and leasing rural land rights. One of these commitments is to streamline the process for obtaining rural land.

Activities. ACIS is a Mozambican association representing over 300 companies throughout the country. The members are from diverse sectors of the Mozambican economy, including mining, hydrocarbons, agriculture, transport and logistics, telecom and forestry. SPEED was asked to revise a manual previously developed by ACIS, entitled The Legal Framework for Land. As part of this process, SPEED also engaged in information dissemination and training principally for MINAG.

SPEED worked with Sal & Caldeira to update the ACIS legal framework manual on land. The [manual](#) was produced in English and Portuguese and its content approved by the National Directorate for Land and Forestry (DNTF). The manual helps improve private sector awareness of the law and ensure that the rights over such land are legally obtained. It also helps minimize opportunities for petty corruption by empowering entrepreneurs with information and instructions on the appropriate legal framework.

In 2013, SPEED worked with key stakeholders to further disseminate the Land Manual while also improving the capacity of local land administration and management services to accelerate acquisition of rural land and improve land tenure systems. The project was developed in collaboration with the main client, the Ministry of Agriculture/DNTF and other key partners namely: ACIS and Sal & Caldeira.

Sal & Caldeira and DELCAM Consultoria e Serviços were engaged to undertake: a) a training of trainers (ToT), b) training replication, and c) a preliminary assessment and evaluation of the underlying reasons for land conflicts, and constraints associated with the processes and procedures for acquiring DUATs. This latter work included developing a baseline on the average time it takes to issue a DUAT, particularly in rural areas of Maputo, Sofala and Niassa provinces.

The training of trainers took place on April 24, 2014. Sal & Caldeira and DELCAM Consultoria e Serviços conducted the training to 18 trainees (20% more than target), managers and senior staff from DNTF and DELCAM. The training sessions were interactive with good engagement of trainees.

The replication of training took place in Maputo, Sofala and Niassa provinces. The training was carried out by DELCAM Consultoria e Serviços in collaboration with the Ministry of Agriculture/ DNTF on May 26-28, 2014 in Maputo and on June 4-6, 2014 in Sofala and Niassa concurrently, with a total participation of 74 trainees, well above the planned target of 55.

Overall, the training was completed successfully. It reduced the knowledge gap of the land law and other associated legal aspects and procedures. It provided an opportunity to broaden dissemination of prevailing laws, regulations and procedures on access to land. It is felt that a fuller grasp of the legal framework will allow practitioners to introduce greater flexibility to the process of issuing DUATs.

A communication and awareness campaign was associated with the training and included distribution of 130 sets of training materials - Land Manuals and a collection of laws and regulations associated with the land law to trainers, trainees, and local authorities in Maputo, Sofala and Niassa. Advertising materials such as T-shirts, caps, and posters indicating the steps required to acquire DUATs, were distributed across provinces.

An [assessment report](#) of the underlying reasons for land conflicts and constraints associated with the processing of DUATs including a baseline on average time required to issue DUATs was produced.

Among other findings the study found that the average time taken to process DUAT varies from 210 days in Niassa to 442 days in Maputo. The median time is also high, it takes about one year to issue a DUAT in Maputo and Niassa and more than two years in Sofala. Less than 2 percent of DUAT applications are processed (complete procedure) in a period of 30 days in all three provinces. The data suggests that there should be room to reduce the time for the different steps required to issue a DUAT. The assessment explored possible correlations between the time to issue a DUAT and the size (area) of the land indicated on the application, foreign or national applicant, the activity indicated on the application and gender. Data did not suggest any correlation between the time to process the DUAT and land size, nor applicant's nationality or type of activity in Maputo, Sofala and Niassa.

Perceptions of likely causes of land conflict vary but analysis suggests that both capacity and corruption issues underlie land conflicts.

Results.

- Legal framework guide updated and contents approved by MINAG
- Guide disseminated and training materials developed
- 18 trainers trained;
- 74 practitioners and activists with responsibility for land administration and management in the provinces of Maputo, Sofala and Niassa trained;
- Improved knowledge on underlying reasons for land conflicts, and constraints associated with the processes and procedures for acquiring DUATs, and average time to issue DUATs across different steps. This can inform/recommend where the process of issuing DUATs can be improved.

Data indicates a lengthy time to process a DUAT, although it is possible to issue a DUAT in less than one month. This suggests potential room for improvement. Although perceptions of magnitude vary, preliminary insights indicate both capacity and “corruption” issues drive land conflicts.

GUIDE TO DISTRICT AGRICULTURE COMMERCIALIZATION ASSOCIATIONS

Context. In Mozambique, commercial agriculture represents the pathway out of poverty for a large proportion of the population. To attain success in commercial agriculture, associations among relatively small farmers will be necessary. To this end, MIC requested that SPEED help design a Guide for District Agriculture Commercialization Associations.

Activities. SPEED produced the guide, which used AGEKOM as a base. AGEKOM is the district agricultural commercial association in Milange district which SPEED supported (see below, capacity

building section). The guide lays out steps for enterprises to create agricultural commercialization associations in districts throughout Mozambique. The guide was presented at the MIC *Conselho Coordenador* (Coordinating Council).

Results. The *Conselho Coordenador* accepted the guide and it is currently being implemented.

AGRICULTURE, FOOD SECURITY, AND NUTRITION LAW REVIEW

Context. In January 2014, the Parliament issued a draft law on agriculture, food security and nutrition for discussion. SPEED was asked to provide a high-level analysis which immediately highlighted a number of significant legal and economic concerns with the draft. On this basis, and based on feedback received from USAID and MINAG two consultancies were undertaken, a [legal analysis and an economic analysis](#).

Activities: A high-level analysis followed by legal and economic [analyses](#) of the law were undertaken. [Blogs](#) on the subject were also prepared for discussion, and a briefing presentation was given to USAID and other development partners.

Key issues highlighted in the legal analysis included potential unconstitutionality of the law, overlaps and inconsistencies with existing legislation, and costs related to implementation and creation of new government bodies. In terms of unconstitutionality one of the key issues was the impact the draft law would have on the right to undertake business without undue government intervention in the economy.

The economic analysis focused on the potential impacts of the legislation on the development of the economy. International best practice options for legislating in the areas of agriculture, food security and nutrition were discussed with a view to providing alternatives for achieving the desired results without causing undue damage to the private sector.

The law, including an English translation, and the legal and economic analyses were disseminated both through SPEED's web site and social media and through other development partners and SPEED's partners CTA and MINAG. SPEED continued to contribute to the debate around the proposed legislation by providing detailed comments to the FAO legal team's commentary on the draft and providing inputs to the USAID and AGRED teams discussing this issue.

Results: The draft legislation was discussed widely with other development partners and with CTA's agriculture sub-committee. Divergent views continue to exist as to how best to achieve the laudable aims of improved agricultural production, food security and nutrition, but consensus is gradually being reached through dialogue within the New Alliance framework as described above. As a result of SPEED's intervention, no further progress was reported on the passage of this legislation and therefore no further action is expected.

NACALA SPECIAL EXPORT TERMINAL

Context. In February 2010, the Government approved the creation of a new Port Terminal in Nacala (TEEN), which was later concessioned to a private company to operate (NCL & Africa Import and Export Ltd). The aim of TEEN was to unblock the Nacala international maritime terminal which was overloaded. The two terminals operated simultaneously, providing the same services to exporters and importers until January 18th, 2012, when the customs authority announced the mandatory use of TEEN by exporters.

Activities: At ACIANA's (Commercial and Industrial Association of Nampula) request, SPEED visited the terminal, met with key stakeholders and reported its findings to ACIANA. SPEED's assessment noted

that demand for port terminal services will increase mainly due to the expected growth of natural resource exports. Nacala Port could become the main port used to export coal and other minerals from the center and north of the country. Also, in theory the new terminal could reduce the volume of cargo cleared through the old terminal and introduce efficiencies.

However, in reality, the new terminal was found to have made the export process even more time consuming and expensive, thus reducing the competitiveness of national exports. To address these problems, SPEED recommended a review of the legal framework to ensure competition among terminal operators.

The legal framework [study](#) concluded that the TEEN is illegal, because the concession by which it was awarded to the operator does not have formal authorization from the Administrative Court (*Tribunal Administrativo*). During public consultations, the private sector asked for an end to mandatory use of TEEN and they emphasized that if this measure was not taken seriously they might stop exporting goods through the TEEN.

After consultation, a list of concerns was sent by the private sector to the President of the Tax Authority. AT issued a response that consisted of developing a ministerial diploma that regulated the use of the TEEN, while reducing the rates applied. Although this represented implementation of some of the recommendations from the study, and thus improvement, the private sector is still concerned about the mandatory use of the TEEN. On behalf of the private sector, CTA plans to prepare a proposal to revoke the service order that determines the mandatory use of the TEEN by the exporters.

Results. Fees charged by the terminal operator were reduced by 10%, and improvements were made in the terminal's facilities. While there were no significant improvements in terminal efficiency, businesses reduced costs by negotiating to double the number of days users can leave their merchandise in the terminal warehouse while waiting for customs clearance. Regulation of the use of the TEEN has been prepared and submitted for legislation.

NON-INTRUSIVE INSPECTION (SCANNERS)

Context. In April 2006, the Council of Ministers approved the Decree 10/2006 which allowed the introduction of non-intrusive customs inspections using scanning technology. The service is provided through a concession to a private sector operator. The Decree provided that the operator could recover its costs by charging fees to users.

There has been recognition of the importance of the use of scanners to facilitate imports and exports. The private sector has also expressed some dissatisfaction. CTA does not agree with the costs and procedures involving the use of scanners, and believes that the legislation is not aligned with international best practice.

Similar to pre-shipment inspection, this issue has long been on the list of CTA policy priorities. A number of studies have been conducted about the cost of scanners in Mozambique and have made recommendations for improvement, with no real reforms to date. Moreover, there is no regulatory framework in place for implementation of procedures for scanning goods.

Activities. CTA requested support from SPEED to conduct a [study](#) to review the legal framework for scanning in terms of the appropriateness of its requirements for each mode of transport (air, sea, rail and land), and to inform the development of appropriate regulatory framework. The study provided and

analysis of the customs scanning in Mozambique as well as a comparative analysis of the law with those of other countries in SADC and international trade standards. The study concluded that financial reporting on scanners should be made public, the risk management system in use to determine which containers are scanned should be improved, equipment should be modernized and payment systems simplified, export cargo should be exempted from fees, and the system overall should be regulated. Public workshops took place regionally in the country. After consultation, the private sector and Tax Authority agreed to draft a new regulation on scanners.

Results. Analysis was conducted and presented for consultation with the private sector and GoM. The private sector and Tax Authority agreed to draft a new regulation on scanners that will seek to resolve the problems identified by the study.

MOBILE MONEY

Context. Providing financial services in rural areas is a major challenge in Mozambique. This is reflected in the concentration of bank branches, ATMs and other payment facilities in cities. Currently, there are seven times more bank branches in urban areas than in rural areas.

Insufficient infrastructure makes the expansion of financial services into rural areas more expensive. Therefore, innovative solutions, such as agent or mobile banking, are needed to enhance access to financial services for the rural population. However, designing adequate mobile money products, and building and managing agent networks, are also challenges that many providers face. The lack of a well-functioning agent network is the most significant barrier to the expansion of mobile money business and financial service delivery in Mozambique today.

GIZ and SPEED agreed to co-sponsor a full day workshop and an evening networking event on Agency Banking and Mobile Money geared towards increasing awareness around these topics and highlighting some aspects to be considered when building a mobile money product and an agent network.

The workshop was intended for practitioners in Mozambique, from the mobile money providers, telecom companies, banks and other financial institutions. The workshop was divided into two parts with the SPEED-sponsored consultant delivering the first session on Implementing Mobile Money and the GIZ-sponsored consultant delivering the second session on Agent Network Management.

Activities. Events were held in Maputo and comprised the following components:

- Mobile Money / Rural Finance: SPEED co-sponsored and actively participated in a series of three events that focused on innovative channels for reaching rural populations with financial services (mobile money, agent banking, linkage banking).
- The Agency Banking Workshop: was a training session that discussed the key challenges in managing large agency networks and potential solutions. Helix Institute of Digital Finance conducted interactive sessions on aligning customer and agent value propositions to drive profits and how to scale agent networks. In addition, Jessica Osborn of Arrakis Group Telecoms presented lessons from



Brigit Helms, SPEED COP, speaking at a Mobile Monday event

a telco in Ghana, focusing on how they turned around a failing agent network and reinvigorating the mobile money platform. SPEED moderated the Q+A session. This highly technical training session was attended by around 35 representatives from banks, telcos, technology service providers, and the Bank of Mozambique.

- The Mobile Monday Maputo evening: event featured Helix, MKesh and MPesa and discussed the opportunities and challenges of mobile money in Mozambique. The discussion was moderated by SPEED. The main messages were that mobile money is difficult under any circumstances and that Mozambique is struggling to find the right formula for taking off.

Results. A series of events were held and participants given the opportunity to discuss innovations and to network with each other.

MOBILE MONDAY E-GOVERNANCE

Context. The use of mobile technology has emerged as a key vehicle for development in Africa. High mobile phone penetration rates coupled with limited fixed infrastructure have made mobile phones the channel of choice for several solutions ranging from financial products such as M-Pesa and M-Shwari to education initiatives such as M-Ubuntu.

In 2014, Mobile Monday (MoMo) a non-profit open platform for the promotion of mobile solutions, requested funding from SPEED for an e-Governance workshop and an evening networking event in Maputo. The objective of the activity was to increase the public sector's use of technology (e- and mGovernance) to improve information and service delivery, encourage citizen participation in decision-making and make government more accountable, transparent and effective.

Activities. SPEED supported the [MoMo event](#) and a workshop on e- and mGovernance. The event involved presentations by experts and practitioners from the development, private and public sectors in Mozambique and other countries in the region. SPEED supported the participation of two regional experts: the head of the Budget Transparency Initiative from Uganda and a representative of Ushahidi (a leading Nairobi-based mobile solutions company). The event was held on the 29th of September in Maputo and around 40 people attended. On the following morning, September 30th, a SPEED-funded half-day workshop was held at the VIP hotel in Maputo. The workshop was comprised of presentations from Ushahidi and the Ugandan Budget Transparency Initiative to share knowledge and experience on their successful e-Governance / mGovernance solutions. The session was interactive and participants shared experiences and brainstormed solutions to their current design/implementation challenges. Around 30 participants attended including representatives of various Mozambican ministries.



“USAID SPEED sponsored 2 Mobile Monday events in 2014. Their support made it possible for us to bring speakers from Uganda & Kenya to Mozambique for an mGovernance event, enabling us to share best practices from 2 excellent projects with local stakeholders through a workshop that was well-attended by the Mozambican government and development partners.

SPEED also supported a Mobile Financial Services program, enabling us to host the Helix Institute from Kenya for an event. As Mozambique develops its tech community it is really important that we can learn from what others in the region have achieved, and so being able to host international speakers is key to our mission as Mobile Monday. From the outset, SPEED has been enthusiastically supportive of our work, through both financial help and participation at events. They have really helped us to get Mobile Monday off the ground and played an important role in kick starting the creation of a tech scene in Maputo”.

— Jessica Osborne, Mobile Monday Mozambique Organizer

BIODIVERSITY AND TOURISM

SPEED's work in **biodiversity and tourism** helped Mozambique realize its potential competitiveness in the sector. Tourism is widely seen as one of the most effective ways of preserving biodiversity, as market forces all pull in the same direction – consumers and service providers all have an interest in preserving the natural environment and ensuring sustainable use of natural resources. In addition, tourism tends to be labor-intensive, thus providing opportunities for broad-based economic growth as well as biodiversity.

The majority of SPEED's effort helped ensure a private-sector friendly legal and regulatory regime which has included analysis of proposed tourism regulations, and as a follow up to these regulations, development of a bilingual guide to the legal framework to support investors, and an examination of competition in aviation (Open Skies initiative). SPEED analyzed the impact of renewed conflict affecting the country on the tourism sector and followed this analysis with a broader assessment of tourism competitiveness. SPEED provided direct support in the form of an advisor to both the Ministry of Tourism and ANAC (conservation areas administration), as well as supported BIOFUND to analyze and develop a manual for implementation of the new Conservation Law.

MOZAICO DE INDIGO – STRATEGIC REVIEW

Context. Mozaico de Indigo (Mdi) is 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.

Activities. SPEED conducted a [Strategic Review](#) which concluded that Mdi lacked clarity in its core function and specific mission, owing in part to the company's overly broad statutes. The report advised government, shareholders, the board and management to start with a narrower focus. It further recommended clarifying the mission and governance structure of Mdi; bringing private sector entrepreneurs onto the board; raising proper capitalization; focusing on obtaining clear land use rights for investors; and building expertise to execute the primary core functions of Mdi.

Results. Government and Mdi were equipped with the information and tools necessary to reform the organization. The organization subsequently restructured the board and hired new management.

TOURISM LEVY

Context. The Ministry of Tourism proposed introducing a 1% levy on tourism revenues to fund tourism development activities. SPEED was approached by CTA to assist in developing a position paper about the proposal.

Activities. SPEED assisted CTA in preparing a [position paper](#) on the proposed introduction of a 1% levy on tourism revenues. The purpose of the tariff was to fund tourism sector development activities, including: tourism promotion and marketing, training, support to local communities and support to SMEs. While these goals appeared to be relevant, the levy was an additional burden on operators and could undermine competitiveness. Using the SPEED input, CTA made counter proposals to government based on international best practices for fee levels and for administration and management.

Results. The government agreed to modify the levy and both government and CTA appointed members of a working group to work out a common position.

OPEN SKIES INITIATIVE

Context. There is a worldwide trend for countries to reduce government interference and regulation in commercial flight services and open the sector to competition. Mozambique’s legal and regulatory framework for the civil aviation sector has undergone important changes over recent years. Under different structural adjustment programs and working closely with institutions such as USAID, the World Bank, and the IMF, the government has successfully introduced some reforms, although much remains to be done.

CTA sought to better understand the impediments that may be causing this slow liberalization. Although some attempts had been made to examine the impact of liberalization on the air-transport market, and synergies for development of tourism and other sectors, these studies were felt to be too “high-level” and difficult to implement. CTA sought concrete, specific recommendations to accelerate liberalization, highlighting the potential impact for growth in other sectors, particularly tourism.

Activities. SPEED supported CTA with a team of consultants. The main objective was to engage relevant stakeholders in the arguments in favor of liberalization, and to prepare a policy paper on the need for opening up to competition in the air transport sector in Mozambique. The ultimate objective was to improve services and quality, and provide services at more competitive rates.

The SPEED team worked in two phases. In the first phase, a small team of experts reviewed the regulatory environment, and in the second phase, a civil aviation economist visited Mozambique and developed a study which examined the underlying bottlenecks and proposed practical ways forward. The study explored the possible impact of air transport liberalization on business and economic competitiveness. The activity provided a clear set of recommendations; including: (i) a clear separation between policy making, operations, and regulation within the civil aviation authority (IACM); (ii) strengthening the capabilities and independence of IACM as a regulator; and (iii) reduced government involvement in the main airline and in airports management. The recommendations are in line with International Civil Aviation Organization (ICAO) norms and international best practice in the sector.

As a follow-up, SPEED conducted additional research through interviews with key informants and addressed some of the pertinent concerns raised. Prior to the delivery of the report, SPEED held consultative meetings with IACM, Mozambique’s airlines *Linhas Aereas de Moçambique* (LAM) - the country’s flag carrier, the Ministry of Tourism, air industry operators, and CTA. These consultative processes helped fine-tune the analysis and shape the recommendations.

The [final report](#) was launched at a well-attended seminar jointly organized by SPEED and CTA in Maputo. In addition to the high-level audience engaging in energetic dialogue, the report benefited from strong media coverage. SPEED sustained additional outreach activities, including participation in televised debates and [blogs](#) on air transport liberalization in Mozambique.

Since the report’s launch and a wide dissemination of the results of the SPEED analysis, the authorities have moved to fast track a number of reforms, partly in response to the increased demand for better service delivery and accountability. A number of laws, regulations, and administrative procedures were identified for revision while a reengineering process was initiated at LAM. To keep up with the pace of reforms, CTA asked SPEED to augment its response capacity by building a flexible team of civil aviation

experts that could be rapidly deployed in support of CTA on demand. Specifically, the rapid response team was responsible for:

- Effective technical support to the Mozambican authorities through CTA and IACM on legal and regulatory reviews concerning air transportation and open skies;
- Timely advisory services in the area of air transportation planning, policy implementation and monitoring. This is in compliance with ICAO recommendations, including measures that will see Mozambique's air transportation sector becoming more competitive;
- Building CTA's analytical and technical capacity to raise and address issues related to civil aviation and air transportation in a timely manner.
- Conducting a comprehensive review of the proposed law on legal procedures for aeronautical infractions and provided an expert commentary on the presentation on the BASA between Mozambique and South Africa.

Results. SPEED's support to Mozambican authorities has brought a new dynamism into the sector. IACM embarked on a reform process including implementing ICAO standards, reviewing and drafting laws, regulations and bilateral air service agreements (BASA), and negotiating the Fifth Freedom with South Africa.

The private sector, through CTA, has been regularly called upon to participate in the process and provide technical inputs on policy and legislation. Previous to SPEED's work, the private sector was rarely, if ever, consulted.

Mozambique's air transport sector has embarked on major consultation and reform, including the revision of bilateral service agreement with South Africa (BASA), and changes in the leadership of the country's flag carrier (LAM). A number of regulations were proposed for amendment or prepared in the sector including: the air transport operations regulation (amended on 28 July 2014); Licensing of air traffic service personnel; organization and management of air space; certification and management of air traffic services; organization of aeronautic information services; and regulation on infractions. The final versions of these regulations are likely to take into consideration much of SPEED's expert advice thus ensuring compliance with international best practice.

ARCO NORTE TOURISM DEVELOPMENT CORPORATION

Context. From 2006-2010 USAID provided funding and technical assistance to the Government of Mozambique for the implementation of its [Arco Norte Tourism Development project](#), which was designed to develop and position Northern Mozambique as an emerging world class tourism destination. To assure project sustainability beyond donor assistance, two key elements were put in place. First, a master plan was created that set out the framework for a planned, integrated and sustainable approach to creating a high quality tourism industry in Northern Mozambique. The second element was the incorporation of a special purpose, for-profit tourism development company within the framework of a public/private partnership to oversee the implementation of the master plan. This company was the Arco Norte Tourism Development Company (ANTDC).

Too Expensive to Fly: The Quest for Open Skies in Mozambique

Improving tourism and business through air transport reform

“More players in the market will not only increase the business case for Mozambique Airlines, but will also promote affordable prices that will attract more tourists into the country.”

Mozambique is among the most attractive tourist and investment destinations in southern Africa with fabulous natural and cultural assets. So where are the tourists? They are choosing more affordable vacation destinations, partly because of the cost of flying in this country of more than 300,000 square miles.

Protectionist policies have severely constrained the development of air transportation, tourism, and other key sectors such as agriculture and manufacturing. In the case of aviation services, this protectionism pulls customers from the entire travel and tourism chain - from hotels, restaurants, resorts, car rentals, computer reservation systems, entertainment, and cultural attractions.

Mozambique Airlines (LAM), the country's flag carrier, operates in a quasi-monopolistic environment, offering very high rates and unreliable service. This situation was exacerbated by a tragic air crash late in 2013, leading to the loss of lives.

USAID's Support Program for Economic and Enterprise Development (SPEED) facilitated a series of business briefings and workshops from April to June 2014 with public and private stakeholders to examine the issue of air transport liberalization (i.e. "Open Skies") and promote informed dialogue and a reform agenda. An assessment of Open Skies, undertaken by the Confederation of Trade Associations (CTA) with the support of USAID, found that development of the air transportation sector in Mozambique has been impeded by quasi-monopolistic practices resulting from the State's heavy influence as a policy maker, regulator, owner and operator of LAM and airport operation.

According to CTA, a first step to stimulate competitiveness requires the separation of roles and responsibilities in air transport services in the country. Hipólito Hamela, CTA's economic advisor, points out that it is critical to find solutions to the high cost of air transportation in the country to promote tourism development and to reduce the cost of doing business with and within Mozambique.

USAID support in this endeavor promoted public-private dialogue with broad engagement from both the private sector and civil society. This has brought new dynamism into the sector. Mozambique's Civil Aviation Authority embarked on an expedited process of reform implementation, including review of laws, bilateral agreements, and negotiating freedoms of air, set of commercial aviation rights granting a country's airlines the privilege to enter and land in another country's airspace. The private sector is now more actively engaged in the promotion of civil aviation reforms.

As a result of this effort, the Government of Mozambique is implementing a number of reforms including: immediate restructuring of LAM; attracting more investments into the sector; and "Freedom of Air" negotiations in consultation with the private sector.

SPEED Success Story published [here](#).

The ANTDC project represented a major paradigm shift in Government policy and strategy. For the first time in Mozambique, the project established a framework for public/private partnership in which private sector, not the government, played the lead role in financing tourism infrastructure and facilities development, allowing non-performing land assets of public sector entities in key tourism destinations to be leveraged for productive investment purposes.

The ANTDC would enable the government to: decentralize tourism development and management; harmonize conflicting tourism legislation and thereby assure a regulatory framework that promotes integrated planning and sustainable destination development; demonstrate partnership with and cede leadership of the tourism development process to the private sector; create land banks that assure ease of access to developable land for major tourism investments; attract major financing for tourism infrastructure and superstructure development; enhance the preservation of the Arco Norte's natural and historic heritage; create a visitor economy and thereby assure jobs, incomes and rural transformation. Also for the city of Pemba, which is under significant pressure from speculative developers, this activity indirectly supported the preparation of a Spatial Development Framework to guide growth and economic development of the city.

Activities. Meetings at both provincial and national levels during 2011 helped build consensus on the new PPP approach and the need for a management company for the Pemba ZIT (tourism interest zone), which would be capitalized with, and hold, the public lands within the ZIT. Discussions involved key public sector institutions including the Instituto Nacional do Turismo, Ministry of Culture, Ministry of Defense, Ministry of Education, Municipal Council of Pemba, Portos e Caminhos de Ferros de Moçambique, Radio Moçambique and Telecomunicações de Moçambique, all of who own lands in the Pemba ZIT and comprised the Promoter Group for the project. A similar meeting was also held with the Chairman and Directors of Instituto de Gestão das Participações do Estado.

A chartered valuer carried out a rapid assessment and valuation of public assets in the Pemba ZIT. The valuation report was completed and presented to the Promoter Group as a basis for establishing the shareholding structure of the ANTDC. An investment consultant prepared a business plan including a financial and corporate structure as well as articles of incorporation to guide the incorporation and operations of the ANTDC, and these proposals were presented to the Promoter Group.

Meetings were held with the IFC and with private companies to discuss their possible participation in the ANTDC and provision of infrastructure financing. Within this framework a strategy for raising requisite infrastructure financing for asphaltting of 10km of existing roads, construction of 15km of new roads, and a sewerage treatment plant for a population of 100,000 in Pemba was put in place.

Additional legislation and policy measures required to address the existing policy and legislative gap, critical to the effective implementation and operationalization of the ZITs, were identified. These include secondary legislation to: (i) harmonize existing planning legislation at the local level with the ZIT law; and (ii) synchronize the role of the Municipal Assembly and other Government agencies with that of INATUR as the designated management authority for the ZIT.

Results. The consensus achieved on the concept of the management company, which would also hold public assets in the ZIT and the approval and support provided by the various public sector institutions for the valuation of their respective assets in the Pemba ZIT, marked major milestones in the project. These agreements were key for evolving and implementing administrative procedures that give full effect to enforcement of Council of Ministers Decree 77/2009 of 15th December, 2009, approving the framework for the declaration of Special Tourism Development Zones across the country, and Decree 72/2010 of December 31st, 2010, which formally declared parts of the City of Pemba and nearby areas as Special Tourism Development Zones. However the project was suspended in September 2012, due to the inability of the stakeholders to form the ANTDC as a formal entity within the deadlines set by the project.

POSITION PAPER ON TOURISM DECREE

Context. One issue facing Mozambique's tourism sector is the lack of clear and internationally consistent quality standards for facilities. In August 2011, the government presented a draft Tourism Decree and asked for a private sector opinion. Among other things, the draft outlined the standards for rating hotels and other tourism facilities. Femotur, the Mozambican Tourism Federation asked SPEED to facilitate the collection and aggregation of opinions from the private sector.

Activities. SPEED contracted a consultant to collect and present the private sector's views on the draft. The consultant held consultative meetings with private sector representatives from major tourist destinations (Gaza, Inhambane, Ponta do Ouro, Nampula, Pemba, Beira and Maputo City/Province). The tourism operators were surprised and pleased to be consulted on such important regulations. For many, this exercise was the first time they had an opportunity to express their views. Concerns ranged from the

practicality of hygiene and comfort standards in rural areas to the need to harmonize with SADC standards. Overall the major concern with the draft regulation was that it was at least as complicated as the one it was intended to replace, and gave significant discretion to GoM in enforcing the regulations and determining which category a tourism establishment would fall into. The main recommendations were for significant simplification with broad general categories rather than prescription, and alignment with regional standard-setting whereby operators apply to an independent rating agency for classification, and are regularly inspected and reviewed.

Results. A comprehensive [position paper](#) reflecting the needs and concerns of the private sector was submitted to the government. The Inhambane tourism association (AHTPI) attracted 8 new members by virtue of their participation in this initiative.

TOURISM MANUAL UPDATE

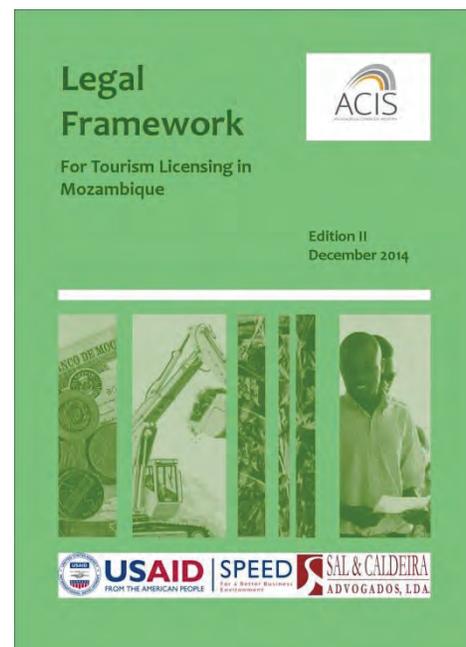
Context. ACIS produces a series of guides for investors within the “Legal Framework” series. These guides are available in Portuguese and English to download for free from the association’s web site. They are a point of reference for existing and potential investors and others seeking information about the application of law in various sectors.

New tourism regulations were introduced in 2013 (see above) and new procedures established for those in the sector. Other legislation potentially affecting the sector, such as the Conservation Law, had also recently been introduced. As a result, the Legal Framework for Tourism was out of date and required revision. ACIS sought assistance from SPEED to update the guide thus preparing relevant information for actual and potential investors in the sector.

The previous tourism regulation (18/2007) was considered by operators to be highly complex and difficult to comply with. This was largely due to the number of different categories per activity and the specific requirements to comply with each category. The decision to revise the regulation was seen by most in the tourism industry as an opportunity to significantly simplify the system and introduce an independent system of star ratings which would allow consumers to effectively select options based on a system such as that used in South Africa.

However the new regulations (97/2013 of 31 December) in fact do not do this. Instead they maintain the level of complexity of the preceding regulation with over 40 classifications for accommodation provision alone. Each classification has its own requirements and since these have been altered slightly from those provided in the 2007 legislation, operators now need to apply for new licenses based on the new regulation and seek to adapt their premises to ensure compliance with the relevant star rating under the new system.

As many tourism operators in the country operate in English or are partly foreign owned it was necessary to provide these operators with information in both Portuguese and English to enable them to understand and prepare for the new licensing process.



Activities. In response to the request from ACIS SPEED contracted lawyers with experience in the tourism sector to prepare an [analysis](#) of the new tourism regulations and a revised version of the Legal Framework for Tourism manual. These were translated into English along with an English translation of the actual regulations. [All documents](#) were disseminated by SPEED and ACIS in order to assist tourism operators and potential investors in complying with the legislation.

IMPACT OF RENEWED CONFLICT ON THE TOURISM SECTOR

Context. During 2013, there were a series of attacks which took place initially in the Province of Sofala and subsequently along the main north-south highway, the EN1 between Sofala and Inhambane provinces, as well as in Nampula and Inhambane provinces. The number of deaths and serious injuries resulting from the attacks led to widespread press reporting, in the region and internationally. Much of the reporting focused on potential destabilization of Mozambique’s economic development. Businesses expressed concern that the escalation of the conflict had had a significant impact on the tourism sector.

Activities. SPEED, in support of ACIS, undertook a [study](#) to understand and quantify the cost of renewed conflict on the tourism value chains and its estimated impact on the overall economy and competitiveness. The analysis was presented at a discussion forum and was widely covered in the local press. The report concluded that the tourism sector in the geographic area studied was already under significant strain and was largely uncompetitive, but that the addition of the renewed conflict was pushing the sector into major decline and that urgent action was required if one of the main employment sectors in Inhambane in particular was not to be lost.

Results. There has been widespread media coverage of the renewed conflict and tourism downturn in the country, which has triggered the authorities and business’ interest for developing detailed monitoring tools for tourism value chains.

TOURISM COMPETITIVENESS

Context. Mozambique is an attractive destination for tourism. According the World Tourism Organization and UNWTO World Travel & Tourism Council (WTTC), the total contribution of travel and tourism to Mozambique's GDP, including its wider economic impacts, is forecast to rise by 6.4% each year over the next 10 years. By 2021, travel and tourism is predicted to support over 700,000 jobs in Mozambique. However, massive inflows of foreign exchange from the resource boom could place significant pressures on an economy. For example, the exchange rate could appreciate in real terms, reducing competitiveness and growth of the traditional tradables sector (including tourism).

The business environment in Mozambique is characterized as weak. Increases in the cost of and demand for specialized/skilled labor as a result of the resource boom may create significant risks to the Mozambican tourism industry as it is presently structured. Therefore there was a critical need to understand the potential scenarios and develop policy options to manage the potential risks to the sector as one of the key economic sectors for generation of job opportunities and revenue.



Debating tourism competitiveness case studies during the SPEED competitiveness “road shows” in December 2014.

Activities. In order to better understand Mozambique’s tourism market dynamics and what is required to ensure the competitiveness of the sector and following on from a preparatory [trip report](#) prepared in 2013 by Martin Weber, SPEED in partnership with CTA undertook a series of studies aimed at assessing Mozambique’s competitiveness in light of the resource boom in key sectors including tourism. The tourism [study](#) focused on business and leisure tourism and gathered data from a variety of operators around the country. The study was strongly supported and guided by CTA’s tourism sub-committee.

On the basis of data collected a model was developed which enabled analysis not only of the likely impacts of Dutch disease on the sector but also quantified the costs of various existing barriers to business as identified by CTA. By manipulating the model to either apply Dutch disease scenarios or the removal of barriers it is possible to see the potential impacts of business environment reform on the sector.

This analysis highlighted the current crisis state of Mozambique’s leisure tourism sector. The corporate segment is basically viable in the current operating environment though it would be somewhat threatened in an extreme currency appreciation scenario. However leisure tourism is the segment most likely to offer opportunities for small local businesses, create employment in rural areas and contribute to the development of a broad-based tourism sector as envisaged in government policies for the sector. Therefore even without the possible onset of Dutch disease there is reason for concern.

The study highlighted the need for urgent and sweeping reform of the business environment, which would benefit not only the tourism sector. However specific areas such as air transport monopoly, visa policies, quotas on foreign employees and other labor market reforms are particularly critical for the tourism industry.

The report concluded with key takeaway messages about the importance of recognizing the potential threat of the natural resource boom to tourism competitiveness, particularly the leisure tourism sector, and of building a strategy to anticipate, manage, and respond to it. This would involve plans to manage natural resource-derived revenues directly, build labor productivity and invest in basic and transportation infrastructure that would enhance competitiveness and better resist competitive threats.

Results. The findings were presented to a seminar in Maputo and there was significant media interest in the event. The report was included in a compilation publication of reports about competitiveness and the resource boom and was further disseminated through a competitiveness “road show” in Maputo, Beira and Nampula. The report is available [here](#).

SUPPORT TO THE MINISTRY OF TOURISM

Context. The tourism sector is capable of boosting the development of the national economy and contributes to fighting poverty by attracting investment to ensure employment, income generation and enhancement of well-being of communities. The Government of Mozambique has defined tourism as one of the strategic sectors to accelerate socio-economic development because it constitutes a cross-cutting sector, which allows the use of skilled and unskilled labor, and represents employment opportunities for women and young people.

Mozambique is strategically located in Southern Africa and has significant tourism assets such as a long coast, rich biodiversity, and national parks and reserves. This tourism potential should be exploited in a sustainable manner to position Mozambique competitively in the region.

SPEED was asked to support the Ministry of Tourism (MITUR) by providing technical input on policy and legislative issues related to tourism.

Activities. SPEED supported a senior adviser to the Minister of Tourism who helped facilitate policy dialogue, and events such as regional and international tourism meetings and conferences. The main activities were:

- **On policy and legislation:** - the approval by the Parliament of the Conservation Law – the law imposes heavy penalties of up to 12 years in jail on anybody convicted of poaching activities; the Conservation Law was ratified by the President of the Republic and gazetted on June 20th, 2014; the approval by the Council of Ministers of the decree which proclaims two new Hunting Blocks (Coutadas) in Zambezia Province (Mecaune and Luabo) which thus increased the number of Conservation Areas.
- **On biodiversity conservation** - the approval by the Cabinet of the Statutes of the National Administration of Conservation Areas (ANAC); nomination of the new Director General of ANAC; the evaluation and assessment of candidates for the posts of Director of Services for Management and Protection of Natural Resources and the Director of Services for Study and Development of Conservation Areas.
- **On investment and private sector participation** – coordination meeting of all stakeholders involved in the licensing process for tourism establishments based on Decree 97/2013; facilitation of the meeting between the Minister of Tourism, CTA, USAID and SPEED for the presentation of the main finding of the Open Skies study; facilitation of the National Stakeholder Consultation Workshop held on May 23rd 2014, in Maputo for the launch of the Strategic Tourism Development Plan Review process led by Permanent Secretary and the representative of the World Tourism Organization (UNWTO). The main goal of this revision is to provide MITUR with a documented tourism growth strategy and practical implementation plan for developing the tourism industry as a key economic and social catalyst for the next 10 years.
- **On regional and international cooperation** - the signing of Memorandum of Understanding (MOU) for the Management of Conservation Areas, by the Mozambican Minister of Tourism, and the Minister of Water and Environmental Affairs of South Africa; Mozambique participated in a survey to evaluate the value of wildlife safari tourism in Africa, carried out by United Nation World Tourism Organization (UNWTO).
- Following the issues mentioned by the Open Skies study the Ministry of Tourism attended meetings organized by UNWTO for African Tourism Ministers to discuss the Air Connectivity in Africa; Visa Facilitation and Tourism and Biodiversity. The Ministry also participated in Routes Africa 2014, an event that brought together leading industry experts from airports and aviation companies to discuss air service and route development issues affecting commercial aviation and tourism across Africa. The advisor gave support to the preparation of participation of Mozambican delegation to the African Heads of States - USA Summit.

Results. The Conservation Law and decrees approved by the Government have added a new dynamic into the conservation of biodiversity activities due to the increase of the political commitment in taking concrete action to combat poaching and to speed up the process of structuring ANAC. Other significant achievements were the appointment of the Director General of ANAC, the launch of the tender for the selection of the Directors of Services; the signing of the MOU with South Africa for joint rhino anti-

poaching actions in the Great Limpopo Transfrontier Park (GLTP) and the launch of the Strategic Tourism Development Plan Review process.

SUPPORT TO ANAC

Context. The Government of Mozambique (GoM) has set aside large segments of the country as protected areas (PAs) in an attempt to conserve its natural heritage while promoting sustainable economic growth. Many of these are important sites of high biodiversity such as Gorongosa Mountain, Lake Niassa, the Quirimbas Archipelago, Monte Namuli, the Chimanimani Massif, and the newly created Primeiras e Segundas Marine Protected Area. According to national estimates, the country is home to more than 5,500 plant, 220 mammal, and 690 bird species, many of which are endemic. Mozambique includes 14 ecological regions, of which seven have global importance as per the WWF Global 200 Ecoregion list. As of 2012, six categories of PAs, covering approximately 159,126 Km², represented approximately 20% of the country's total surface area.

Mozambique's low agricultural productivity, overfishing and high population growth rates have resulted in i) a rapid expansion of the agricultural frontier, ii) a decline in aquatic and marine resources, and iii) severe threats to PAs and ecosystem services. People have for many years been living inside park boundaries and freely exploited natural resources. Pressures on land and natural resource use have further intensified in recent years as the Mozambican economy continues to expand. Weak marine, forest, wildlife, and land use governance have been key contributors to deforestation, poaching, and habitat degradation. As forests are converted to other uses and wildlife populations reduced, demands on remaining natural areas and resources are escalating, creating an environment conducive of greater economic inequality and conflict over these limited wilderness areas.

Until recently conservation areas were managed by DNAC, the National Directorate for Conservation Areas, which was part of the Ministry of Tourism. Now however ANAC, a parastatal agency, has been created to take over management of PAs. The aim is therefore to professionalize the management of PAs and undertake management along private sector lines as has been successfully achieved in Botswana and Madagascar.

ANAC is expected to be self-sustaining in the medium term, and its autonomy will depend on this. Until ANAC is 2/3 self-funded it will continue to receive limited funds from the state budget. ANAC is expected to manage a portfolio consisting of National Parks and Reserves, Marine Parks and Reserves, Hunting Areas (*Coutadas*), and Game Farms (*fazendas*). While estimates vary, all agree that currently this network is extremely underfunded, to the point where it has difficulties in fulfilling its primary mission, which is to conserve a representative sample of Mozambique's biodiversity for future generations. Related to funding difficulties are HR issues; most of these areas do not have sufficient staff (quality and quantity) to provide protection according to international norms and standards, though there is a cadre of professional and experienced Park Administrators and professional staff to call upon.

The challenge is thus three-fold:

1. ANAC must become an effective and efficient conservation management entity, with staff, strategies, policies, and operational systems to support its mission;
2. ANAC must develop strategies to effectively conserve the biodiversity in the face of population development, and political pressures, and climate change;

3. ANAC must develop funding mechanisms that allow it to fulfill its mission.

ANAC staff consists solely of the Director, supported by former DNAC staff with no formal affiliation with ANAC. The individual conservation areas have transitioned to ANAC and maintain their staff teams, and assets. Without clear plans, ANAC was having trouble moving forward. To unblock the situation, the Director of ANAC requested support from SPEED to provide a senior advisor and contract a consulting firm to conduct a strategic planning exercise.

Activities. The senior technical advisor was contracted and worked to support the ANAC director, particularly with responsibility of seeing through the development of the organization’s strategic plan. A consulting firm which specialized in conservation management was selected and developed a strategic plan based on a participatory consultation exercise. The strategic plan was developed on the basis of extensive consultation and envisaged short, medium and long term actions to be taken by ANAC in order to become, and remain, sustainable. Particular focus was placed on involving the private sector in conservation area management, and incorporating the needs of communities, in particular ensuring that they are involved in dialogue. The plan sees ANAC continuing to depend on the state budget for at least the next five years, during which time it is expected to follow models successfully applied elsewhere in SADC (Botswana and Madagascar in particular) whereby business takes a leading role in conservation area management and as a result incomes for such areas increase.

SPEED also assisted ANAC in bringing the directors of 6 key parks with elephant populations to Maputo to take part in a two-day national seminar about the new Conservation Law. The seminar was organized by the Attorney General’s Office with support from USAID’s Democracy and Governance department. The aim of the seminar was to present the new conservation law and also to lay out Mozambique’s plans to combat rampant poaching. The seminar was well-attended with international delegates also taking part and everyone affirming their commitment to support Mozambique in dealing with the poaching problem.

Results. The strategic plan was completed and approved by ANAC. A senior advisor was made available to support the ANAC director. 6 park directors took part in a seminar about the new conservation law.

CONCESSIONS ON PROTECTED LANDS

Context. Almost 15% of Mozambique’s land area is comprised of state owned National Parks and Reserves. Sustainable tourism concession models offer a major opportunity for private sector job creation in and around Mozambique’s key protected areas. However, the elaboration of clear guidelines to develop sustainable tourism concessions is still in its initial phase. In March 2012, Mozambique hosted a conference on Innovative Concessions Partnerships for Tourism in Protected Areas by the IUCN World Commission on Protected Areas, which attracted 66 Mozambican and international participants.

Activities. SPEED supported the government and IUCN by contracting two consultants to prepare for that conference, stocktaking current practices in Mozambique and comparing them to best practice in other countries in the region such as South Africa, Namibia, and Botswana. In addition, SPEED’s team contributed two major resources to tourism concession capacity building. First, building on inputs from the IUCN conference, a comprehensive [manual](#) was published in April 2012, which outlined the process for obtaining and operating a tourism concession in Mozambique National Parks and Reserves. Topics included a survey of key stakeholders in the sector, a review of the legal framework in Mozambique, and step-by-step processes for obtaining and implementing a tourism concession. The manual then outlined environmental, economic, and social/cultural best practices for utilizing these concessions. The

consultants also completed a [study](#) reviewing the state of tourism concessions in Mozambique and other countries in the region and advocating several specific policy reforms.

Results. The government was supported to develop the tools necessary to begin allocating concessions in protected areas based on international best practice.

SUPPORT TO BIOFUND

Context. BIOFUND is an independent entity created to support the conservation of biodiversity in Mozambique and facilitate its sustainability. A key target for BIOFUND is to develop the concept of biodiversity offsets in Mozambique with a view to using these offset payments for the sustainable and long term management of the country's protected areas.

The organization sought assistance from SPEED in training on USAID procurement practices, analyzing the country's new conservation law, developing simplified materials about said law to facilitate training of stakeholders, and preparing for a consultancy to undertake mapping of Mozambique's conservation areas.

Both the conservation law and the concept of biodiversity offsets will likely have significant impacts for the private sector and the communities with which they engage, and on those working in key focus sectors for SPEED such as tourism and agriculture.

Activities. BIOFUND's financial administrator undertook work-shadowing / training with SPEED's procurement team to assist the organization establish its own internal procurement procedures and managing future funding from USAID.

As part of this training, BIOFUND's administration team worked with SPEED to develop scopes of work for analysis and development of materials based on the new conservation law, and mapping of the country's conservation areas.

[Analysis](#) of the new conservation law was completed and fed into a national seminar organized by the Attorney General's Office and USAID on the implementation of the law. The work also included developing a manual which explains the law and includes simplified materials which can be duplicated and disseminated to stakeholders (such as the private sector in the agriculture and tourism sectors, and the communities with which they work) to facilitate understanding of the new legislation.

SPEED supported BIOFUND in undertaking a procurement process according to USAID rules to identify a firm to undertake the mapping of the country's conservation areas in accordance with IFC norms and standards so that these areas can then be classified by BIOFUND for development of biodiversity offsetting procedures. The procurement process was completed and all documentation made available to BIOFUND.

Results. BIOFUND's financial and administrative staff now has increased capacity to implement USAID's procurement procedures. This enables them to develop the organization's own internal procedures and practices and thus be compliant to receive future direct funding from USAID and other donors.

Analysis of the conservation law is available as is a manual to support those to whom the law applies. [Both documents](#) were disseminated by SPEED and BIOFUND.

A compliant procurement process was completed to identify a company to map the conservation areas and BIOFUND now has access to all documents necessary to take the process forward and secure funding to map the relevant areas.

CITES UPGRADING

Context. Mozambique is a member of CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention). However the country's legal framework was not compliant with certain CITES requirements. Mozambique was notified by CITES to reform its legal framework to become compliant or risk expulsion at the end of 2014. Expulsion would have had a significant negative impact on the country's safari/hunting sector as visitors would no longer be able to export trophies to their own countries, thus making hunting in Mozambique non-viable.

The Ministry for Environmental Protection (MICOA) was responsible for CITES compliance in liaison with the Ministry of Tourism (which is responsible for the safari sector through ANAC) and the Ministry of Agriculture (which is responsible for establishing annual hunting quotas).

MICOA was preparing a draft regulation which would ensure that Mozambique was sufficiently compliant to remove the risk of an outright CITES ban at the end of 2014, and allow the 2015 hunting season to proceed. The legislation was being drafted with funding from CITES. However MICOA requested CTA and SPEED to assist with the dissemination of the draft and ensuring that there was sufficient discussion and debate around the document.

Activities. SPEED supported MICOA by providing comments on the draft legislation, providing an English translation of the draft, disseminating the draft legislation through its web site and social media, developing a list of contacts of organizations to take part in a series of consultative seminars, and providing logistical support to undertake three dissemination workshops in Maputo, Beira and Lichinga.

The workshops provided those affected by the draft legislation with an opportunity to feed in their comments. SPEED also worked with MICOA, ANAC and BIOFUND to ensure that all three are aware of the work that the others are doing.

Results. [Draft legislation](#) is available in English and Portuguese and has been disseminated and commented on. SPEED ensured that comments generated fed in to the revision process of the legislation. Draft legislation was to be debated by MICOA's coordinating body prior to being sent to CITES for comment.

DEMOCRACY AND GOVERNANCE

SPEED's work on **democracy and governance** aimed to improve transparency around issues such as the impending resource boom, the increased voice of the private sector in policy, and the improvement of corporate ethics. Specifically, SPEED raised the quality and level of dialogue around the country's resource boom, with a special focus on examining the impact of the boom on the competitiveness of the rest of the economy. Another key area of work included the development of a legal framework to formalize public participation in the policy process. There is now a solid consortium of actors from the private sector and civil society committed to drive this new legislation forward.

Another major focus of the Program was on communication for policy change (C4PC) including training journalists in economics, rolling out an extensive communication program based on SPEED's web site, blogs and social media and the Agro.Biz media project. In addition the Program supported the private sector with analyses of key legislation affecting the extractives industry sector and supported the Attorney General's office to leverage funding to support the implementation of the Public Probity Law.

FORMALIZING PUBLIC PARTICIPATION IN THE POLICY PROCESS

Context. Public participation in policy making is enshrined in the Constitution of Mozambique, which requires submission to the public of draft regulations for collecting suggestions before approval. However currently, the process for incorporating the public's view in the policymaking process is largely ad hoc and unsatisfactory for the private sector and civil society. 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 worked with CTA and SAL & Caldeira to create a more transparent and participatory system for policy development and improve the formulation of laws and regulations affecting the business environment.

Activities. SPEED began a major effort to create a more transparent and formalized participatory system for formulating laws and regulations in Mozambique early in the life of the Program, working with CTA and the law firm SAL & Caldeira (S&C) to introduce a formal mandate for public notice and public comment. The effort included 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

The stakeholder group was formed in 2011 and initially consisted of UTREL, UEM, Radio Moçambique, TVM, CTA and ACIS. S&C completed the preliminary report and moved on to drafting the law.

The draft law creates a more transparent and participatory system for policy development and improve the formulation of laws and regulations affecting the business environment (and the public at large). The draft was completed in October 2012, broad consultations with the private sector and civil society continue to this day.

After completing the [draft](#), SPEED worked with CTA and ACIS to design a plan to implement it.. Activities proposed include an awareness campaign, and advocacy and dissemination of the draft, with a view to its submission to government for approval. This proposal will be the first joint public and civil society draft law to be submitted for approval to parliament. The process mobilized a coalition including CTA, the Mozambique Chamber of Commerce, ACIS, CIP (the Center for Public Integrity), FAN (the Business Environment Fund) and Sal & Caldeira, along with other CSOs to support the initiative and jointly roll it out.



“SAL & Caldeira has enjoyed a fruitful collaboration with the SPEED Program. Together, we have been able to contribute to national dialogue on major issues as diverse as the resource boom, land, environment, insolvency and agriculture. SPEED’s work has been essential in providing workable solutions to persistent problems, and removing roadblocks to development”.

—JM Caldeira , Senior Partner, SAL & Caldeira Advogados Lda

In early 2014, a Memorandum of Understanding (MoU) outlining the principles, code of conduct and modus operandi of the coalition was signed by implementation partners (nine private sector and civil society organizations that agreed to work together to support the initiative). This event introduced the project to a wider public, and as a result there are now more than fifteen organizations and their networks engaged in supporting the draft bill and ready to lobby the authorities to pass it.

Results. Once approved, this legislation will greatly enhance civil society and private sector’s ability to influence public policy and enhance transparency in public policy making. The partners will undertake a dissemination campaign across the country in 2015 and submit the [draft bill](#).

COMPETITIVENESS AND THE IMPACT OF THE RESOURCE BOOM ON THE ECONOMY

Context. Mozambique is rapidly transforming into a resource-rich economy. Coal is being exported from the Northern Province of Tete. Forecasts indicate that coal exports could well reach 150 million tons per year if basic transport and port infrastructure is put in place. In addition, Mozambique continues to see its natural gas potential expand every year as new reserves are found, evaluated and confirmed. During the decades of the 2020s and 2030s, Mozambique could well be among the top 10 world exporters of natural gas, mobilizing enormous flows of foreign exchange and budget revenues from the extractive sector.

The resource boom in Mozambique will have a major impact on the country’s prospects. However, experience around the world shows that few countries in similar situations end up transforming their resources into a blessing. More often, resources do not generate sustained growth or improved well-being of the populations but instead accelerate corruption, cause the gradual disappearance of tradable sectors, produce high inflation and eventually trigger political turmoil.

This boom represents a tremendous opportunity but the question is whether the wealth thus derived can be converted into jobs, improved human capital, development of institutional capacity, development of infrastructure and utilities, and an improved business environment. The critical economic governance challenge for Mozambique is to sustain accelerated growth while diversifying its economy to mitigate against the potential impact of a resource curse.

Activities. Over its lifetime, SPEED has led research and thinking in the country about the resource curse and its drivers: absorption capacity, exchange rate shifts, business environment and local content. The resource boom is a topic that will dominate Mozambique's political economy for the next half century.

SPEED's analytical work aimed to (i) identify the main challenges facing the Mozambican economy as it becomes mineral-rich; (ii) share experiences from countries in similar circumstances; and (iii) produce policy recommendations that would lay the groundwork for inclusive economic growth and the best use of resources. SPEED focused on sovereign wealth funds as a critical management instrument, raised the issue of institutional capacity as a condition for transforming resources into wealth, emphasized the importance of channeling the government budget towards human capital, infrastructure and utilities development and strengthening of the rule of law, and reinforced the importance of this historic opportunity to enhance the business environment and create jobs.

In late 2011, a SPEED-commissioned [study](#) confirmed that the real exchange rate in Mozambique had been appreciating since 1995. That study highlighted the key transmission mechanisms of the impact of exchange rate shifts, as well as possible economic impacts of a real appreciation. In early November 2011, a [SPEED Note](#) outlined the developmental challenges posed by real appreciation of the metical. The Note stressed that an appreciating real exchange rate—as a result of enormous influx of foreign exchange from mineral resources revenues—would place great strains on the tradables sectors, competitiveness and long-term economic development. It advanced policy proposals to manage appreciation, in particular, the establishment of a sovereign wealth fund.

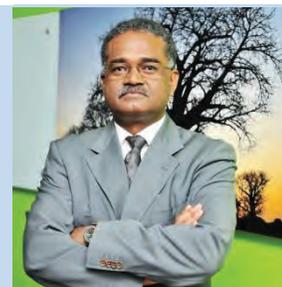
A second [Note](#), also from November 2011, examined sovereign wealth funds in other countries as an instrument widely used to decelerate real appreciation, cope with constraints on domestic absorptive capacity, create space for structural changes and allow for inclusive development and poverty reduction. A [study](#) to investigate whether Dutch disease already existed in Mozambique was prepared in September 2012 and included policy recommendations and further work on sovereign wealth funds in addition to proposing other tools as management instruments.

The [Note](#) prepared by SPEED on SWFs described the different funds that currently exist and how they are managed. It emphasized that SWFs are managed as independent agencies, report only to parliament, and that the income generated is generally used for public investment as opposed to recurrent expenditures. In all cases, government interference is minimal. The importance of this Note was two-fold. In first place, it highlighted that is impossible for central banks to accumulate massive reserves. Disproportionately large international reserves accumulated by central banks impose inflationary pressures on the economy even if sterilization is used. The second issue highlighted was that, in the absence of SWFs, governments with weak absorption capacity (such as Mozambique) accelerate spending with rapidly reducing quality and efficiency of expenditure and increasing corruption.

In 2012 SPEED prepared a concept note on [Extractive Industries in Mozambique](#) that discussed the challenges ahead and proposed areas where SPEED could assist through research and policy

recommendations and a note on [absorption capacity](#), focusing on extractive industries tax laws, local content regulations, and competitiveness.

CTA asked SPEED to undertake preliminary work to define the issues related to competitiveness of Mozambique's non-extractive tradable sectors. A consultant prepared a [report](#) identifying the main competitiveness bottlenecks in four focus areas: agriculture, tourism, manufacturing, and labor. On the basis of this report, a series of four in-depth sectoral studies were conceived and undertaken.



— Sergio Chitara, General Manager, External Relations Vale Mozambique

Over the past few years, SPEED has raised important issues related to how the coming natural resource boom will likely affect the overall competitiveness of the Mozambican economy. This work has rightly stressed the critical importance of continuing to improve the business environment, as well as looking for opportunities for Mozambicans and Mozambican businesses to benefit from the extractives sector.”

The studies (as discussed in detail in foregoing sections) analyzed current operators in the sectors and developed scenarios related to economic changes arising from the resource boom, and the potential impact of these scenarios on the operators.

An additional report describing Dutch Disease and comparative examples in other countries was prepared and is available [here](#).

All the key materials developed during the 2012-2014 period addressing the issues of the resource boom, Dutch disease, and competitiveness were disseminated and published on SPEED's website and compiled into a publication available in physical format and to download as a PDF and as an e-book (available [here](#)). Introductory notes were provided by the Ambassador of the United States to Mozambique and CTA's President.

A panel of experts (Tyler Biggs, Lynn Salinger, Caroline Ennis, Luke Kozumbo and Maria Nita Dengo) gave a series of seminars in Nampula, Beira and Maputo to discuss the potential impacts of the resource boom on competitiveness. Seminars were aimed at business, government, donors, press and academia, and took place during the week of 08-12 December 2014.

Results. SPEED's work on the resource boom helped put the issues on the policy map in Mozambique, and vastly increased the volume and level of debate on the challenges ahead. Specifically, the exchange rate work helped place currency appreciation on the agenda as a major policy issue in Mozambique.

Work on SWFs helped place the discussion of the resource curse and SWFs at the center of the policy debate.



“The documents collected in the SPEED publication show, there are significant challenges in ensuring that the country's key sectors such as agriculture, tourism and manufacturing become, and remain, competitive. This competitiveness will be critical to ensuring that the resource boom truly delivers on its promise and that there are opportunities for quality employment and socio-economic development to transform the lives of everyone in Mozambique”

—Douglas Griffiths Ambassador for the United States of America to the Republic of Mozambique

SPEED's ongoing work in this area has placed CTA and the Program at the forefront of conversations about the likely impact of the resource boom on Mozambique's economy.

SUPPORT TO EITI-MOZAMBIQUE

Context: Recent discoveries of significant reserves of coal, gas and petroleum have led to sizeable inflows of investment in the extractive industry. Recognizing the importance of transparency in non-renewable resource mobilization and use, the government sought to join EITI (Extractive Industries Transparency Initiative). An EITI Secretariat was established, and the Ministry of Mineral Resources, in partnership with stakeholders, led the application process.

As part of the application process, the EITI Secretariat developed reports for 2008 and 2009. While both reports were seen as problematic, the 2009 report prepared by Ernst & Young and funded by the World Bank Trust Fund, was considered an improvement.

Activities. SPEED provided assistance to the EITI Secretariat to produce 7,000 copies of a booklet (in English and Portuguese) containing a summary of the report. The purpose of the booklet was to make the 2nd Reconciliation Report (2009) more easily accessible to the public. This report compared declarations of payments made by companies in the extractive sector to receipts from government. In addition, 100 copies of the full report were produced. The distribution of the brochures was through workshops organized by EITI-Mozambique throughout the country.

Results: Mozambique was declared "EITI compliant" on 26 October 2012.

ANALYSIS OF EXTRACTIVE INDUSTRIES LEGISLATION

Context. Mozambique finds itself at a unique point in its history. Oil and gas exploration in the Rovuma basin has resulted in discovered reserves of around 170tcf of natural gas. This is one of the largest natural gas finds in recent history, and places Mozambique at around 5th place globally in terms of gas reserves. However, for the planned gas projects to move forward a very specific set of conditions have to be in place. One of the key elements is the legal framework.

The last few years have seen an explosion of new laws and regulations for the sector. In 2012-2013 the government presented draft tax laws for both the mining and the petroleum sectors. The laws were subsequently enacted in 2014.

Also in 2014, Mozambican parliament approved and enacted several other pieces of extractive industry-related legislation namely:

- Mining Law No. 20/2014. The Ministry of Mineral Resources (MIREM) also submitted a draft of the mining regulation;
- Petroleum Law No. 21/2014. MIREM also presented a draft of the petroleum regulation which will complement the law;
- Decree Law No. 2/2014, which establishes a special legal and contractual regime for the Area 1 and 4 Rovuma basin LNG projects.

The above laws added to a large body of existing laws such as the Megaprojects Law, PPP Law, Civil Construction Regulations and the Investment Law. The result is a complex, and in some cases

contradictory, legal framework that has potentially introduced greater uncertainty for operators, investors and perhaps even for the government itself.

Over the lifetime of the Program, CTA requested SPEED's technical assistance in analyzing and commenting on various pieces of legislation for the mining and petroleum sectors which are highly specialized areas. These laws could be among the most important to be passed in Mozambique for the next generation.

Activities. On the mining and petroleum tax legislation, SPEED mobilized global expert Professor Richard Westin, to prepare [detailed comments](#) to both drafts as well as outline practices in similar countries. The main objective of these comparisons was to inform Mozambique's government and civil society about the most important vehicles used to maximize revenues from non-renewable sectors in a transparent and fair manner. The comments to both draft tax laws were submitted to the government by CTA. Prof Westin also visited Mozambique and held extensive discussions with the Tax Authority, the Ministry of Mineral Resources, the National Institute of Petroleum, the National Institute of Mining, and extractive industry companies. Some of Professor Westin's key conclusions and recommendations included replacing production tax with a royalty for simplicity or at least making the production tax deductible in computing corporate tax (the draft would result in a tax rate of over 100%); putting all tax payers on accrual method since the cash method is too easily abused; and removing time limit on loss carry forwards (draft proposed a 5 year limit).

SPEED also prepared comments on the draft mining regulation, the objective of which was to assess and comment on the draft regulation's consistency with the Mining Law and assess the draft's consistency with international mining industry best practice. The analysis revealed several inconsistencies in terms of definitions and technical application, between the Mining Law and the proposed regulation. Additionally, the use of legal terms was found to be confusing with various different mineral titles mixed within the various sections of the regulations. The regulation was deemed not conducive to attracting international investors as important elements such as security of tenure are not guaranteed, nor is the first-come first-serve principle (an international best practice) followed. Finally, the analysis revealed that important concepts such as "Authorities", and their powers, are only vaguely defined or not at all. The draft regulation was also translated to English and a report comparing the proposed draft was prepared. The analysis is available [here](#).

SPEED prepared comments on the draft petroleum regulation. The objective of the analysis was to assess the draft's consistency with the new Petroleum Law. The review concluded that the regulation doesn't address several important items from the Petroleum Law such as the role of the *Extractive Industry's High Authority*, further details around the 25% domestic gas and role of ENH (the national oil company) in petroleum operations and marketing and trading activities. Additionally, the regulation introduces several ambiguous terms such as "reasonable commercial terms" and "major contracts" and which create regulatory uncertainty. In order to enable broader access to the document, the draft regulation was translated to English and posted on the SPEED website.

The report and translation are available [here](#).

CTA asked SPEED to analyze Mozambique's LNG legal regime and assess its impact on the current LNG projects. The study also sought to present a possible way forward based on best practice from other jurisdictions, while taking into account the specificities of the Mozambican case. One of the main conclusions of the study is that the current Mozambican legal framework does not yet present a level of

regulatory security consistent with modern petroleum legislation. This is mainly due to the low quality of the Petroleum Law which introduces a high level of uncertainty for regulators, investors and operators, mainly due to:

- Insufficient definition of the responsibilities of the principal sector regulators and no mechanism for coordination with other relevant authorities;
- Undefined criteria for potential government intervention;
- Discretionary provisions leaving unreasonable room for regulatory delays, abuse and corruption;
- Unusual time limits in stability clauses for fiscal benefits;
- Contradictory conditions for access to international arbitration.

A key recommendation of the study was that the regulation of the Petroleum Law be used to clarify provisions, close gaps and add specific requirements in order to better define the operators' obligations and limit the discretion of the regulators. The study presented a methodology to guide the relevant authorities in the regulation drafting process.

Finally, the study highlighted the importance of institutional capacity-building, to enhance the country's ability to effectively regulate this complex industry, and that of interagency coordination to avoid regulatory gaps.

The final report is available [here](#).

Results. At the beginning of 2014, the government issued revised drafts of the mining and petroleum tax laws. Professor Westin once again commented noting that his original recommendations had been almost completely disregarded. Despite advocacy efforts the new Petroleum and Mining Tax Laws were enacted in September 2014 with few additional changes.

Discussions between SPEED consultants and key stakeholders contributed to the completion of the LNG decree (Special Regime for LNG projects in Areas 1 and 4 of the Rovuma Basin). The decree was published on December 2nd, 2014 and is a major milestone in the development of Mozambique's oil and gas industry as it will enable the first LNG projects to advance.

ANALYSIS OF DRAFT TRANSFER PRICING REGULATIONS

Context. It is estimated that the African continent loses billions of dollars annually due to mispricing of intercompany transactions. Mozambique is particularly susceptible to this practice since the economy is dominated by multinational firms and the country lacks the regulatory sophistication to adequately supervise operations. At the same time, it is important that Mozambique implements a regulatory framework (and associated administrative procedures) that is not restrictive so as avoid creating a barrier to foreign investment.

In November 2014, the Tax Authority circulated draft legislation on transfer pricing. The objective of the legislation was to establish regulatory procedures for the adjustment of taxable income allowed under Law n.º 34/2007 and Law n.º 19/2013, in order to assist the Tax Authority in mitigating the risk of tax evasion through transfer pricing.

Activities. SPEED analyzed the draft decree in terms of legal content and accounting and tax implications including assessing the draft's consistency with other pieces of legislation. The analysis revealed several

inconsistencies between the decree and the relevant primary legislation (Law No. 19/2013). Other identified issues include: inconsistent use of terms within the document; excessive complexity; use of terms that are not clearly defined in the document; and uncertainty regarding the territorial scope of the decree.

Results. The report is available [here](#).

LOCAL CONTENT

Context. Countries experiencing natural resource booms inevitably struggle with the question of how to best ensure that local businesses can effectively supply goods and services to the dynamic extractives sector. Local suppliers in Mozambique lack capacity in terms of the quantity, quality, and health and safety standards required by international extractives companies. At the same time there is significant political pressure to force the extractives companies to increase the local content of their spend through quotas and other legal requirements that have elsewhere resulted in distortions, corruption, and increased costs of doing business. However in addition to taxes and royalties, the extractive industry can potentially stimulate development opportunities and unleash a country's wealth and prosperity, especially if such industry is well integrated into the economy through policies and incentives that foster development and competitive businesses.

Opportunities for large investments in infrastructure and services supporting the extractive sector potentially open up new markets for Mozambican businesses but critical questions include how Mozambican businesses can best participate in the new economy, and how best to stimulate the development of the private sector to take maximum advantage of the resource boom.

Activities. In 2012, SPEED began informing stakeholders and particularly the government about the opportunities and risks associated with the growth of the extractives sector and its likely impacts on local business. A review of experiences from a range of countries, including Mozambique, in SME linkages to extractive industries indicated that policy choices supporting the business environment are critical to best stimulate economic opportunities. In addition to business linkages, understanding the implications of local content policy and strategy choices was identified as being of critical importance.

SPEED worked with CTA to seek solutions that would avoid the worst of the commonly applied legislative solutions, yet align stakeholders behind a longer-term vision and strategy to improve capacity and increase local content. An assessment of the content drew on international and regional examples of local content policies, laws and regulations and provided recommendations on how Mozambique could strengthen its local content policy.

The assessment revealed several underlying constraints related to local content and local supplier development. Many of these issues related to weaknesses in the business environment and require policy reforms. Some could be addressed through a Local Content Policy that would outline how the government works with extractive industry companies to help build local suppliers and local supply chains. The study recommended the establishment of a senior-level Local Content Task Force to support policy, coordination and monitoring of local content development.

Building on these recommendations, CTA requested SPEED's support to draft the terms of reference for a Local Content Task Force (LCTF). This development unfolded in a context where international oil and gas companies, the National Oil Company (ENH) and various other stakeholders were engaging in uncoordinated local content initiatives while the government seemed to be moving towards legislation

and regulation of local content prior to developing a broader vision and policy for what they want to achieve with the new laws. Discussions about the establishment of this task force and the form it will take are ongoing.

At the end of 2014, the Mozambican Ministry of Planning and Development announced that it would be working on a National Content Law that would provide an overarching framework for subsequent sector-specific legislation. To kick-off this process, the Ministry held a public workshop in Maputo at which SPEED delivered a presentation on behalf of SPEED and CTA. SPEED's work on this matter can be found [here](#).

Another issue that surfaced during the course of this work is the proliferation of local content stipulations in existing laws. SPEED produced a complete review of local content provisions in current regulations and legislation in Mozambique. The study was presented in a SPEED/CTA public workshop in Maputo. This type of assessment had never been undertaken and added significant value to any future local content activities. The Ministry of Planning and Development (now Ministry of Economy and Finance) and CTA are now equipped with the information and tools necessary to engage in meaningful dialogue on the topic.

To further increase SPEED's ability to respond to requests for technical assistance in this area, two of the Program's technical team participated in a 3-day local content course and conference in London.

Results. SPEED's local content work put USAID / SPEED on the map on the topic, and SPEED experts are now actively sought after as trusted advisors by CTA and government. SPEED's initial local content review was used to raise awareness of issues and as a platform for stakeholder discussions around local content.

MULTI-STAKEHOLDER DIALOGUE PLATFORM

Context. Mozambique has emerged as a major player in the natural gas sector. This will undoubtedly have a profound impact on the country's economy and on the lives of Mozambican citizens. However, this development also comes with the challenge of managing the resources in a transparent and accountable manner, managing impacts on the environment and the livelihoods of local communities, and generating positive outcomes for all stakeholders. In this complex and dynamic environment there is also a great need to manage expectations, to make sure all voices are heard, and to ensure that there is an effective mechanism for dialogue and conflict resolution.

Building on the World Conservation Union's (IUCN) Sustainable and Fair Coasts Program (phase I), SPEED received a proposal from IUCN for the 'Sustainable Fair Coasts Project (2014-2018)' the objective of which was to support key stakeholders in the LNG industry in Mozambique in their efforts to develop a successful, inclusive and responsible LNG sector that delivers sustainable livelihoods and promotes biodiversity conservation in Cabo Delgado.

SPEED provided a seed grant to IUCN on establishing the Cabo Delgado Sustainable Development Forum which would provide a "neutral" dialogue platform. The forum would bring together government, civil society, local business, local communities and international extractive companies, to engage in dialogue to address the likely economic, social, and environment impacts of LNG projects in Cabo Delgado.

Activities. SPEED held extensive financial planning, procurement training, programmatic and strategic planning sessions with IUCN. IUCN performed a stakeholder analysis, deployed a project team, held one-

on-one stakeholder engagement sessions in Cabo Delgado and Maputo, sourced and appointed a key consultant, held program update meetings in Pemba and Maputo, analyzed lessons from similar forums, and developed a concept note for the forum.

The work was on schedule and had been receiving positive feedback from stakeholders including district, provincial and national government representatives and private companies. However, late in the process the Governor requested that IUCN wait until the new government was in place before launching the forum. After discussion between the parties involved in developing the forum concept (IUCN, SPEED, USAID, MASC and the French Embassy) it was decided that moving forward with the launch of the forum against this explicit request from the Governor would present too much of a risk. Therefore IUCN was unable to meet its central deliverable to launch and convene the Cabo Delgado Forum. Since this was a deliverables-based grant, the failure to complete the aforementioned deliverable resulted in the cancellation of the grant.

Results. IUCN presented a “[CDSDF Lessons Learned Paper](#)”.

COMMUNICATION FOR POLICY CHANGE (C4PC)

Context. Mozambique undertook reforms to improve business environment and a variety of strategies and institutional structures are related to the reform agenda. However, adoption and implementation of reforms have been slow and few real improvements realized so far. Lack of access to information at least partially explains this disconnect.

SPEED believes that communication will contribute to policy reform adoption and implementation in Mozambique, and a more strategic approach to communication will improve understanding among key decision makers of the need for reforms, clarify paths to reform (solutions and processes), and increase “pressure” from various stakeholders and decision makers to advance the reform process.

Most of the work which SPEED undertakes is documented on the Program’s web site. However social media can be used to drive more people to the site to access the documents there and take part in discussions on economic policy issues affecting Mozambique. Social media is becoming increasingly important as a form of communication and discussion in Mozambique.

Activities. SPEED, supported by a Communication Specialist, developed a [C4PC strategy](#) which outlines a framework to influence decision makers to take actions that accelerate policy reform implementation. C4PC aimed to guide overall stakeholder engagement in advocating for implementation of on-going business environment reforms. It focused on three of SPEED’s areas of intervention, namely: business environment, resource boom and agriculture.

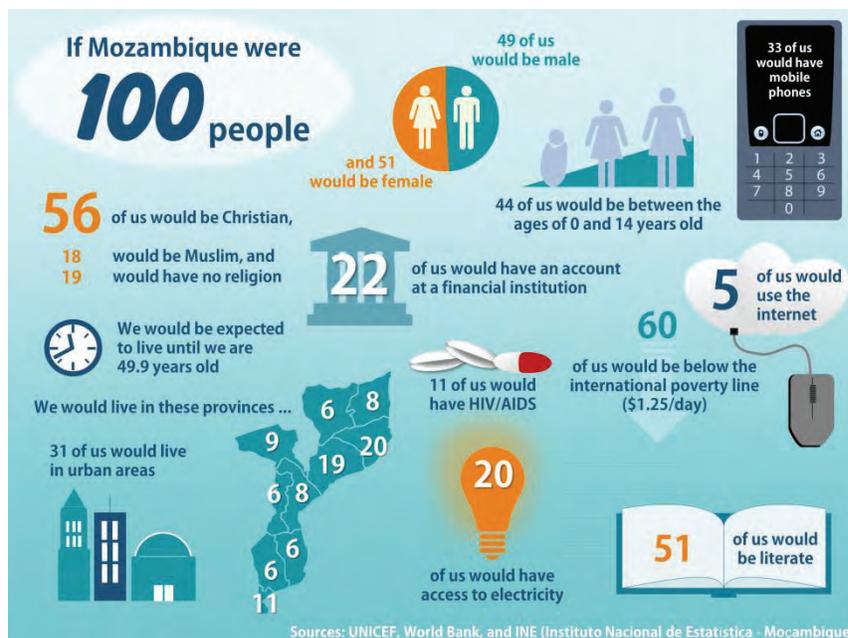
SPEED has a Facebook page, and LinkedIn and Twitter accounts as well as its [website](#) which includes [blogs](#). SPEED actively engaged through social media to disseminate information about policy change issues. SPEED staff and others contributed a series of nearly 150 blogs which were regularly uploaded onto the Program’s web site. Social media was then used to “drive” interested parties to the site where they could access documents around relevant policy issues. Social media is also used to highlight policy-related events being undertaken by Program partners. Social media allowed the Program to engage with a demographic comprising younger people and those with access to the internet (usually the employed) in order to provide input about key policy issues in line with the objectives of C4PC.

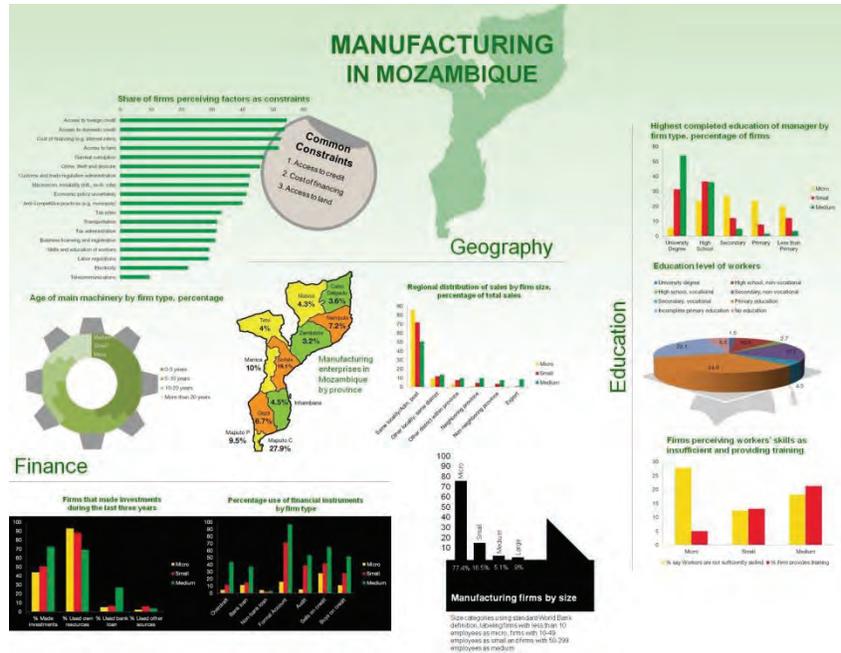
To increase discussion and debate around agriculture and the resource boom, SPEED undertook the Agro.Biz agriculture media project in partnership with CTA and Soico (see above). This project was directly linked to the Program’s web site and social media including a YouTube channel (see [here](#)). A compilation book of relevant documents generated during the life of SPEED and related to competitiveness and the resource boom ([here](#)) was widely disseminated and distributed to increase access to information thus promoting informed debate.

SPEED worked with a content development company, Edu.Digital, to increase the number of blogs and opinion pieces available for posting with a view to disseminating information about reports published and events through social media channels. Information dissemination on Facebook was augmented by “boosting” posts to maximize exposure of key pieces of information.

SPEED submitted a series of “Success Stories” to USAID. They are available [here](#) (which was also blogged about [here](#)) (Doing Business rankings), [here](#) (customs transit procedures), [here](#) (open skies), and [here](#) (insolvency legislation).

To further foment debate around key issues the Program developed the following info-graphics which have been shared through social media:





Results. Following the development of its C4PC strategy, in 2014 the Program began more actively focusing on communication. As a result SPEED now has 7,585 followers on Facebook, 500 connections on LinkedIn and 60 followers on Twitter. The main focus of the Program’s social media activities has been Face Book since this is the most commonly used by Mozambicans. On Face book up to 15,000 people saw posts, with posts related to blogs generally averaging around 11,400 views.

ECONOMICS TRAINING FOR JOURNALISTS

Context. The media can have a powerful influence in shaping attitudes and informing (or misinforming) citizens about public policy issues. Given this power, SPEED prioritized its relationships with the media to convey key messages and recommendations to policy makers along with using social media and working directly with media organization Soico to roll out Agro.Biz (as discussed above).

Activities: In 2011 and 2012, SPEED provided an economics training course for journalists. The aim was both to enhance the quality of economic, financial and business reporting in Mozambique and also to improve the role of media organizations in monitoring economic policy-making and the government’s management of finances. Conducted by the Thomson Reuters Foundation, the training benefited 15 journalists from the main print, online, and broadcast media institutions based in Maputo, Beira and Nampula.

Results. The trained journalists are better equipped to report on economic issues, and are now able to interact with thousands of journalists around the world through the Thomson Reuters Foundation network. The media strengthening function was later taken over by another USAID-funded program, the Mozambique Media Strengthening Program (IREX) and SPEED continues to liaise with that organization.

QUELIMANE MUNICIPAL AUDIT

Context. Quelimane was the second city in Mozambique to elect a mayor from the opposition MDM party. On entry into the position, the new mayor was concerned about the state of municipal finances.

Activities. The Mayor of Quelimane requested SPEED's support to audit the municipal accounts. The overall objective was to obtain the professional opinion of an independent auditor about the city's financial and operational reporting, to evaluate internal control systems and assess the use of municipal resources, in accordance with the government's rules on public finance management.

KPMG was selected and a pre-audit conducted jointly by SPEED and KPMG. KPMG then proceeded with the main audit and in December 2012 issued a report stating that they found it impossible to issue an opinion. The management letter stating a "no opinion" audit finding was submitted to the mayor.

Results. The completed audit [report](#) underlined the general disarray in the city's financial situation as the mayor expected. The mayor committed to implementing the recommendations in the management letter, as well as developing a strategy to communicate the results of the audit.

PUBLIC PROBITY LAW

Context. Mozambique began updating its anti-corruption package in 2010 and SPEED was asked to provide support with analysis and dissemination of this important raft of legislation.

Activities. In 2011, SPEED supported an [analysis of the anti-corruption package](#) under consideration by the Mozambican legislature. Three out of five elements of the package were subsequently passed by parliament, including the *Lei da Probidade Publica* (Public Probity Law). This law, which was passed in May 2012, contains conflict of interest and declaration of assets provisions that are important for fighting corruption. SPEED supported UTREL (Legal Reform Technical Unit - a public institution subordinated to the Commission for Public Sector Reform and overseen by the Minister of Justice) to publish and disseminate an annotated and commented version of the law.

Results. 50,000 books were produced and disseminated across the country. The Public Probity Law is a very timely piece of legislation that should contribute to increasing the credibility of Mozambican institutions and preserving the integrity of civil servants.

SUPPORT TO ATTORNEY GENERAL'S OFFICE

Context. Following the passage of the Public Probity Law in May 2012, donors shifted their efforts toward helping the government implement the law. The Attorney General's office requested the support of a short-term consultant to assist in identifying financing gaps in the strategic plans of the Attorney General's office (PGR) and the Central Office for Combating Corruption (GCCC), mapping pledged external funding against these gaps and drafting a consolidated operational plan.

Activities. SPEED assisted the Attorney General's Office to develop its strategic and operational plan, producing tools to guide the implementation of the PGR and GCCC's strategic plans, which included implementation of the new anti-corruption legislation.

The SPEED consultant assisted the PGR to develop four proposals with detailed input based budgets and to demonstrate that the envisaged USAID & EU financed activities would contribute to outputs and outcomes that were aligned with the PGR's Strategic Plan.

Results. The PGR was equipped with:

- An updated budget;
- Logical framework/operational plan (2012-2014) for USAID funds
- Logical framework /operational plan (2012-2015) for EU funds
- Proposal for an integrated financial management mechanism for the channeling of external funds

The work enabled the disbursement of over US\$ 6 million in external funding which would assist the PGR in setting up the new bodies envisaged in the anti-corruption legislation and thus more effectively preventing and prosecuting corruption.

ROLE OF THE STATE IN BUSINESS

Context. The government has regularly intervened in the business environment with the aim of unlocking constraints and improving the business environment. However its involvement in the private sector itself has also increased recently. Cases of acquisitions, establishment of firms with private sector orientation, doing *de facto* business have raised fears that the state is unfairly competing with the private sector. Moreover, these actions threaten to reverse hard-won reforms over the past 20 years that have shepherded the country from a centrally-run to a market-based economy.

Activities. To contribute towards a better understanding of this phenomenon and to clarify the role business believes the state should play in the country’s business environment, SPEED in collaboration with CTA analyzed the apparently growing role the state has in business. The analysis also sought to provide a range of options to the private sector on doing business in a natural resource rich environment, when faced with a growing role of the state. Extensive consultations, interviews and data collection were undertaken and an analytical report was prepared and launched at a business briefing in late July 2014.

Results. SPEED’s [report](#) in this area has revealed a number of business unfriendly practices. The state has become increasingly involved in business. It sets the policies, regulates the industry, establishes and runs its own companies competing with the private firms from which it also collects taxes. The analysis produced results which surprised the business community, and the private sector has begun demanding that the state limits its involvement in the business environment unless it is for social and strategic interests. Following on from this activity, many in business and civil society have been watching for state engagement in business, including adopting a strong stance where the Law on Public Probity has been invoked to prevent the state and public officials’ involvement in corrupt and unethical practices.

IOD CORPORATE CODE OF ETHICS

Context. SPEED supported Mozambique’s IoD (Institute of Directors), a non-profit organization focused on improving Mozambique’s corporate governance, by financing the preparation and implementation of a [Code of Ethics in Mozambique](#). The code was launched in late 2011 at a ceremony which included the participation of the President of Mozambique.

Activities. Several workshops were held to discuss and agree with stakeholders the main principles behind the code, and guidelines for its preparation. As part of the process of building IoD’s capacity to develop the Code of Ethics, SPEED supported a team of three IoD representatives to attend the Second Conference of Ethics in Johannesburg.

Results. IoD felt that attendance at the Ethics Conference was productive, as it gave them an understanding of how corporate governance can incorporate ethics effectively. The IoD Code of

Governance and a Code of Ethics were drafted and launched establishing a unique framework for transparency and individual and corporate accountability in Mozambique. At the launch of the Code of Ethics 15 companies signed up, now the total number adhering to the Code is 27. IoD continues to offer various workshops and seminars about ethics and anti-corruption and to engage via its [web site](#) with its members and other interested parties.

INSTITUTIONAL SUPPORT AND CAPACITY BUILDING

In addition to the core technical work described in the previous sections, SPEED provided institutional support and capacity building to a wide range of public and private partners. Institutional support was provided to private sector organizations including CTA, AMCHAM Mozambique, the Alternative Dispute Resolution Commission, the Center for Mozambican and International Studies, ACIS, and the Institute of Directors. Public sector beneficiaries of SPEED’s institutional support included the Ministries of Industry & Trade, Agriculture, Tourism, Finance, and Justice. SPEED worked with 34 CSOs. Capacity-building and outreach activities reached 8,362 people of which 1,750 were women. (See Annex 1).

The following is a non-exhaustive list which exemplifies the type of work undertaken. It is divided into institutional support: private sector, public sector; and capacity building per sector per reporting year.

INSTITUTIONAL SUPPORT

PRIVATE SECTOR

Confederation of Business Associations (CTA)

Context. CTA is an apex confederation of business associations in Mozambique. 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 is the government’s primary private sector counterpart. It has received institutional capacity building support from USAID over the past fifteen years and is the most important SPEED partner.

Activities. To strengthen the quality of services provided to its membership, SPEED provided capacity support to CTA throughout the Program, including providing a policy analyst and technical assistance on demand.



“CTA has had a long and successful working relationship with SPEED. The program has supported us since 2010 in a variety of ways. SPEED’s demand-driven approach and flexibility have enabled us to obtain technical advice when we have needed it, even at short notice. This support has enabled us to actively participate in public-

private dialogue and to effectively influence policy changes aimed at improving Mozambique’s business environment”.

—*Rogério Manuel, CTA President*

Throughout this report activities are indicated as being undertaken in partnership with CTA. In addition to those technical support activities, additional institutional support activities are presented here:

- 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;
- Board of Directors strategy retreat – CTA’s new Board of Director conducted strategic planning retreat;

- Grant reconciliation – SPEED assisted CTA in the accounting and reporting process for reconciling previous grant funds that had been obtained from USAID;
- Bridging grant to support the CTA’s Executive Director until the organization secured additional funding for the position;
- Analysis of cabotage in Mozambique;
- Analysis of the possibility of introducing a training levy to support private sector efforts to improve workforce skills;
- Options for global advertising of Mozambique as a tourism destination;
- Analysis of the impact of a new legislation regulating the production, packaging and distribution of alcohol drinks in Mozambique;
- Assessment of the current state of international trade and highlighting trade related issues such as non-tariff barriers with particular focus on SADC, and in developing a position and strategy paper to support the organization in advocating for trade-related reform efforts, particularly in export-oriented sectors;
- Analysis of LAM’s tariffs to better understand the structure of these and the impact of government taxes and levies on air ticket pricing;
- Analysis of proposed legislation on Agriculture, Food Security and Nutrition;
- analysis of public sector participation in business and its impacts on business and competitiveness;
- Analysis of the electricity tariff structure to understand why electricity is so expensive for the commercial and industrial consumers in Mozambique;
- Study on sources of financing in Mozambique, including considering what banks and other financial institutions are offering to the private sector. The results of this study to be transformed into a web platform to facilitate access to the information gathered;
- Assessment of which agricultural products could increase the farmer income and have potential for export in order to promote the diversification of products by studying the potential of 5-10 agricultural products that could improve farmers and smallholder income;
- Why the Mozambican poultry industry is not competitive, with those of Brazil and South Africa;
- Study about local content to understand how local firms can take advantage of the natural resource boom in Mozambique by providing services and goods to the multinationals. Establishment of a Local Content Task Force (LCTF) comprising public and private entities, the design of its governance and its action plan;
- Participation in the US-Africa Summit and Civil Society Forum;
- Consultative meetings with business and government – CAC and CASP;
- Strategic retreat with government counterparts from GIRB.

Results. Under SPEED, CTA has strengthened its analytical capabilities, aiming to improve its capacity to influence policy reforms for a better business environment.

By the end of SPEED CTA had a new Executive Director and Finance Director in place. SPEED had provided training and tools to build the organization's capacity to manage its finances and procurement and to implement new management systems.

SPEED and CTA were able to work together throughout the Program to push forward important reforms as described in this report and SPEED supported CTA in developing an improved model for Public-Private Dialogue as well as advocating for reform to public participation in the legislative process.

ACIS

Context. ACIS is an a-political, autonomous, private, non-profit association with over 300 members and a goal to promote and develop commerce and industry through strengthening of sustainable local businesses, as well as contributing to the development in Mozambique of an economy based on private sector participation.

Activities. SPEED worked with ACIS on a variety of issues as discussed throughout this report as well as assisting the association to update and expand its inventory of useful tools, including:

- **Legal framework guide for land** –updating and formalizing the Legal Framework Guide for Acquiring Land Rights, a guide to help companies get through the complex land process in Mozambique.
- **Legal framework series on tax** –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.
- **Commercial code translation** –translating Mozambique's Commercial Code so that it can be made available to the many foreign investors who are requesting the code in English.

CCMUSA - AMCHAM

Context. Although American companies are increasingly attracted to Mozambique as an investment location, historically the country has lacked a dedicated organization to help orient them to opportunities. The United States-Mozambique Chamber of Commerce (CCMUSA) had not pursued the steps necessary for accreditation with the Chamber of Commerce in Washington, D.C.

Activities. SPEED worked with the American embassy and CCMUSA to prepare CCMUSA's accreditation application to the American Chamber of Commerce. This work included preparing and consolidating bylaws, membership lists, activity programs and financial statements. Following accreditation SPEED supported AMCHAM to develop a five year strategic plan.

Results. In June 2012, CCMUSA was recognized as the ninth officially recognized American Chamber of Commerce (AMCHAM) affiliate in sub-Saharan Africa. A strategic plan covering the period 2015-2019 and budget were approved by the AMCHAM board in February 2014 and are being implemented. These focus initially on reactivation and establishing CCMUSA's footprint and then on consolidation and growth.

CACM

Context. As the economy grows so too does the number of conflicts among companies. Delays in resolving commercial disputes through Mozambique's court system represent a major barrier to

development, sustainability and competitiveness in business. The Center for Arbitration, Conciliation and Mediation (CACM) is a nonprofit institution under the aegis of the CTA, formed to encourage and provide access to alternative and appropriate mechanisms for resolving disputes. Dispute resolution systems provide a better solution for business since they are generally rapid, cost effective, and fair.

Activities. SPEED provided a grant to CACM to implement the following activities:

- Resolution of conflicts
- Prevention of conflicts
- Training of mediators and arbitrators
- Providing public information on alternative dispute resolution mechanisms
- Expanding the culture of arbitration to other geographic areas and activities
- Connecting with other regional and international forums of mediation and arbitration.

CACM intensified prevention efforts and sought to disseminate the culture of ADR within the business community, the Bar Association and universities. CACM reported an increase in requests for mediation and arbitration.

Results. The number of cases seeking resolution by ADR increased. In the 2012-2013 period CACM received eighteen requests for arbitration, sixteen cases were heard and fourteen arbitration meetings took place.

Tiri Pamodzi

Context. Tiri Pamodzi is a foundation targeting private sector development, women's empowerment in business, youth entrepreneurship and the impact of HIV/AIDS on business.

Activities. SPEED support to Tiri Pamodzi had two components. The first component entailed technical assistance to help Tiri Pamodzi prepare its business plan and accompanying resource mobilization plan. The second component comprised a SPEED grant to acquire basic office equipment, thus enabling the foundation to implement its business plan and objectives, as well as assisting Tiri Pamodzi develop its training center.

Results. With an improved business plan, Tiri Pamodzi began designing projects that allowed them to mobilize resources to make them self-sustaining.

Center for Mozambican and International Studies (CEMO)

Context. CEMO is non-profit civil society organization promoting analysis and debate of strategic public policies in Mozambique.

Activities. SPEED worked with CEMO to organize debates on the following:

- **Food subsidies** – a public forum to discuss the sustainability of government's proposed *Cesta Basica* – a subsidized food basket for the poor.
- **Investment incentives seminar** – 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)** – a seminar on the 10th anniversary of AGOA to explore experiences under AGOA to date and identify export opportunities for Mozambique.
- **SADC competitiveness seminar** – 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.

Milange Business Association (AGECOM)

Context. AGECOM was running monthly agricultural trade fairs bringing together producers in the district with both Mozambican and Malawian traders and had successfully applied for funds from the Milange District Development Fund to undertake further work promoting agricultural commercialization.

Activities. At the request of the Ministry of Industry and Trade, SPEED conducted an institutional assessment of AGECOM. In the course of preparing the assessment, which was generally positive, SPEED proposed capacity building activities in marketing, business planning, management and finance and supported these.

Following on from SPEED’s work with AGECOM, MIC requested that SPEED prepare a guide for district business associations throughout the country using AGECOM as a model. The goal was to show private sector operators in other districts how to form business associations and provide examples of activities on which to focus operations.

Results. AGECOM received technical assistance to support its work. MIC was equipped with a guide to support the development of district level associations.

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.
- **National Federation of Agricultural Associations (FENAGRI):** Launch of federation– SPEED provided assistance in a launch event for the newly formed Agricultural Federation of Mozambique.
- **Central Region Antenna (CEP):** Business association workshop – SPEED assisted with a workshop in Dondo organized by CTA’s Central Region Antenna focused on providing strengthening guidance and services to business associations in the region.
- **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.

PUBLIC SECTOR

Ministry of Industry and Trade (MIC)

The Ministry of Industry and Trade was SPEED’s principal counterpart in government and SPEED worked with many departments of the ministry. Aside from assistance on the policy subjects described in this report, SPEED supported MIC in undertaking a number of activities.

At the more technical level, SPEED, in collaboration with CTA and International Finance Corporation (IFC), supported MIC efforts (as the GoM’s focal point) to improve the business environment as well as the country’s ranking in the IFC/ World Bank’s Doing Business report. These efforts included drafting

and implementing the Business Environment Action Plan (PAMAN) and the second Business Environment Strategy (EMAN II), review of the DB data against the government's concerns on its methodology.

In terms of policy implementation, SPEED assisted MIC and its stakeholders in: (i) simplifying the process of obtaining construction permits; (ii) streamlining the application forms for starting a business into a single form (Formulário Único), in line with the new Integrated Platform of Services to the Citizen and the BAUs; (iii) implementing the insolvency law by conducting workshops for its dissemination and more specific technical meetings for the training of judges, prosecutors and clerks. In addition, in order to streamline the tax payment system in SPEED carry out a comprehensive study looking at: (i) the time and cost for companies to comply with tax obligations, (ii) tax payments that can be combined to reduce the number of payments over the course of a year, and (iii) possible impacts of such streamlining.

Finally, SPEED; (i) granted MIC staff with study scholarships and supported their participation in AGOA forums and a commodity exchange seminar; (ii) provided in-kind Grant of IT equipment to the Business Registration Agency and to the Department of Urbanization and Construction (DUC); (iii) provided DUC with three consultants to design a working business process management system; to create a database that supports a file tracking system, to install computing equipment and connect the network system, to perform a time-and-motion impact analysis on the implementation process of short-term reforms.

SPEED's support also covered institutions that report to MIC such as IPEX and IPEME. IN case of IPEX, SPEED supported to undertake its annual consultative meeting and also supported an economist within IPEX in order for IPEX to conduct monitoring and evaluation of its export promotion activities. For IPEME, the SME promotion institute, SPEED supported a number of activities with IPEME including a grant program and providing support to participate in trade fairs.

National Inspectorate for Economic Activities (INAE)

Context. One of the major concerns raised by the private sector was the burden caused by uncoordinated and non-transparent inspections carried out by public institutions. To address this, in 2009 the GoM created the National Inspectorate for Economic Activities – INAE (Decree No. 46/2009 of August 17) combining nine different inspectorates from various ministries. As a joint government, private sector and donor priority, the effectiveness of the new institution was monitored through the Performance Assessment Framework under the Programmatic Aid Partnership. INAE requested capacity-building support from SPEED to effectively start up its activities.

Activities. SPEED worked with INAE to adjust and update its human resource management system, including the design of new career and salary indexes for inspectors and a performance assessment framework for staff.

Results. These management tools were approved by the Government and are currently being implemented.

Maputo Public Transport Authority

Context. In 2011, the GoM adopted measures aiming at offsetting expected price increases due to the combined effect of eliminating domestic subsidies in fuel and wheat/bread and increases in world prices for basic foodstuffs. The measures included a proposed subsidy on transport for workers, students and the elderly.

Activities. Since part of the impact of the proposed measures was on the public transport authorities, Maputo's public transport authority (TPM) approached SPEED for help with human resource

management systems. The work comprised: (i) diagnosis of the current situation of human resource management to identify the main strengths and weaknesses, constraints and opportunities; (ii) development of a new career model that includes a staff development strategy; (iii) definition, by regulation, of basic rules for the high level staff; (iv) and the salary matrix under the formulation of the new salary policy.

Results. The [final report](#) was submitted to and approved by the board of TPM and the new human resource management system was available for TPM to implement.

Ministry of Finance

Context. Improving the quality of budget implementation is crucial for enhanced budget management and efficiency. Producing updated and timely assessments of budget execution enables the government to identify and take corrective measures when needed. assisted the Ministry of Finance (MoF) to produce quarterly budget reports on time with analytical assessments alerting for emerging issues and making policy recommendations.

Activities. SPEED initially assisted the Ministry and the Treasury to produce aggregate comprehensive quarterly reports. These reports have been produced on a regular basis since April 2011. The MoF's individual departments (budget, accounting, information systems, procurement, etc.) often have skilled staff that possesses in-depth knowledge about their own departments' activities and procedures. The public financial management information system is good and produces most of the data needed for the Ministry's quarterly reports. These reports were compiled by individual departments, but no consolidated overall budget existed – a gap SPEED was asked to help fill. There was also a need for monthly reporting so that the government could monitor inflows and outflows more rigorously. Enhanced reporting also helped the Treasury formulate more accurate and responsive budgets over the long term.

SPEED assisted MoF with the preparation of the 2011 annual budget report and the first quarter 2012 budget report. GoM then asked SPEED to train a group of staff, including staff from Treasury and officials from budget accounting, and public debt, to take charge of preparing regular budget reporting, monitoring and analysis. With the training completed, the Ministry of Finance was able to initiate monthly budget reporting which improved reporting and planning for both the MoF and the Treasury.

Results. SPEED assisted in preparing a consolidated 2011 annual budget report and a 1st quarter 2012 budget report. The MoF was able to initiate monthly budget reporting and establish this mechanism as a working routine.

Private Sector Working Group

Context. The Private Sector Working Group (PSWG) comprises those Programmatic Aid Partners (PAPs), and other bilateral agencies involved in private sector development. The [Performance Assessment Framework \(PAF\)](#) is a tool used by the PAPs to monitor Government's performance in a specific year. One area of monitoring relates to tracking indicators on employment promotion within the SME promotion section of the broader PAF matrix.

Activities. The Private Sector Working Group (PSWG) comprises MIC, CTA and the Programmatic Aid Partners (PAPs), and other bilateral agencies involved in private sector development. SPEED provided support to the PSWG in the form of coordinating group activities and communication efforts, and preparing technical inputs for the monthly meetings. 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 accompanied by a technical note submitted to the group;
- Provision of inputs for results indicators focused on improving the business environment for SMEs and thus boosting employment generation in the sector. In addition, implementation of key policy reforms with direct impact on SME promotion would also contribute to improving the country’s position in the Doing Business report ranking. At the technical level, the exercise was chaired by Ministry of Labor, and had the participation of MIC, CTA, World Bank, IFC, USAID and SPEED;
- Providing inputs for the drafting of the 2015 annual plan at the group strategic retreat.

Results. The Government and the PAPs agreed to maintain focus on the business environment within the framework of the employment promotion subsection within the SME Promotion section of the PAF matrix and SPEED participated actively in the PSWG throughout the program.

CAPACITY BUILDING

PRIVATE SECTOR AND CIVIL SOCIETY

2011–2012

US/Mozambique Business Conference. SPEED supported the U.S. Embassy in Mozambique in organizing the U.S./Mozambique Business Conference, held in April 2012. The conference brought together 318 participants, including American companies, as well as companies in the region, to learn about investment opportunities in Mozambique. The more than 150 companies represented were able to meet with local firms and government officials; more than 900 business-to-business “speed networking” meetings were arranged. Media coverage was extensive and complimentary with coverage on networks such as CNBC Africa. SPEED helped organize the conference and handled finances and website updates. Anecdotal evidence suggests that some companies finalized their decisions to invest in Mozambique based partly or primarily on their participation in the US/Mozambique “Let’s Do Business” conference. For instance, Cargill accelerated plans to invest more in Mozambique after this event and the Agriculture Forum that followed (see “Grow Africa / New Alliance for Food Security in Africa” below). Other companies such as Brithol Michoma, Flour, GE, ADM, and AGCO have made return visits to Mozambique, with the help of the U.S. Embassy. Along the same lines, The Business Year, an economic news service, decided to establish a presence in Mozambique based on the potential from the conference.

Access Africa Forum in Portugal. The Access Africa Forum was developed by the U.S. Embassy in Portugal in partnership with the American Chamber of Commerce in Portugal and the Luso-American

Foundation (FLAD). The first conference took place in June 2010. This second conference focused on linking U.S. and Portuguese investors with Mozambique. Approximately 200 participants attended the forum. SPEED supported the participation of the President of CCMUSA (AmCham Mozambique) at the conference.

BIOFUND Mozambique. The World Wildlife Federation (WWF) supported the development of a BIOFUND in Mozambique to invest in biodiversity-related projects. They requested SPEED to sit on the review committee for pre-screening of potential fund managers. SPEED helped identify the top three firms, which were subsequently asked to submit formal proposals. SPEED also provided advice on the scoring matrix for the final proposals.

Commercial Code Translation. Translation of Mozambique’s Commercial Code into English was requested by ACIS. The Commercial Code is long – more than 500 articles - and parts of it had been translated previously and were available to the public, but the majority of the code was only available in Portuguese. Having the code in English is important to investors in order to better understand the business environment. The translated Commercial Code is now available on both the SPEED and ACIS websites.

Africa Regional Doing Business conference. SPEED joined the Mozambican participants attending the conference on “Doing Business Reform in Africa – A Peer to Peer Learning Experience”. The event, organized by the Botswana Ministry of Trade and Industry, World Bank Group and RMCE, took place in Gaborone, Botswana, from 28 to 30 March 2012. The Mozambican team comprised participants from five organizations: CTA, IFC, MIC, GIZ and SPEED. Four Doing Business indicators were identified as the most challenging in the region: closing a business, enforcing contracts, getting credit and registering property. The conference enabled peer to peer learning on these indicators between Mozambique and other countries.

2012–2013

Agricultural policy exchange and learning event. In May 2013, SPEED supported the MINAG senior policy advisor to take part in this event which aimed to discuss systemic policy constraints that block the achievement of national agriculture and food security investment plans and identify specific steps that countries can take to overcome these constraints. The event brought together participants from CAADP countries such as Tanzania, Mozambique, Ethiopia, Rwanda, Ghana, and Senegal. The event sought to share country examples of systemic policy constraints; explore lessons, experiences, and evidence that countries can use to overcome these constraints; and initiate a country action planning process that would lead to a sustained, robust policy system in each country. The key result was a more coherent and informed team in Mozambique that deals with the New Alliance and CAADP.

Gorongosa workshop. SPEED supported the Mount Gorongosa Workshop in February 2013 which included key stakeholders representing the Ministry of Tourism, Gorongosa Restoration Project (GRP), USAID and speakers with experience in integrating conservation, communities and economic development activities around the world. The goal of the workshop was to explore ways to address the loss and degradation of biodiversity on Mount Gorongosa, and specifically how to address livelihoods issues for those people living above 700 meters on the mountain. The workshop formed the basis for the GRP’s strategic plan.

Extractive industries contract negotiation. SPEED supported a public workshop given by Professor Jenik Radon from Columbia and Stanford Universities. The event was organized by the Observatório

Moçambicano da Governação. Radon led a presentation and an open discussion of ‘How to Negotiate Petroleum Products Contracts’. The lecture was well attended by different stakeholders from government, extractive industry, jurists, researchers, students, and civil society. The lecture highlighted the legal issues the government of Mozambique should emphasize in their negotiations with extractive industries companies. He indicated that the government has a lot more bargaining power than typically assumed when negotiating contracts. He highlighted the need for definition and clarity in the use of all terms in contracts to avoid ambiguity, confusion and future costly mistakes. Professor Radon offered several ‘Dos and Don’ts’ to consider when drafting and negotiating contracts in extractive industry.

2013–2014

U.S. – Africa Leaders Summit. SPEED supported key civil society participants in the US-African Leaders’ Summit, 4-6 August 2014. Adriano Nuvunga participated on behalf of the Center for Public Integrity (CIP), Maria Namburete on behalf of the African Women’s Entrepreneurship Program (AWEP) and Hipólito Hamela on behalf of CTA. The theme of the summit was "Investing in the Next Generation" and sought to discuss ways of stimulating growth, unlocking opportunities, and creating an enabling environment for the next generation. Therefore the participants from Mozambican civil society represented a variety of voices with a focus on economic development, the role of women and transparency.

Each of the participants took part in a variety of activities from a Diaspora Investment Symposium, through B2B showcase training and preparation, activities focusing on supply chain, the role for women entrepreneurs, transparency and accountability in extractives, partnering with civil society in transparency and accountability, and the African Civil Society Conference.

Each participant reported on their own highlights from a summit which provided a wide variety of opportunities and experiences for each organization that took part. Highlights included: Mozambique being used as a success story case study for the role of women through AWEP; the B2B showcase preparation provided quality insights which directly helped the participating organizations; direct support and encouragement from the President and First Lady at their meeting with Mozambicans in the US; CIP participating in the production of a recommendation to the heads of state to actively adopt and implement globally recognized transparency initiatives such as EITI and calling on the US government to ensure that US companies operating in Africa also abide by these initiatives and publish what they pay; the plenary session with presentations from John Kerry, Ali Idrissa and others which allowed for the interactive presentation of questions from people throughout Africa via Twitter; inspiring and motivating debates and discussions with opportunities to hear from leaders such as George Soros and Mo Ibrahim as well as the opportunity to engage in dialogue with these people and many representatives of civil society from all over Africa.

The summit led to the Mozambican branch of AWEP being invited to take part in the first Network of African Women in Agri-Business conference and provided support and assistance in ways to more actively take advantage of this opportunity. It led to a revived momentum in terms of a drive for increased transparency and engagement of youth in civil society. The CIP representative was interviewed for Voice of America about Mozambique’s resource endowment and the potential opportunities and risks in respect of transparency, and had an opportunity to meet with the chair of Global Financial Integrity about CIP’s recent report on illicit financial flows.

New Faces, New Voices conference. Although women comprise 52 percent of the African population, they only own 1 percent of Africa’s assets and only 22 percent of them have bank accounts. Yet, there is

empirical evidence that shows that empowering women and girls accelerates economic growth. It is with this in mind that New Faces, New Voices (NFNV) Mozambique, in partnership with public, private and donor institutions aims to tackle these discrepancies through the advancement of Mozambican women's financial inclusion. New Faces, New Voices is a pan-African organization founded by Graça Machel dedicated to increasing access to financial services for women across Africa. The Mozambican chapter was asked by Ms. Machel and the Governor of the Central Bank to co-host a one-day conference on "Women's Financial Inclusion in Mozambique" on 6 December 2013. NFNV requested both technical and organizational support from SPEED.

The conference enabled stakeholders to reflect on three key issues facing women's financial inclusion: (i) the importance of gender-disaggregated data in promoting women's financial inclusion; (ii) the importance of financial education and consumer protection in stimulating women's demand for financial services; and (iii) the role of mobile banking in promoting access to financial services by women.

Action plans were developed by the stakeholders for each of the three key topics, thus increasing their ownership of the identified concrete actions. In addition, the conference provided NFNV Mozambique with great visibility and the opportunity for attraction of strategic partners and drivers of change.

AWEP strategic planning workshop. The African Women's Entrepreneurship Program (AWEP) is an outreach, education, and engagement initiative that targets African women entrepreneurs to promote business growth, increase trade both regionally and to U.S. markets through the African Growth and Opportunity Act (AGOA), create better business environments, and empower African women entrepreneurs to become voices of change in their communities. AWEP was launched by then-Secretary of State Hilary Clinton, and seeks to dismantle the obstacles to business opportunities and economic participation that African women face.

The Mozambique chapter of AWEP is made up of three women entrepreneurs who have participated in a US study tour, and their friends and colleagues. The chapter is still in its infancy. AWEP sought support from SPEED to facilitate a team building and strategic planning workshop in November 2014.

The workshop resulted in a clear vision statement and three-pillar strategy for AWEP. The vision is to expand sustainable market opportunities for Mozambican businesswomen. The three strategic pillars are: promote leadership among women entrepreneurs, forge market linkages, and increase access to finance.

AWEP will follow up with more detailed work-planning around these three pillars. At that point they will approach different partners and funders for support.

Agriculture supply chain workshop. Although informal activity is difficult to measure, the INFOR survey suggests that 75 percent of the economically active population is employed informally in Mozambique (INE, 2006). The Ministry of Planning and Development (MPD) estimates, using national accounts data, that informal activity represented 41 percent of GDP in 2003 and 40 percent in 2004, (MPD, 2009). This is in line with other estimates which put informal activity at 42.4 percent of GDP in 2002/03. Further, Mozambican enterprise census data reveals that the median firm in Mozambique has only two workers, while 78.1 percent of firms have up to only five workers. Many of these firms are likely to be informal at least to some degree. Informality on such a scale demands attention in economic policy design.

It is important to understand why greater formalization might be desirable, given its potential contribution on raising revenues. Where micro informal firms are concerned, there are more costs to formalization

than benefits in Mozambique. This is largely due to the high costs of transitioning as well as the payment of taxes; two components absent in the informal sector.

But as is now widely understood, informal activity plays at least two distinct roles in a developing economy: i) providing a source of survival income to low-income and frequently unskilled individuals, and ii) representing an active and potentially competitive component of the productive sector. This requires a balance of the potential for greater employment and productivity growth of the more productive firms with reducing the vulnerability of those working informally out of necessity.

Bill Grant from DAI conducted a workshop to demonstrate how these obstacles can be overcome using Kenya as a case study. According to Grant's presentation, one of the principle constraints in formalizing the informal sector is the absence of incentives available to traders. Grant went further to argue that when Kenya created a strong institutional framework for milk, traders who formalized had access to various support mechanisms such as training, licensing and market information – which in effect saw informal traders formalize to compete with the growing registered milk traders.

Grant concluded his presentation with a Q&A session. The session sparked a very interesting and thought-provoking debate on how applicable the Kenya case study is to Mozambique. A member of the audience argued that most informal traders are informal out of choice, thus raising the question if incentives in the form of unions and licensing go far enough in capturing the informal market. Like many case studies there will always be conditions that are country specific and cannot be applied to others. Mr. Grant recognized this fact and closed his presentation by challenging members of the audience to analyze and prescribe a remedy for Mozambique's unique informal market challenges.

Gorongosa National Park transformation. In March 2014, the Gorongosa Restoration Project presented a long term project to create a wildlife corridor linking Gorongosa National Park (GNP) and Marromeu Reserve and by so doing linking GNP with the Indian Ocean. This would entail a creation of large conservation areas some managed by the park and others by surrounding communities. SPEED was requested to support initial scoping of the proposal and in May 2014, a preliminary visit to the park was made by a joint technical mission comprising officials from Ministry of Agriculture and USAID-Mozambique, to appraise the feasibility of the long term project and understand its implications for the local communities. Two multisectoral technical teams visited the Park for onsite presentations and in-depth discussion of the project.

During the visit it was recommended:

- That the Park call for a meeting with national and sub-national authorities to raise concerns about invasion of the Park by members of the local population for farming and hunting activities, including settlement inside the Park;
- That the Park should formalize its proposal for extension of the Park and for the creation of Gorongosa-Marromeu wildlife corridor; and
- That a government team start working on scenarios for the transformation of area to be covered by the corridor where currently there are land concessions for other activities.

Translating Columbia University report on resource boom. In 2013, a team from Columbia University's School of International and Public Affairs (SIPA) conducted a comprehensive review of the opportunities and challenges posed by Mozambique's coming resource boom, entitled [Mozambique:](#)

[Mobilizing Extractive Resources for Development](#). The report covered several critical policy issues related to the economic and commercial impact of the extractive sectors, local content, infrastructure, environment, resettlement, governance and sovereign wealth fund. Given the importance of this work for Mozambique, SPEED agreed to support the translation of the report: [Mocambique: Mobilizando Recursos Extractivos para a Prosperidade](#). The publication of the document in Portuguese enabled much deeper dissemination with Mozambican stakeholders.

GOVERNMENT

2011–2012

MIC Commodity Exchange retreat. Commodity Exchanges have recently become a major focus of attention as an institutional innovation with great potential to improve the dependability, efficiency and transparency in the traditional marketing sector in Africa. Over the past five years a number of Commodity Exchanges were launched in Nigeria, Uganda, Ethiopia, Malawi and Zambia, and Mozambique has followed suit with efforts to establish a Commodity Exchange as well. SPEED funded a staff retreat involving 11 senior staff from different institutions, which produced a draft report to be presented to the Council of Ministers. The conference reflected a high degree of consensus among participants on aspects of the name, concept, approach, process and project for the Commodity Exchange. A Concept Paper for the Commodity Exchange entered its second draft phase, and the legal instrument was proposed. The project also finalized a plan for the harmonization and communication with other institutions within both the Government and the private sector. In coming months, SPEED intends to help edit the Concept Paper and Proposal for a Legal Instrument of the Commodity Exchange. The project will also prepare a draft plan for integration with other institutions in the public and private sectors, and a draft to the Council of Ministers will be finalized.

Support for Mozambique’s AGOA participation. The annual AGOA forum “Enhancing Africa’s Infrastructure for Trade” was held in June 2012 in Washington, D.C. The forum included high-level US Government officials and the opportunity also afforded African governments to meet with President Obama to hear about his special initiative for Sub-Saharan Africa to strengthen democratic institutions, increase economic growth, trade and investment, peace and security; and promote development opportunities. SPEED supported the participation of two MIC representatives. A number of policy proposals were extended to improve trade and investment between the US and African countries, with specific actions recommended for USAID, OPIC, EXIM-Bank, and others. At the same time, the African governments were urged to invest in infrastructure, transportation (especially aviation), public-private dialogue, and better and more electronic health services, among other initiatives. The Mozambican delegation felt that their presence was critical for improving their knowledge and eventual negotiating position vis a vis AGOA, and also enabled them to conduct several bilateral meetings to help attract investment to Mozambique and strengthen cooperation.

US-Africa Agriculture Forum. SPEED’s senior economic advisor supported the Deputy Minister of Agriculture in preparation and during his visit to Washington, DC, in June 2012 to participate in the Annual US-Africa Agriculture Forum organized by the Partnership to Cut Hunger and Poverty in Africa. Besides preparing the Deputy Minister’s presentation at the Forum, the senior economic advisor also facilitated a bilateral meeting with Mrs. Elizabeth Dunford, USAID Assistant Director for Food Security. At the meeting the parties discussed issues pertaining to the CAADP/PEDSA process in Mozambique and the G8 New Alliance for Food Security in Africa.

London Roundtable. SPEED's senior economic advisor also assisted the Minister of Agriculture in preparing for and participating in the Agriculture and Transport and Communications Infrastructure Business and Investment Roundtable held in June 2012 in London. Attended by more than 20 international companies, the Roundtable was a success. Following the conference, MINAG signed a MoU with Rio Tinto, DFID and BP to implement corporate social responsibility programs in the agriculture sector.

Review of INGC strategy. The National Institute for Disaster Management approached the Speed program to conduct a review of a study done on a strategy for engaging the private sector in building climate change resilience in Mozambique. The study was long, complex and poorly organized and a specialist was needed to assure the content meet INGC's needs. A SPEED consultant undertook a desk review and wrote a summary of the report and recommendations for revisions.

IPEME Consultative Council. SPEED provided partial funding for the Institute for Small and Medium-sized Enterprises to hold their annual Consultative Council in Bilene. During the meeting, activities conducted during the previous year were assessed and an activity plan for the upcoming year was developed. SPEED expects to be working closely with IPEME as managers of a fund for financing SME development investments in Mozambique.

Doing Business training. SPEED, in collaboration with Ministry of Industry and Commerce (MIC), Confederation of Business Associations (CTA) and International Finance Corporation (IFC), organized a workshop on Doing Business (DB). The initiative aimed at (i) explaining the way the World Bank Group computes the Doing Business ranking and how each country can move up or down, and (ii) drafting the 2012 Investment Environment Action Plan to be submitted to Council of Ministers for approval earlier January 2012. The target group of the workshop was the Inter-ministerial Group for the Removal of Barriers to Investment (GIRBI) comprised by 9 public institutions with direct responsibilities in the implementation of the Government Strategy for Improving the Business Environment (EMAN). In total, there were 38 people attending the event. Cesar Chaparo and Dana Omran, two IFC/Doing Business specialists based in Washington, were invited to explain how the ranking is computed and how a country can quickly improve on it. Their interventions comprised both legal indicators and time & motion indicators, namely, starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trade across borders, enforcing contract, employing workers, and resolving insolvency. Taking stock of these inputs, the recommendations prepared by SPEED (and TIP) to the Government of Mozambique over the years on how to improve the business environment, and the current stage of the implementation of the EMAN, the participants drafted the 2012 Investment Environment Action Plan which is divided into two parts: one focusing on the reforms with direct impact on Doing Business indicators that can be implemented in 2012, and the other comprising reforms to be implemented under the EMAN in 2012. The reforms with impact on Doing Business include, among others, the approval and implementation of the Insolvency Law, simplifying the process of getting construction permits, simplifying the process of registering property, creating a private credit bureau, streamlining the mechanisms for paying tax and easing the trade across borders.

Food Prize 2011. The Minister of Agriculture participated in October 2012 in the World Food Prize events in Des Moines, Iowa, and while in the United States conducted congressional briefings on CAADP and Feed the Future in Washington DC. SPEED was asked to provide assistance to the Minister during his visit to United States. This included facilitation of meetings with high level US government officials such as the Secretary of Agriculture and Deputy Assistant Secretary of State, along with several key

USAID and USDA officials. SPEED assisted in preparing the Minister's presentations and talking notes for these bilateral meetings. Meetings with business leaders and with key World Bank agriculture sector personnel to discuss World Bank agriculture country support were also facilitated.

Fourth Tripartite Forum for Trade Negotiations. This Forum took place in September 2012, with the objective of exchanging views on how to advance negotiations on liberalizing tariffs and lifting non-tariff barriers in Africa. Delegates from 23 African countries participated and Mozambique presided over the event this year. SPEED supported the participation of two officials from the Ministry of Trade and Industry, who also participated in technical working groups. All participating countries are expected to report on tariff information, trade, rules of origin being implemented, and other information in advance of the next meeting which will take place in December 2012.

IPEX Consultative Council. SPEED provided funding for the Export Promotion Institute (IPEX) to conduct their annual consultation meetings.

MINAG Investment Plan Workshop. SPEED provided funding and logistical support to MINAG for public consultation on the investment plan. This event provided feedback from the national stakeholders and the donor community to the PNISA technical team. This event was attended by 130 participants.

New Alliance Policy Matrix Workshop. As part of Mozambique's participation in the New Alliance for Food Security and Nutrition (see above), the GoM developed a Cooperation Framework and policy matrix of commitments it will make to participate in the program. This enabled the participants to agree on the matrix which form part of the Cooperation Framework between Mozambique and G8 countries and the participating private corporations. About 90 stakeholders, primarily from government and development partners, provided their input.

2012–2013

EMAN II retreat. SPEED organized a retreat to work on the template for the drafting the EMAN II (Business Environment Improvement Strategy – phase II) proposal; define activities, indicators, responsibilities and the monitoring of such activities. Public institutions, private sector representatives, donor agencies and consultants participated in the retreat. The retreat resulted in a set of vectors and a new strategy matrix for EMAN II. It resulted in fewer and more realistically attainable objectives and activities within the existing lifetime of the strategy. If successfully implemented, this strategy will prove more efficient and generate higher impact.

MIC Coordinating Council. The XI Coordinating Council (CC) of the Ministry of Industry and Trade (MIC) was held from 24th to 26th May 2013, in Pemba, under the motto "Achievements and Challenges for Industry and Trade." The Coordinating Council was led by the Minister of Industry and Trade, and included participation of senior staff from the Ministry at central and provincial levels. The main challenges identified include: the implementation of the Competition Law, local financing for SMEs, to formalize informal trade; implement and consolidate the SADC Free Trade Area; Reduce tariffs, review of the rules of origin for international trade and remove non-tariff barriers; and the implementation of the Mozambican Commodity Exchange (*Bolsa de Mercadorias de Mocambique*) among others.

Support to MIC participation in SADC / European Union meetings. SADC and the European Union have entered into a number of agreements around trade, investment, taxes, certificates, access to EU markets, etc. SPEED supported the participation of senior MIC staff at three meetings to follow up on these agreements. The meetings were held in Johannesburg in December 2012, Gaborone in February

2013, and again in Johannesburg in March 2013. The three meetings resulted in a clear work plan with actions around rules of origin, exclusion lists (both within SADC and between SADC countries and the European Union), fishing and maritime products rules, and trade capacity building.

Support to MIC participation in India Africa Partnership meeting. Mozambique has several trade agreements with India. In March 2013 a delegation composed by seven Ministers, businessmen and Government officials participated in a conference on "Reviving Economic Growth: Reforms and Governance", in the context of strengthening cooperative relations at governmental and corporate levels and dissemination of business opportunities and existing investments in African countries and India. The team established public and private partnerships across several sectors such as agriculture, education, health, skill building and infrastructure. The trip kicked off a process of enabling business linkages between India and Mozambique. This work involved establishing a joint chamber of commerce by preparing and consolidating by laws, agreements, membership lists, activity programs and financial statements.

Global Forum for Food and Agriculture / AGCO Summit on Africa Agriculture. The German Government organizes and host an Annual Forum Global Summit on Agriculture, Food Security and Nutrition. Mozambique has participated in the two last editions in 2012 and 2013.

Through the senior economic advisor, SPEED assisted the Ministry of Agriculture in the preparation of the Mozambican ministerial delegation to the Global Forum for Food and Agriculture and the 5th Berlin Agriculture Ministers' Summit and in the Second AGCO Annual Africa Agriculture Summit. The main outcome of these events was the Berlin Declaration on several issues pertaining agriculture and food security focusing on the need to facilitate foreign private investment, the enforcement of the implementation of the Guidelines on Responsible Investment in Agriculture and Food Production. Mozambique and Germany agreed to hold a business round table in 2014 to promote investment opportunities in agriculture sector in Mozambique. Consultations in preparation of this event s are underway. It is expected that this event will contribute to the unlocking of Germany private investment in agriculture in Mozambique.

2013–2014

Support to MIC to participate in Competition Training. SPEED supported the Ministry of Industry & Commerce (MIC) to participate in the Africa Competitiveness Forum's training in Tunisia, on the subject of "Bid Rigging in Public Procurement: Investigating Suspected Violations of Competition Law" on 25-26 June 2014. Nuno Bonfim participated on behalf of MIC. The purpose of the training was to assist MIC in implementing Mozambique's Competition Law and to contribute to discussion about public procurement in Mozambique by sharing knowledge among those involved in state acquisitions. The workshop sessions comprised a mix of presentations by well-known speakers on the topic, and breakout sessions focusing on case studies covering the following topics: Bid rigging and why it is illegal; Methods to detect cartel and bid rigging cases; Examples of bid rigging cases and the introduction of a fast track settlement process; Designing a government-wide program to fight bid rigging; Designing a procurement tender to minimize bid rigging, and; Detecting bid rigging in public procurement. The event included participants from the Tunisian Competition Council, representatives from Kenya, Gabon, Senegal, Morocco, Ethiopia, Togo, Mauritius, Mali, South Africa, France, The Republic of the Congo, The Gambia, Ivory Coast, Egypt, Benin, Guinea, Tunisia and Mozambique. Sessions were led and oriented by the OECD, and the Competition Commission of South Africa (CCSA).

Reporting back on the seminar Mr. Bonfim noted that the conference was particularly interesting due to the case studies used and the group work which focused on identifying anti-competitive behavior based on practical examples, as well as the opportunity to learn from government representatives from other jurisdictions who face a variety of challenges in this area. He noted the importance of ensuring that the authority responsible for overseeing competition legislation should work closely with those responsible for managing state tenders to enable the identification of instances of bid rigging and other forms of anti-competitive behavior.

North Region Development Forum. In order to promote a debate on issues pertaining the development of the northern region of the country (Provinces of Cabo Delgado, Niassa and Nampula), the Ministry of Planning and Development (MPD), through the Office of Accelerated Development Areas (GAZEDA - Gabinete das Zonas de Desenvolvimento Acelerado), in partnership with the University of Lurio (UNILURIO), organized the second North Region Development Forum. The forum took place on June 19th and 20th, in Sanga, Niassa and was attended by around 100 people from the public sector, private sector, civil society organizations and local communities. The topic for this forum was "Family Agriculture in the Economic Development Process in Mozambique" as it aimed at ensuring the identification of constraints to development and establishing the basis for leveraging the agricultural sector in the region.

Taking advantage of the quality of participants to this forum, SPEED made a presentation of the 2014 draft [New Alliance Annual Progress Report](#). The presentation was focused on the progress made in implementation of the NA policy matrix. A special attention was given to *cessão de exploração*, illegal taxes, seeds, fertilizers and food fortification. Alongside with the SPEED presentation, there were other presentations on infrastructure development in the region (electricity, roads, and railways), private sector experiences, as well as the experience from local communities in partnering with private sector. Based on the inputs received, SPEED updated the draft [New Alliance Annual Progress Report](#).

Given the importance of this event to the development of the region and of the country, SPEED provided financial support covering catering services, caps and t-shirts.

Food Security and Nutrition MINAG meeting. The Ministry of Agriculture held in the VIII Technical Meeting of Agrarian Services (DNSA-RT), under the slogan "For Agricultural Productivity, Food Security and Wealth Generation". The objectives of the meeting were (i) to evaluate the performance of the agricultural sector during the last five years from 2010 to 2014; (ii) share with the different actors of the development programs of priority crops in terms of production and value chain; and (iii) share their operational implementation mechanisms in order to create safe conditions for achieving the goals set in set in the PEDSA / PNISA. 110 people attended the event, including members of MINAG at the central and district levels, other government officials, civil society and the private sector. USAID/SPEED attended the meeting to share experiences on advancements on reforms related to the New Alliance for Food Security and Nutrition.

ANAC Biodiversity Science Conference. The Government of Mozambique (GoM) has set aside large segments of the country as protected areas (PAs) in an attempt to conserve its natural heritage while promoting sustainable economic growth. Many of these are important sites of high biodiversity such as Gorongosa Mountain, Lake Niassa, the Quirimbas Archipelago, Monte Namuli, the Chimanimani Massif, and the newly created Primeiras e Segundas Marine Protected Area. According to national estimates, the country is home to more than 5,500 plant, 220 mammal, and 690 bird species, many of which are endemic. Mozambique includes 14 ecological regions, of which seven have global importance as per the

WWF Global 200 Ecoregion list. As of 2012, six categories of PAs, covering approximately 159,126 Km², represent approximately 20% of the country's total surface area.

Mozambique's low agricultural productivity, overfishing and high population growth rates have resulted in i) a rapid expansion of the agricultural frontier, ii) a decline in aquatic and marine resources, and iii) severe threats to PAs and ecosystem services. People have for many years been living inside park boundaries and freely exploit natural resources. Pressures on land and natural resource use have further intensified in recent years as the Mozambican economy continues to expand. Weak marine, forest, wildlife, and land use governance have been key contributors to deforestation, poaching, and habitat degradation. As forests are converted to other uses and wildlife populations reduced, demands on remaining natural areas and resources are escalating, creating an environment conducive of greater economic inequality and conflict over these limited wilderness areas. In this light, it is urgent to understand the current state of PAs in the country, determine immediate threats to their biodiversity, and find the best ways to reduce and mitigate these threats. Conservation science can play an essential role in this endeavor, and its findings should prove useful to policy makers and conservation practitioners.

In this context, ANAC, with strong support from the Office of Agriculture, Trade and Business (ATB) at USAID hosted a workshop on "Conservation Science in Mozambique". The workshop aims were to (i) convene scientists, university faculty, graduate and undergraduate students, the Government of Mozambique, and Non-Governmental Organizations (NGOs) undertaking or interested in conservation science in the country; (ii) serve as a venue for investigators to present their latest research; (iii) identify lessons learned and share best practices from current and past research aimed at improving our understanding of biodiversity, ecosystems, ecosystem services, population dynamics, community relations, and human-wildlife conflict; (iv) help ANAC define a National conservation research agenda that can inform policy and park management, and (v) prioritize research projects for which findings are urgently needed. Individuals of any nationality working on terrestrial, fresh water and marine ecosystems are invited. Areas of interest include conservation science, biodiversity (genes, species, ecosystems), ecology, evolution, population dynamics, population genetics, behavioral ecology, social sciences, wildlife veterinary medicine, biogeography, anthropology, hydrology, and any other relevant subjects.

The conference was held on 21-22 April, 2014. It brought together more than 100 colleagues and provided a rich base of scientific research upon which to build a new strategy for Mozambique. SPEED will continue to work with ANAC to incorporate these and other inputs into its strategy, likely by supporting a senior technical advisor as well as providing assistance on developing the ANAC strategic work plan.

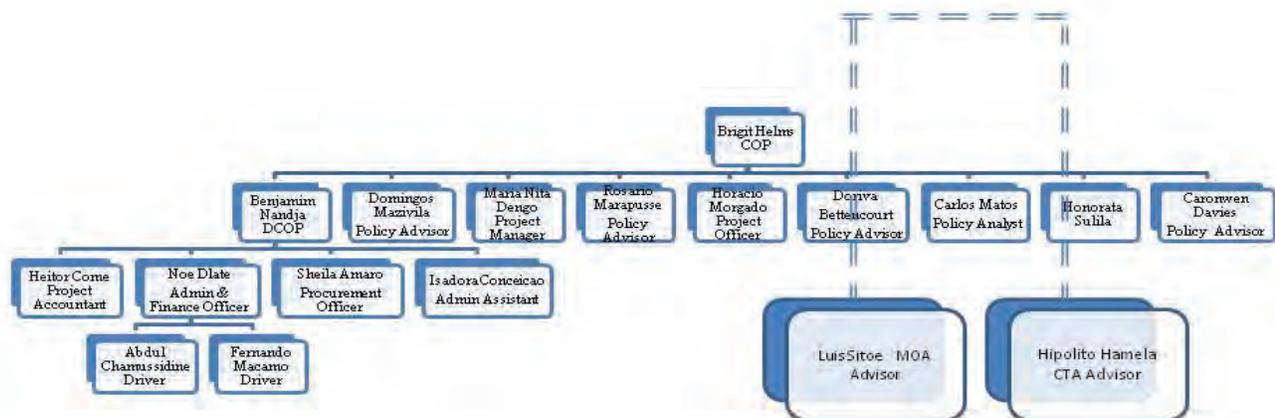
MANAGEMENT AND ADMINISTRATION

STAFFING

SPEED was implemented by a lean team staffed by DAI and Nathan Associates. The technical team ranged from four to eight long and short term economists (including the Chief of Party), depending on the level of demand and resources available to the project. These staff members were complemented by seconded experts to key partner organizations like CTA and the Ministries of Agriculture and Tourism. This team was supported by an operations, finance, and administrative team led by the Deputy COP consisting of an accountant, two procurement specialists, a secretary and two drivers. In addition, the Program engaged young Mozambicans as interns from time to time to build their technical, project management, and operations capabilities. All staff members were Mozambican except for the COP and two short term experts.

To implement the Program, the team leveraged a network of consultants, primarily Mozambicans but also international experts when required. The team built a strong results culture and operated in a highly horizontal structure based on mutual trust and respect. Throughout the Program, the COP implemented several team building and career development exercises. The team developed a reputation in the market as trusted, neutral advisors and were regularly sought after by USAID and key stakeholders for advice. The team created their own internal slogan, “inspiring change.”

SPEED Organizational Chart



STRATEGY RETREATS

Activities. SPEED undertook three strategy retreats during the Program’s lifetime, bringing together the core SPEED team, USAID colleagues and other stakeholders. Given Mozambique’s fast-moving environment, it was critical for SPEED to check in periodically with external stakeholders to maintain its demand-driven approach and define priorities.

In 2014, given the anticipated scale-up of the Speed program driven by the expected extension and extra resources, combined with an increased focus on New Alliance and Feed the Future programs on USAID’s side, a strategy alignment workshop was held to identify top priority outcomes for SPEED’s final year of activities. Regular and ongoing engagement with stakeholders and the capacity to react to a fast-moving environment have been key definers of the Program.

USAID RIG AUDIT AND EXTERNAL EVALUATION

Activities. USAID conducts periodic financial and performance audits of its programs and individual projects. These audits are carried out by Regional Inspector Generals’ (RIG’s) Offices. The Pretoria RIG office launched a performance audit of USAID’s Agriculture, Trade and Business office in Mozambique, and selected SPEED as one of three projects to examine as part of that audit. The SPEED team spent considerable time with the RIG team and accompanied auditors to various stakeholder meetings. At the same time, USAID/Mozambique contracted Flag International to conduct an independent evaluation of SPEED, with an eye toward learning lessons that could be applied to the next phase of USAID’s support to improving the business environment.

Results. The results of both exercises were generally favorable to SPEED. These exercises should be useful in informing the Mission on key elements to consider in the design on the next business environment project.

SPEED GENDER STORY

Context. SPEED initiated an analysis of the successes to date on gender issues with the goal of increasing sensitivity of gender issues amongst staff and partners, highlighting areas where SPEED’s work has already had impacts on women, identifying how gender equality can be further promoted in SPEED activities in its short life span of seven months, and recommending priority areas, specific to gender, for projects following SPEED.

A frequent refrain from stakeholders was that policy does not have a gender goal, policy is gender neutral or policy is not gender aware. Interviews changed this premise from a gender blind or gender-neutral attitude to a new awareness that gender has, in fact, an impact at every level of policy making.

Activities. A technical team composed of an international consultant, a local consultant and a local facilitator worked to identify and bring to light gender dimensions within SPEED and its partners.

Individual interviews were conducted in person and via Skype with a wide range of SPEED stakeholders, Ministerial representatives and technical experts. These interviews were conducted with men and women, and specifically included representatives of implementing organizations such as AWEP, CTA, FEMME, and numerous other stakeholders, whose experience and perspectives contribute to the understanding of the current status of women in Mozambique. A [report](#) was produced and is available on the SPEED [website](#).

Results. The assessment found that SPEED’s work had already achieved some significant gender impacts. Through the support SPEED has lent to the Ministry of Agriculture in disseminating information against illegal taxes, SPEED has had a positive gender impact as the largely-woman dominated sector of informal traders were better informed on the due process when bringing in goods into the country. With SPEED’s support in the automation of civil services in the country, we have seen a significant increase in female property owners as well as heads of businesses as the process of registering has become more centralized making it less time consuming. Further gender impacts were noticed across the board as all SPEED technical teams carried out their respective projects with particular consideration to the differing barriers to men and women.

USAID CDCS SUPPORT

Context. The USAID Mission in Maputo was in the process of designing its five-year country strategy. The strategy process was comprehensive, covering several sectors in which SPEED was engaged.

Activities. The Mission asked SPEED to prepare and execute scopes of work for assessments in two areas: land and extractive industries. SPEED’s role was relatively minimal on the land assessment, limited to contracting key local consultants. On the extractive industries assessment, which cuts across several sectors (ATB, health, education, governance, etc.), SPEED played a more active role in managing a larger team and re-editing the main report produced. SPEED also supported a consultant who oversaw the Mission’s CDCS work.

The extractive industries piece was [posted](#) on SPEED’s website.

Results. USAID has incorporated this work into their thinking about strategy.

IPEME LOCAL CURRENCY FUNDS

Context. Mozambique's SME promotion institute, IPEME, received \$1.5 million from USAID in local currency funds generated from various USAID-funded activities in the past. The funds were disbursed to support a multi-year program of IPEME activities with SMEs. However IPEME's concerns about management of the funds led them to ask SPEED to manage the funds on their behalf. SPEED drafted and signed an MOU with IPEME to outline objectives, roles and responsibilities, and has completed a parallel contract to manage these funds.

Activities. SPEED supported the first round of procurement for a trade fair. The International Exhibition of Packaging and Printing was held in June 2013, which supported the emergence of techniques and tools that meet the needs of small and medium enterprises to make their products more competitive. The 2013 fair in Maputo attracted 1,400 people. A second fair was held in 2014 in Nacala and attracted 800 people.

SPEED undertook the procurement processes for the following activities:

- Establishment of SME Portal
- Preparation of feasibility studies of CTC Chokwe and Boane
- Preparation of Marketing Plan of IPEME
- Study on Niche urban and rural businesses
- Development of the IPEME Data Base,
- Selection of the Infrastructure Procurement Specialist
- International Exhibition of Packaging and Printing
- Hiring the consultancy firm to design the project for rehabilitation of Quelimane Business Orientation Center (CORE);
- Hiring the consultancy firm to undertake the supervision of construction of Machava Business Orientation Center (CORE).

SPEED spent \$250,000 up to September 2014. The activities with significant financial impact were expected to initiate in the subsequent quarter. Most importantly, the construction of Machava Business Orientation Center (CORE), with estimated cost of \$750,000, will absorb much of the outstanding balance of these funds. Other significant activities already initiated are the rehabilitation of Quelimane Business Orientation Center, development of the IPEME Data Base and the Infrastructure Procurement Specialist which the estimated total combined cost is around \$300,000.

SPEED also supported IPEME with the 100 Top SMEs magazine in conjunction with Soico, as discussed above.

A series of management training courses for SMEs were held in November and December 2014, in Chokwe, Xai-Xai, Massinga, Moatize, Nacala, Cuamba, and Lichinga, reaching 119 business people of whom 20 were women.

Results. The International Exhibition of Packaging and Printing was successfully organized. IPEME was able, with SPEED's support to submitted more comprehensive work plan. SPEED worked with IPEME to implement its work plans, assuring timely and quality deliverables.

The SME portal was concluded and launched. The draft reports of marketing plan and feasibility of CTCs for Chokwe and Boane were presented to IPEME for comments.

The tender documents for construction of both Quelimane and Machava Business Orientation Center (CORE) were finalized and distributed to the 5 qualified companies. Significant questions related to the project were posed by the companies which the project designer is still working on to clarify. The cycle of training was finalized.

STAFF PROCUREMENT TRAINING IN KENYA

Context. In 2014 DAI developed and rolled out a 4 day field procurement management training program that gives current projects more effective tools to manage their daily procurement challenges, whether their procurements are programmatic, in support of a grant or procurement fund, or simply operational.

Activities. Two SPEED administration staff members participated in a Field Procurement Training in Nairobi, with an audience of almost 35 DAI field staff from Kenya, Somaliland and Mozambique. The training covered the following topics: Introduce new Procurement Procedures; Procurement Procedures Structure; Procurement Lifecycle - Technical Road Map; Procurement Planning; Principles and Ethics in Procurement; Internal Controls; Approvals, Waivers, Source & Nationality Requirements; Tender Document Preparation; Conduct efficient cost and financial risk analysis; Procurement Closeout and Auditing.

Results.

- Increased the Program's understanding of managing procurement in the field
- Increased compliance;
- Provided tools needed for procurement solutions to complex technical problems;
- Improved planning, teamwork, and shared responsibility between the technical and procurements teams;
- Improved the working relationship and create proactive procurements between the Procurement and Technical teams to increase efficiencies on procurement requisitions.

ANNEX 1: CAPACITY BUILDING

	Activity	Venue	Client		Participants		Subtotal
			Institution	Category	M	F	
FY 2012 Q1	Anti corruption legislation round table	Maputo		PS, CSO Gov.	21	8	29
	IPEME Annual Meeting	Bilene	IPEME	Inst.	15	15	30
	Metical appreciation seminar	Maputo	CTA	PS, CSO	55	15	70
	VAT in Agriculture in Quelimane	Quelimane	CTA/Zamb	PS, CSO	22	8	30
	Economic training of journalist	Bilene	MISA	PS, CSO	31	4	35
	Manica investors conference in Chimoio	Chimoio	Manica PG	Gov. Inst.	137	27	164
	Challenges to growth seminar	Maputo	AMECON	PS, CSO	52	13	65
	Municipality construction license seminar	Maputo	CMCM	Gov. Inst.	37	8	45
	Doing Business Retreat - Bilene	Bilene	GIRBI/MIC	Gov. Inst.	25	8	33
	Journalist - Q & A on challenges to growth	Maputo	MISA	PS, CSO	3	0	3
	Subtotal				398	106	504
FY 2012 Q2	Doing Business - Quelimane	Quelimane	CMCQ	Gov. Inst.	55	5	60
	Business breakfast	Maputo	IoD	PS, CSO	34	12	46
	VAT in Agriculture	Maputo	CTA	PS, CSO	65	19	84
	IPEX Annual Meeting	Bilene	IPEX	Gov. Inst.	27	13	40
	VAT in Agriculture in Nampula	Nampula	CTA/AgriFut.	PS, CSO	30	9	39
	Concession in Tourism	Maputo	IUCN	PS, CSO	44	22	66
	Subtotal				255	80	335
FY 2012 Q3	US/Moz Conference	Maputo	US.Emb/GoM	Gov. Inst.	296	22	318
	Agriculture roundtable	Maputo	MINAG	Gov. Inst.	130	25	155
	SPEED Retreat	Catembe	SPEED	PS, CSO	10	5	15

FY 2012 Q4	Commodities Stock Exchange Retreat	Namaacha	MIC	Gover. Inst.	11	0	11
	Construction License meeting - Maputo	Maputo	CMCM	Gover. Inst.	13	2	15
	Quelimane Municipality workshop	Quelimane	CMCQ	Gover. Inst.	20	5	25
	Subtotal				480	59	539
	Regulamento do Solo Urbano	Hotel Avenida	CMCM	Gover. Inst.	14	5	19
	Following up on the Taxation study	Tax Authority	CTA	PS, CSO	30	10	40
	Following up on the VAT study	Tax Authority	CTA	PS, CSO	15	10	25
	G8/New Alliance meeting	Hotel Avenida	MINAG	Gover. Inst.	23	3	26
	PNISA workshop	Indy Village	MINAG	Gover. Inst.	85	42	127
	Resource boom workshop	Indy Village	CTA	PS, CSO	79	11	90
Subtotal				246	81	327	
FY 2013 Q1	SME linkages to extractive industries through local procurement	Beira	CTA	PS, CSO	48	8	56
	SME linkages to extractive industries through local procurement	Maputo	CTA	PS, CSO	54	17	71
	Land Tenure, Property Rights, and Conflict Assessment	Maputo	Centro Terra Viva	PS, CSO	11	8	19
	Tributacao no Sector Agricola	Maputo	CTA/ TA	PS, CSO	53	12	65
	SPEED Retreat	Catembe	SPEED	PS, CSO	23	6	29
	Subtotal				189	51	240
FY 2013 Q2	Gorongosa Mountain workshop	Indy Village	AgriFuturo	Donor	17	23	40
	CASP	Centro J Chissano	CTA	PS, CSO	802	39	841
	Streamlining Application Forms	Hotel Avenida	Sal & Caldeira, MIC Observatorio Mocambicano de Governacao	PS, CSO	22	11	33
	Contract Negotiation Workshop	Hotel Avenida	Sal & Caldeira, MIC Observatorio Mocambicano de Governacao	PS, CSO	71	14	85
	Electronic Single Window	Indy Village	ACIS	PS, CSO	39	10	49
	Electronic Single Window	Hotel Rainbow	ACIS	PS, CSO	25	4	29
	Non Fiscal Barriers	Hotel Rainbow	CTA	PS, CSO	31	8	39

FY 2013 Q3	Subtotal				1,007	109	1,116
	Non Fiscal Barriers	Hotel Flamingo - Quelimane	CTA	PS, CSO	19	3	22
	EMAN II	Humula - Bilene	CTA, MIC	PS, CSO	21	10	31
	Non Fiscal Barriers	Hotel Milenio - Nampula	CTA	PS, CSO	41	8	49
	PTF- Transit within Janela Unica	Hotel Rainbow - Beira	Tax Authority	PS, CSO	48	7	55
	Subtotal				129	28	157
FY 2013 Q4	PTF- Transit within Janela Unica	Machipanda	Tax Authority	PS, CSO	41	3	44
	Non Fiscal Barriers in Agriculture	Hotel Avenida	CTA	PS, CSO	28	10	38
	Local Content	CTA office	CTA	PS, CSO	19	2	21
	Comments on Mining and Oil Tax Law	SPEED Office	CTA	PS, CSO	8	4	12
	Comments on Mining and Oil Tax Law	Tax Authority	CTA	PS, CSO	13	3	16
	Comments on Mining and Oil Tax Law	Radisson Hotel	CTA	PS, CSO	76	18	94
	Paying Taxes	Indy Village	CTA	PS, CSO	47	23	70
	Local Content	Hotel Avenida	CTA	PS, CSO	75	20	95
	Subtotal				307	83	390
FY 2014 Q1	Local Content	Hotel Avenida	CTA	PS, CSO	75	21	96
	PTF Transit within Janela Unica meeting	Customs Office, Maputo	Tax Authority	PS, CSO	23	11	34
	PTF Transit within Janela Unica meeting	Ressano Garcia, Maputo	Tax Authority	PS, CSO	28	1	29
	PTF Transit within Janela Unica meeting	Hotel Tivoli, Beira	Tax Authority	PS, CSO	17	3	20
	PTF Transit within Janela Unica meeting	Cuchamano, Manica	Tax Authority	PS, CSO	22	2	24
	PTF Transit within Janela Unica meeting	Zobue, Tete	Tax Authority	PS, CSO	35	3	38
	PTF Transit within Janela Unica meeting	Colomue, Tete	Tax Authority	PS, CSO	29	7	36
	PTF Transit within Janela Unica meeting	Nacala-Porto, Nampula	Tax Authority	PS, CSO	40	7	47
	PTF Transit within Janela Unica meeting	Hotel Chiwindi, Lichinga	Tax Authority	PS, CSO	28	4	32
	PTF Transit within Janela Unica meeting	Cuamba, Niassa	Tax Authority	PS, CSO	27	3	30

FY 2014 Q2	National Entrepreneur Fair	Centro C. Joaquim Chissano, Maputo	ANJ	PS, CSO	689	111	800
	Dissemination of Insolvency Legislation	Rainbow Hotel, Beira	MOJ	PS, CSO	20	2	22
	New Faces New Voices	Centro Cultural do BoM	ICC	PS, CSO	50	121	171
	Training of Judges	Rainbow Hotel, Beira	MOJ	PS, CSO	15	1	16
	Dissemination of Insolvency Legislation	Hotel Executivo, Nampula	MOJ	PS, CSO	29	6	35
	Training of Judges	Hotel Executivo, Nampula	MOJ	PS, CSO	10	3	13
	Dissemination of Insolvency Legislation	Hotel Avenida, Maputo	MOJ	PS, CSO	23	7	30
	Training of Judges	Hotel Avenida, Maputo	SPEED	PS, CSO	13	3	16
	Subtotal				1,173	316	1,489
	Web Design Training	Tax Authority office	Tax Authority	PS, CSO	6	3	9
MOU Signature Public Participation	Afrin Prestige Hotel	CTA	PS, CSO	23	9	32	
Open Skies	Radisson Blue Hotel	CTA	PS, CSO	56	12	68	
Dialogue Public Reform	VIP Hotel	CTA	PS, CSO	21	7	28	
Subtotal				106	31	137	
FY 2014 Q3	ANAC Workshop	Radisson Blue Hotel, Maputo	MITUR	Gover. Inst.	96	27	123
	National Seed Platform	Cardoso Hotel, Maputo		Gover. Inst.	84	33	117
	Incentive the Formalization of the Informal sector	Radisson Blue Hotel, Maputo	CTA	PS, CSO	26	6	32
	Training About Webmasters	Instituto de Financas Publicas e Formacao Tributaria	AT	Gover. Inst.	4	1	5
	Training of District Administrators and Technicians on DUAT	Pensao Martins, Maputo	MINAG	Gover. Inst.	13	10	23
	Economic Impact of the Conflict on Mozambique in the Value Chain of the Tourism Sector	VIP Hotel, Maputo	ACIS	PS, CSO	16	4	20
	Training of District Administrators and Technicians on DUAT	Girassol Hotel, Lichinga	MINAG	Gover. Inst.	16	4	20

FY 2014 Q4	Training of District Administrators and Technicians on DUAT	Golden Peacock Hotel, Beira	MINAG	Gover. Inst.	31	6	37
	Revision and Comparative Analysis of Non-intrusive Inspections in Mozambique	VIP Hotel, Maputo	AT/ CTA	PS, CSO	36	5	41
	Revision and Comparative Analysis of Non-intrusive Inspections in Mozambique	Autoridade Tributaria, Nacala	AT/ CTA	Gover. Inst.	46	4	50
	North Region Development Forum	Unilurio Campus, Sanga, Niassa	MPD/UNILURIO	Gover. Inst.	58	31	89
	Revision and Comparative Analysis of Non-intrusive Inspections in Mozambique	Radisson Blue Hotel, Maputo	AT/ CTA	PS, CSO	31	11	42
	Subtotal				457	142	599
	Press Briefing	VIP Hotel, Maputo	SPEED	PS, CSO	5	1	6
	EDBI Conference	Indy Village Hotel, Maputo	MIC	PS, CSO	105	27	132
	Seminary of the launch of national platform of dialogue and promotion of use of fertilizers	Hotel Tivoli, Beira	CTA	PS, CSO	87	18	105
	Project about the public participation law	Kaya Kwanga, Maputo	CTA	PS, CSO	6	5	11
	New Alliance for food and nutritional security presentation of the report of progress in 2014	Kaya Kwanga, Maputo	MINAG	Gover. Inst.	18	7	25
	The involvement of the state in the business environment	Hotel VIP, Maputo	CTA	PS, CSO	28	13	41
	Natural Resource Boom: What Potential Impacts for Mozambique agriculture	Hotel Avenida, Maputo	CTA	PS, CSO Gover. Inst.	4	4	8
	Launch AT Website	Hotel VIP, Maputo	AT	Gover. Inst.	74	22	96
	Pre-shipment Inspection in Mozambique	Radisson Blu, Maputo	CTA	PS, CSO	44	10	54
	Pre-shipment Inspection in Mozambique	Hotel Tivoli, Beira	CTA	PS, CSO	14	4	18

FY 2015 Q1	Pre-Shipment Inspection in Mozambique	Autoridade Tributaria, Nacala	CTA	PS, CSO	21	3	24
	Seminar on Consultation on the proposal for a regulation of the land law for Cessao de Exploracao	Hotel Milenio, Nampula	CTA	PS, CSO	8	2	10
	Seminar on Consultation on the proposal for a regulation of the land law for Cessao de Exploracao	Hotel Amirana, Chimoio	CTA	PS, CSO	12	8	20
	Seminar on Consultation on the proposal for a regulation of the land law for Cessao de Exploracao	Hotel VIP, Maputo	CTA	PS, CSO	36	5	41
	Business Advisory Working Group	Indy Village Hotel, Maputo		PS, CSO	25	3	28
	Tourism in Mozambique with the growth of natural resources: Potential Macroeconomic Impact	Hotel VIP, Maputo	CTA	PS, CSO	65	10	75
	Mobile Monday (Momo) Event	Hotel VIP, Maputo	USAID SPEED	PS, CSO	23	5	28
	Update on meeting programmatic initiative healthy and sustainable coast	Hotel VIP, Maputo	IUCN	PS, CSO	22	19	41
	Subtotal				597	166	763
	Consultation on the Regulation of CITIES	Girassol Hotel, Lichinga	EUROISIS	PS, CSO	16	5	21
	Donors PE - ANAC		ANAC	Gover. Inst.	12	3	15
	Consultation on PE - ANAC	Tete	ANAC	Gover. Inst.	17	2	19
	Consultation on PE - ANAC	Manica	ANAC	Gover. Inst.	17	2	19
	Consultation on PE - ANAC	Sofala	ANAC	Gover. Inst.	16	1	17
	ANAC Strategic Plan Elaboration	Lichinga	ANAC	Gover. Inst.	9	4	13
Update Meeting on Programmatic initiative Sustainable Cost	Hotel VIP, Maputo	IUCN	PS, CSO	21	20	41	

Consultation on the Regulation of CITIES	Rainbow Hotel, Beira	EUROSIS	PS, CSO	14	4	18
Consultation on the Regulation of CITIES	Hotel VIP, Maputo	EUROSIS	PS, CSO	9	4	13
SWOT Analysis - ANAC		ANAC		8	3	11
Blog Writing Meeting	Catembe Galley Hotel	SPEED	PS, CSO	6	3	9
Agency Banking Workshop	Hotel Rovuma, Maputo		PS, CSO	28	14	42
ANAC Strategic Plan Elaboration	Pemba	ANAC	Gover. Inst.	19	2	21
ANAC Strategic Plan Elaboration	Nampula	ANAC	Gover. Inst.	8	2	10
Analysis of Legal Framework in Mozambique in the context of the LNG projects	Hotel VIP, Maputo	SPEED	PS, CSO	31	11	42
Dissemination of Seed Regulation	Southern Sun Hotel, Maputo		PS, CSO	42	11	53
Strategic Reflection Retreat	Complexo Humula, Bilene	CTA	PS, CSO	43	8	51
1st National Nutrition Congress	Universidade Lurio, Nampula	UNILURIO	PS, CSO	86	84	170
ANAC Meeting	ANAC, Maputo	ANAC	Gover. Inst.	11	4	15
Dissemination of Seed Regulation	Hotel Milenio, Nampula		PS, CSO	35	6	41
The Cost of Capital in its Impact on Business Development	Hotel VIP, Maputo	CTA	PS, CSO	28	14	42
Dissemination of Seed Regulation	Hotel Inter-Chimoio, Chimoio		PS, CSO	41	6	47
2nd Edition of the Fair and National Conference on Entrepreneurship - ANJE	Centro de Conferencias Joaquim Chissano, Maputo	ANJE	Gover. Inst.	297	129	426
Special Economic Zones	Hotel VIP, Maputo	CTA	PS, CSO	27	8	35
Financial Policy Pelouro	Catembe Galley Hotel	CTA	PS, CSO	6	5	11
Natural Resources Conference - Road Show	Hotel Milenio, Nampula	CTA	PS, CSO	23	7	30
Natural Resources Conference - Road Show	Southern Sun Hotel, Maputo	CTA	PS, CSO	90	26	116
Natural Resources Conference - Road Show	Rainbow Hotel, Beira	CTA	PS, CSO	112	21	133

FY 2015 Q2	IPEME 100 SMEs	Hotel VIP, Maputo	IPEME	Gover. Inst.	34	18	52
	Subtotal				1,106	427	1,533
	Launch Mozambican SMEs Magazine	Hotel Lunamar, Beira	IPEME	Gover. Inst.	24	5	29
	BAWG	Hotel Southern Sun, Maputo		PS, CSO	24	6	30
	Launch Mozambican SMEs Magazine	Hotel Luna Executivo, Nampula	IPEME	Gover. Inst.	25	14	39
	Minimum Wage Workshop	Hotel VIP, Maputo	CTA	PS, CSO	6	5	11
	Price Variations Workshop	Hotel Avenida, Maputo	CTA	PS, CSO	28	15	43
	Local Content Workshop	Hotel Avenida, Maputo	CTA	PS, CSO	31	16	47
	Launch Mozambican SMEs Magazine	Hotel VIP, Maputo	IPEME	Gover. Inst.	24	10	34
	Subtotal				162	71	233
TOTAL					6612	1750	8362

ANNEX 2: LIST OF ALL PUBLICATIONS

The following list is divided by publication type from the earliest to the most recent. All publications listed are available on the SPEED web site www.speed-program.com which is fully searchable via both standard search function and through the “library” tab. In addition those publications referenced in the foregoing report include hyperlinks to the documents, within the text above.

SPEED PUBLICATIONS: STUDIES AND REPORTS

Date	Title	Author(s)	Portuguese/English
1-Nov-11	Impact of exchange rate fluctuations on the economy of Mozambique	Tyler Biggs	Both
14-Feb-12	Overview and Analysis of Mozambique's Anti-corruption Legislative Package	Pedro Gomes Pereira and João Carlos Trindade	English
27-Mar-12	VAT in the Agriculture Sector in Mozambique	Hipólito Hamela	Portuguese
16-Apr-12	The Construction Permit Process in Mozambique: Analysis and Recommendations	Arturo Samper	English
19-Apr-12	Tourism Concessions in Protected Areas in Mozambique	Dr. Anna Spenceley and Rita Casimiro	English
19-Apr-12	Tourism Concessions in Protected Areas in Mozambique: Manual for Operators and Concessionaires	Dr. Anna Spenceley and Rita Casimiro	English
1-May-12	Review of Tourism Decree 18-2007	Iliasse Fakir	Portuguese
15-Jul-12	Legal Framework on rural land Edition III	Sal & Caldeira	Both
30-Jul-12	Taxation in the Agricultural Sector in Mozambique	Jo Beth Mertens	Both
15-Aug-12	Mozambique's Coming Natural Resource Boom	Tyler Biggs	Both
30-Oct-12	Nacala Exportations Special Terminal	Rosario Marapusse	Portuguese
15-Nov-12	The Quality of the Mobile services (voice and sms) in Mozambique	Gomes Zita	Portuguese/ English
22-Nov-12	Mozambique Business linkages	Peter Mwanza	Portuguese/English
28-Jan-13	Survey on Trade Needs Information	Eugénio Chimbutane	Portuguese
1-Apr-13	Single Window Assessment	William Claypole	English
15-Apr-13	Pagamento de Impostos em Moçambique	Natércia V. Remane	Portuguese
29-May-13	Elaboração de Formulários Únicos para Registo de Sociedades e Início de	Sal & Caldeira	Portuguese

Date	Title	Author(s)	Portuguese/English
	Actividades		
21-Jun-13	Comments Mozambique Draft Mining Tax Law Appendix A	Prof Richard Westin	English
21-Jun-13	Comments Mozambique Draft Mining Tax Law Appendix B	Prof Richard Westin	English
21-Jun-13	Comentários Tributação Actividades Mineiras Documento Principal	Prof Richard Westin	Portuguese
21-Jun-13	Comentários Regime Específico Tributação Operações Petrolíferas Sumário Executivo	Prof Richard Westin	Portuguese
21-Jun-13	Comments-Mozambique Draft Oil and Gas Tax Law Executive Summary	Prof Richard Westin	English
21-Jun-13	Comments Mozambique Draft Oil and Gas Tax Law	Prof Richard Westin	English
21-Jun-13	Tributação de Actividades Mineiras Sumário Executivo	Prof Richard Westin	Portuguese
21-Jun-13	Comments Mozambique Draft Mining Tax Law Executive Summary	Prof Richard Westin	English
21-Jun-13	Comments Mozambique Draft Mining Tax Law	Prof Richard Westin	English
21-Jun-13	Barreiras Não Fiscais ao Desenvolvimento do Sector da Agricultura em Moçambique	Hipólito Hamela & Tomas Manhicane Jr	Portuguese
24-Jun-13	Communication Strategy for Policy Change (C4PC)	Irene Visser & Maria Nita Dengo	English
2-Aug-13	Open Skies — Air Travel Liberalization in Mozambique	Rafael Enriquez	English
5-Aug-13	How USAID can Assist Mozambique to Cope with the Impending Resource Boom?	Peter E. Coughlin and All[1]	English
10-Aug-13	The Impact of Foreign Employment in Mozambique	Caroline Ennis	English
6-Sep-13	Paying Taxes in Mozambique	Natércia V. Remane	Portuguese
6-Oct-13	Mozambique Mining and Petroleum Draft Tax Laws	Prof. Richard Westin	English / Portuguese
15-Oct-13	Policy Options for Local Content in Mozambique	Zachary Kaplan	English / Portuguese
6-Dec-13	Competitiveness in light of Mozambique's resource boom	J.E. AUSTIN ASSOCIATES, INC.	English / Portuguese
1-Jan-14	Non Fiscal Barriers to Agriculture in Mozambique	Hipolito Hamela / Tomas Manhicane Jr	English / Portuguese
24-Jan-14	Industrial Policy for Mozambique	Ashok Menon	English / Portuguese

Date	Title	Author(s)	Portuguese/English
28-Feb-14	Agriculture, Food Security and Nutrition Law	Kym Anderson and Associates	English
20-Mar-14	Open Skies — Air Travel Liberalization in Mozambique	Rafael Enriquez	English / Portuguese
23-Mar-14	Evolution of the Business Environment in Mozambique 1996 – 2013		English / Portuguese
5-May-14	Selected Trade Issues for Mozambique in 2014	Ashok Menon	English / Portuguese
23-Jun-14	Mozambique Labor Markets in the Face of a Natural Resource boom	Lynne Slinger and Caroline Ennis	English
24-Jun-14	Conservation		Portuguese
1-Jul-14	SPEED Gender Integration		English
10-Jul-14	Impact Evaluation of Nacala Special Exports Terminal (TEEN)		Portuguese
17-Jul-14	Land: The Role of “Cessão de Exploração”	Ian Rose	English / Portuguese
22-Jul-14	Public Participation in Policy making	Sal and Caldera	Portuguese
22-Aug-14	Migration Strategy from PSI into a Risk Based Inspection	Andrew Allan	English / Portuguese
10-Sep-14	Agricultural competitiveness in light of the resource boom	Johamo Calima, Maria Nita Dengo, Carlos Moamba, Lynn Salinger	English / Portuguese
1-Oct-14	Avaliação de impacto da campanha de disseminação do novo regulamento de transito aduaneiro em Moçambique	Leonel Muchanga	Portuguese
1-Oct-14	Revisão da política, legislação e quadro regulatório do Sector de Sementes em Moçambique	Antonio Jorge & Higinio de Marrule	Portuguese
13-Oct-14	The Role of Labor Unions in Mozambique	Sal & Caldeira	English / Portuguese
14-Oct-14	Immigration Requirements	Sal & Caldeira	English / Portuguese
27-Oct-14	Competitiveness in light of Mozambique’s resource boom	Martin Webber	English / Portuguese
28-Oct-14	Mozambique’s tourism sector in the light of the natural resource boom	Miguel Baca, Luke Kozumbo and Luis Sarmento	English / Portuguese
28-Oct-14	Review of policy, legislation and regulatory framework of the Seed Sector in Mozambique	Antonio Jorge / Higinio de Marrule	Portuguese
29-Oct-14	Seed Market Analysis	Higinio Marrule	English
3-Nov-14	Manufacturing Competitiveness	Lynn Salinger e	English /

Date	Title	Author(s)	Portuguese/English
		Caroline Ennis	Portuguese
25-Nov-14	Analysis of the Conservation Law	Sal & Caldeira	English / Portuguese
25-Nov-14	Manual for the Application of the conservation Law	Sal & Caldeira	English / Portuguese
26-Nov-14	Agro.Biz	Various	Portuguese
28-Nov-14	Fortification of Staple Foods in Mozambique	Carmen Forseman	English / Portuguese
1-Dec-14	Analysis of the regulations and procedures of the Bank of Mozambique	Nhamissitane, Emídio Ricardo	Portuguese
5-Dec-14	Competitiveness Seminars and books	Various	English / Portuguese
12-Dec-14	Relatório PME em Moçambique Oportunidades e Desafios	Baker Tilly Mocambique	Portuguese
19-Dec-14	The Cost of financing in Mozambique	KPMG Auditors	English
19-Dec-14	Analysis of legal framework for LNG Mozambique	Dr. Hilmar Zeissig & Taciana Lopes	English
19-Dec-14	Petroleum Regulation Commentary	Taciana Peão Lopes	Portuguese
19-Dec-14	Mining Regulation Commentary	Taciana Peão Lopes	Portuguese
26-Dec-14	Commentary on Transfer Pricing decree proposal	Taciana Peão Lopes in collaboration with Vieira de Almeida & Associados	English
1-Jan-15	Mapeamento dos Procedimentos Para o Estabelecimento de um Negócio	AS-Advogados Lda	Portuguese
1-Jan-15	Cross Border Price Differences	Pooja Pokhrel and Adelino Pimpao, with support from Bruce Bolnick	Portuguese / English
2-Jan-15	Analysis of the Electricity Crisis and its Impact on the Business Environment	Matikizane Matos, Colin Waugh, Amilicar Ciprino	English
1-Feb-15	Analysis of the national content provisions in existing legislation in Mozambique	Jonathan Kooker & Taciana Peão Lopes	English

SPEED PUBLICATIONS: NOTES AND BRIEFS

Date of Publication	Title	Author(s)	Portuguese/English
2-Nov-11	2011 SPEED Note 012: Challenges for the Mozambique's Economy	Antonio Franco	Portuguese

Date of Publication	Title	Author(s)	Portuguese/English
6-Dec-11	2011 SPEED Note 014: Sovereign Wealth Funds: Are They Needed in Mozambique?	Antonio Franco	Portuguese
14-Feb-12	2011 SPEED Note 016: Overview and Analysis of Mozambique's Anti-corruption Legislative Package	Pedro Gomes Pereira and João Carlos Trindade	English
30-Jul-12	2012 SPEED Note 001: Taxation in the Agricultural Sector in Mozambique	Jo Beth Mertens	Portuguese
8-Nov-12	Impact Assessment of construction permit reforms	Rosario Marapusse	Portuguese
1-Dec-12	CTA Review of Credit Bureau Regulations	Cornelio Pimentel	English
6-Dec-12	Absorption Capacity	Antonio Franco	English
16-Dec-12	Extractive Industries in Mozambique	Antonio Franco	English
22-Feb-13	Single Window Assessment	Antonio Franco	Portuguese and English
29-May-13	Doing Business: Mozambique Quick-Wins	Horácio Morgado	Portuguese
6-Nov-13	Measuring SPEED's Impact on Private Sector Development	Various	English / Portuguese
6-Nov-13	Impact Assessment of Construction permit reforms	Horácio Morgado	English / Portuguese
6-Nov-13	Estimating the Monetary Benefits of selected SPEED Activities		English / Portuguese
28-Feb-14	Agriculture, Food Security and Nutrition Law	Kym Anderson and Associates	English
20-Mar-14	Open Skies — Air Travel Liberalization in Mozambique	Rafael Enriquez	English / Portuguese
16-Jun-14	Cost of Conflict on Tourism Sector in Mozambique Study Background Information and Approach to modeling	Ema Batey	English / Portuguese
6-Sep-14	Analysis of Proposed Regulation on "Cessão de Exploração"	Ian M Rose	English
19-Dec-14	Legal Framework for Agency Banking	Translation	English
19-Dec-14	Petroleum Regulation Translation	Translation	English
19-Dec-14	Legal Framework for Warehouse Receipts	Translation	English
10-Jan-15	Impact Assessment of Construction Permit Reforms III	Horácio Morgado	Portuguese

SPEED PUBLICATIONS: PRESENTATIONS AND PROCEEDINGS

Date of Publication	Title	Author(s)	Portuguese/English
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Date of Publication	Title	Author(s)	Portuguese/English
1-Nov-11	2011 SPEED Presentation 009: Impact of Exchange Rates Fluctuations on the Economy of Mozambique	Tyler Biggs	Both
2-Nov-11	2011 SPEED Presentation 010: Challenges for the Mozambican Economy	Antonio Franco	Portuguese
1-Aug-12	2012 SPEED Presentation 001: Ease of Trading Across Borders in Mozambique	Rosario Marapusse	English
15-Aug-12	2012 SPEED Presentation 002: Mozambique's Coming Natural Resource Boom	Tyler Biggs	Both
23-Oct-12	Business Environment Mozambique	Rosario Marapusse	English
22-Feb-13	Single Window Assessment	William Claypole & Maria Nita Dengo	Portuguese/English
21-Jun-13	Barreiras Não Fiscais ao Desenvolvimento do Sector da Agricultura em Moçambique	Hipólito Hamela & Tomas Manhicane Jr	English
21-Jun-13	Barreiras Não Fiscais ao Desenvolvimento do Sector da Agricultura em Moçambique	Hipólito Hamela & Tomas Manhicane Jr	Portuguese
24-Jun-13	Communication Strategy for Policy Change (C4PC)	Irene Visser and Maria Nita Dengo	English
16-Aug-13	Impact of Mozambique's Resource Revenue Boom on the Competitiveness of Business Sectors	Martin Webber J.E. Austin Associates, Inc.	English
16-Aug-13	Impact of Mozambique's Resource Revenue Boom on the Competitiveness of Business Sectors	Martin Webber J.E. Austin Associates, Inc.	Portuguese
6-Sep-13	Paying Taxes in Mozambique	Natércia V. Remane	Portuguese
6-Oct-13	Mozambique Mining and Petroleum Draft Tax Laws	António S. Franco,	English / Portuguese
15-Oct-13	Policy Options for Local Content in Mozambique	Zachary Kaplan	English / Portuguese
8-Nov-13	When linkages work	Leida Shuman & John James	English
1-Jan-14	Non Fiscal Barriers to Agriculture in Mozambique	Hipolito Hamela / Tomas Manhicane Jr	English / Portuguese
28-Feb-14	Agriculture, Food Security and Nutrition Law	Kym Anderson and Associates	English
20-Mar-14	Open Skies — Air Travel Liberalization in Mozambique	Rafael Enriquez	English / Portuguese
20-Mar-14	Open Skies — Air Travel Liberalization in Mozambique	Rafael Enriquez	English / Portuguese
23-Mar-14	Evolution of the Business Environment in		English /

Date of Publication	Title	Author(s)	Portuguese/English
	Mozambique 1996 – 2013		Portuguese
28-May-14	Economic Cost of renewed Conflict on the Mozambican Tourism Sector	Ema Batey	English
23-Jun-14	Mozambican Labor Markets in the Face of a Natural Resource Boom PT	Lynne Slinger and Caroline Ennis	English / Portuguese
15-Sep-14	Mozambique’s tourism sector in the light of the natural resource boom	Miguel Baca, Luke Kozumbo and Luis Sarmiento	English / Portuguese
13-Oct-14	The Role of Labor Unions in Mozambique	Sal & Caldeira	English / Portuguese
14-Oct-14	Immigration Requirements	Sal & Caldeira	English / Portuguese
28-Oct-14	Mozambique’s tourism sector in the light of the natural resource boom	Miguel Baca, Luke Kozumbo and Luis Sarmiento	English / Portuguese
5-Dec-14	Managing the Resource Boom – Sectoral Impacts	Various	English / Portuguese
5-Dec-14	Managing the Resource Boom – Challenges and Expectations	Various	English / Portuguese
18-Dec-14	Tourism Regulation Decree 97/2013.	ACIS / Sal and Caldeira	English / Portuguese
18-Dec-14	Special Economic Zones	Robert Kirk	Portuguese
19-Dec-14	Analysis of legal framework for LNG Mozambique	Dr. Hilmar Zeissig & Taciana Lopes	English
1-Feb-15	Small and Medium Size Firms in Mozambique	IPEME (Instituto de Promoção às Pequenas e Médias Empresas)	Portuguese
16-Dec-14	Mozambican SME Challenges and opportunities	Baker Tilly Moçambique	Portuguese
3-Mar-15	Electricity	Amilcar Cipriano & Colin Waugh	English
5-Mar-15	Análise do enquadramento legal do conteúdo local de Moçambique	Taciana Peão Lopes Dorival Bettencourt	Portuguese
10-Mar-15	Price Variation Study Presentation	Bruce Bolnick Adelino Pimpao	English/ Portuguese

SPEED PUBLICATIONS: BLOGS

Date of Publication	Title	Author(s)	Portuguese/English
23-Oct-12	Natural Resources How to transform it in Wealth	Antonio Franco	English
25-Oct-12	Doing Business Comments 2013	Rosario Marapusse	Portuguese
6-Dec-12	Taxation in Agriculture an incentive to Increase the family wealth	Horacio Morgado	Portuguese
22-Feb-13	When linkages work	Leida Schuman	English
22-Feb-13	Tributação a Agricultura um Incentivo para o Aumento da Riqueza Familiar	Horacio Morgado	Portuguese
27-Feb-13	Doing Business 2013 – “Camarão que dorme, a onda leva..”!	Rosario Marapusse	Portuguese
1-Mar-13	Será que a Lei da Insolvência vai Acelerar o Desenvolvimento Empresarial?	Horacio Morgado	Portuguese
2-Mar-13	Desvios de Fundos do Orçamento de Estado!	Antonio Franco	Portuguese
12-Mar-13	Can Access to Trade Information Facilitate International Trade?	Horacio Morgado	Portuguese
14-Mar-13	Vamos Renegociar Contractos Agora ?	Antonio Franco	Portuguese
15-Mar-13	Janela Única Eletrónica um Desafio de Louvar	Antonio Franco	Portuguese
19-Mar-13	13ª CASP Uma Oportunidade Perdida ou a Mesa Com o Presidente pela 13ª Vez?	Tomas Manhicané	Portuguese
22-Mar-13	“Gas in the ground ≠ Money in the Bank”	Brigit Helms	English
4-Apr-13	Janela Única – O que dizem os clientes?	Maria Nita Dengo	Portuguese
4-Apr-13	Estávamos nós, os economistas, a ficar sem soluções para crises bancárias?	António Franco	Portuguese
4-Apr-13	A busca dos campeões de reformas do ambiente de negócio	Benjamim Nandja	Portuguese
11-Apr-13	Seremos Noruega ou Nigéria? Pergunta um Artigo Publicado pela BBC	António Franco	Portuguese
11-Apr-13	Indústria Extractiva: Podemos ter uma melhor negociação?	Maria Nita Dengo	Portuguese
14-Apr-13	O Elefante Branco? Pagamento de Impostos em Moçambique I	Tomas Manhicané Jr	Portuguese
18-Apr-13	Banco Nacional de Investimento? Será que vamos repetir a experiencia com o BPD – Banco Popular de Desenvolvimento?	António Franco	Portuguese
6-May-13	Maximização de receitas do sector dos recursos não-renováveis	António Franco	Portuguese
21-May-13	As PPPs em Moçambique – Uma solução	Benjamim Nandja	Portuguese

Date of Publication	Title	Author(s)	Portuguese/English
	para a eficiência dos serviços públicos?		
24-Jun-13	Criação de Emprego e a Lei de Trabalho	António Franco	Portuguese
28-Jun-13	Regimes Específicos de Tributação da Actividade Mineira e Petrolífera	António Franco	Portuguese
2-Jul-13	Um Paradigma Económico em Queda Livre: As Barreiras Não Fiscais na Agricultura em Moçambique I	Tomas Manhicane Jr	Portuguese
3-Jul-13	A comunicação e rápidas mudanças nas reformas económicas	Maria Nita Dengo	Portuguese
25-Jul-13	Será possível evitar a “maldição de recursos” em Moçambique?	Antonio Franco	Portuguese
28-Aug-13	Moçambique Conteúdo Local: considerações preliminares (I)	Maria Nita Dengo	Portuguese
9-Jan-14	Liberalização do espaço aéreo em Moçambique	Eduardo Sengo	Portuguese
9-Jan-14	Progresso na reforma do ambiente de negócios – Será que fizemos o suficiente?	Carrie Davies	Portuguese
16-Jan-14	Existirá uma razão para a promoção da Inclusão Financeira da Mulher em Moçambique?	Henriqueta Hunguana	Portuguese
24-Jan-14	Terminal Especial de Exportações de Nacala! Deseconomia de Escala ou Baixa Competitividade das Exportações?	Tomas Manhicane Jr	Portuguese
30-Jan-14	Quando 1 +1= 4! Qual é o “Moto” da Nova Aliança para a Segurança Alimentar e Nutricional?	Tomas Manhicane Jr	Portuguese
6-Feb-14	Porquê a participação pública no processo legislativo é importante?	Carrie Davies	Portuguese
6-Feb-14	Trânsito Aduaneiro através da Janela Única: Uma solução para o Sector Privado?	Horacio Morgado	Portuguese
6-Feb-14	Em Busca da Concorrência Perfeita em Moçambique! O que é possível?	Tomas Manhicane Jr	Portuguese
18-Feb-14	DIAS DE TOLERÂNCIA: UMA CONTRAPRUDÊNCIA ABSOLUTA!	Eduardo Sengo	Portuguese
6-Mar-14	Porquê a lei de insolvência é essencial para melhorar o acesso ao crédito e o ambiente de negócios	Horacio Morgado	Portuguese
11-Mar-14	Taxas Ilegais na Economia Agrária de Moçambique: Da Informalidade a Ilegalidade!	Tomas Manhicane Jr	Portuguese
20-Mar-14	Sobre a recente avaliação de rating pela	Eduardo Sengo	Portuguese

Date of Publication	Title	Author(s)	Portuguese/English
	Standard & Poor's		
25-Mar-14	Resource boom trajectory in Mozambique: What can be learnt from the others?	Domingos Mazivila,	English
27-Mar-14	Progresso na reforma do ambiente de negócios – Será que fizemos o suficiente?		
28-Mar-14	Algumas sugestões em prol da liberalização do espaço aéreo em Moçambique	Domingos Mazivila	Portuguese
29-Mar-14	Mozambique's' Real Estate Market "Bubble", a Real Cause of Concern.	Carlos Matos	English
30-Mar-14	New Alliance – Much left to do to realize its full potential	Carrie Davies	English / Portuguese
2-Apr-14	The New Alliance for Food Security and Nutrition and The Mozambique Commodity Exchange Two Methods To Combat The Natural Resource Curse	Carlos Matos	English
10-Apr-14	Terminal Especial de Exportações de Nacala! Deseconomia de Escala ou Baixa Competitividade das Exportações?	Tomas Manhicane Jr	Portuguese
11-Apr-14	Inspecção não intrusiva – aumentar a eficiência, mantendo a segurança?	Horacio Morgado	Portuguese
16-Apr-14	Impactos económicos potenciais do anteprojecto de lei sobre a agricultura, a segurança alimentar e nutricional	Carrie Davies,	Portuguese
16-Apr-14	O Custo Económico de Tolerâncias de Ponto	Carrie Davies,	Portuguese
16-Apr-14	Grande crise de energia no centro de Moçambique – que custo a economia?	Carrie Davies,	Portuguese
23-Apr-14	Emprego de estrangeiros – uma oportunidade ou uma ameaça?	Carrie Davies	Portuguese
24-Apr-14	Ainda sobre as tolerâncias de ponto: Será a próxima sexta-feira 02 de Maio mais uma contra-produção?	Carlos Matos / Domingos Mazivila	Portuguese
30-Apr-14	Vantagem Comparativa vs Vantagem Competitiva – qual é a diferença?	Carrie Davies,	Portuguese
12-May-14	Will the renewed conflict overshadow the known systemic challenges of the uncompetitive tourism sector?	Domingos Mazivila	English
29-May-14	Production and Productivity Gains of Adoption of Agricultural Technologies – Increased Fertilizer Usage.	Carlos Matos	English

Date of Publication	Title	Author(s)	Portuguese/English
29-May-14	Is Mozambique's tourism sector dying?	Carrie Davies	English
3-Jun-14	O papel do Banco Central na promoção do emprego: que arranjos no Quadro Operacional de Política Monetária?	Eduardo Sengo	Portuguese
11-Jun-14	Não há fumo sem fogo: O transporte aéreo em Moçambique está ou não está liberalizado?	Domingos Mazivila	Portuguese
12-Jun-14	Cessão de Exploração – taking best advantage of a major opportunity	Carrie Davies	English / Portuguese
19-Jun-14	Food fortification – taking measures without consultation could result in increased prices	Carrie Davies	English / Portuguese
23-Jun-14	Mozambique's labor competitiveness – why we need an urgent policy response	Carrie Davies	English / Portuguese
26-Jun-14	Three days in Angola – From an Economic perspective	Carlos Matos	English
2-Jul-14	A story about red socks (subtitled – the importance of consultation in law making)	Carrie Davies	English / Portuguese
3-Jul-14	Simplificando os procedimentos para pagamento de impostos – e-tributação	Horacio Morgado	Portuguese
8-Jul-14	O Teorema das Distorções e Ilegalidades! TEEN as Duas faces da Mesma Moeda?	Tomas Manhicane Jr	Portuguese
17-Jul-14	Quanto é que Moçambique está perder por causa de má faturação?	Carrie Davies	English / Portuguese
22-Jul-14	Procedimentos para o registo de propriedade – comparando a Moçambique com a região e o mundo	Horacio Morgado	Portuguese
24-Jul-14	Why are prices in Mozambique's main markets so different from those across the border?	Domingos Mazivila	English / Portuguese
29-Jul-14	Role of the State in Business in Mozambique	Elin Cohen, Thomas Selemane and Mariam Umarji	English
6-Aug-14	Why CITES Compliance is important for Mozambique	Carrie Davies	English / Portuguese
8-Aug-14	Carta Aberta ao Indomável Mr. Scanner: Mais de 8 anos na Corda Bamba entre a Segurança Internacional e a Competitividade Nacional	Tomas Manhicane Jr	Portuguese
11-Aug-14	Crise de Energia Eléctrica no Sul do País: da "Poeira" aos Factos	Rosario Marapusse	Portuguese
14-Aug-14	Reembolso do IVA – a decisão de não	Carrie Davies	English /

Date of Publication	Title	Author(s)	Portuguese/English
	pagar é ruim para o Sector Privado		Portuguese
18-Aug-14	New tourism development strategy – will it solve the sector’s problems?	Carrie Davies	English / Portuguese
19-Aug-14	Fortificação de alimentos: (In)eficácia do “novo” regulamento	Rosario Marapusse	Portuguese
19-Aug-14	Give me the Land, and I will do the rest? Not quite.	Honorata Sulila	English / Portuguese
19-Aug-14	Scanners: Legal and comparative analysis of non-Intrusive inspection	Sal and Caldeira & Mb Consulting	English / Portuguese
20-Aug-14	Mozambique’s Coming Natural Resource Boom	Various	English / Portuguese
22-Aug-14	The new Petroleum Law – is it a move forwards?	Carrie Davies	English
26-Aug-14	Quando as boas intenções produzem barreiras localizadas ao comércio.	Domingos Mazivila	English / Portuguese
27-Aug-14	Confronting the issues over gas: two steps forward and one step back	Club of Mozambique	English
27-Aug-14	Mozambique Economy 2014: Recent Developments and Prospects	Club of Mozambique	English
4-Sep-14	Slicing the pie	Dorival Bettencourt,	English
4-Sep-14	Iniciando um negócio – introdução dum Formulário Único a acelerar e facilitar registo e licenciamento	Horacio Morgado	Portuguese
9-Sep-14	Mais um instrumento de planificação para Moçambique: Estratégia Nacional de Desenvolvimento?	Domingos Mazivila	Portuguese
10-Sep-14	Agricultural competitiveness in light of the resource boom	Jahamo Calima, Maria Nita Dengo, Carlos	English
11-Sep-14	Extremism’s Domino Effect		English
15-Sep-14	A Competitividade do Turismo Moçambicano e os impactos dos recentes desenvolvimentos relacionados com os Recursos Minerais	Carrie Davies,	English / Portuguese
18-Sep-14	O Boom dos Recursos Naturais e a competitividade agrícola – Devemos nos preocupar?	Maria Nita Dengo	English / Portuguese
23-Sep-14	Recursos Naturais e o (Re) aparecimento do Estado no Ambiente de Negócios...	Domingos Mazivila	Portuguese
30-Sep-14	Algumas particularidades da Austrália e ilações	Eduardo Sengo	Portuguese
6-Oct-14	Avoiding the Resource Curse in	The World Bank	English

Date of Publication	Title	Author(s)	Portuguese/English
	Mozambique		
8-Oct-14	Não é empresário, mas é pro-empresariado... Eis o Nosso Candidato!	Rosario Marapusse	Portuguese
16-Oct-14	Mobile Monday (MoMo) and mGovernance Workshop Maputo Ends on a High Note	Carrie Davies	English
23-Oct-14	Mozambican labor unions' role in new business approvals	Carrie Davies	English / Portuguese
28-Oct-14	Abracemo-nos para a habitual subida de preços na quadra festiva!	Domingos Mazivila	Portuguese
29-Oct-14	Participação pública no processo legislativo em Moçambique – Porquê e Como?	Maria Nita Dengo	Portuguese
4-Nov-14	Acesso e custo do crédito em Moçambique: uma dica para minimizar o crónico problema!	Rosario Marapusse	Portuguese
6-Nov-14	Six things I learned last week about reaching rural areas with financial services	Brigit Helms	English
8-Nov-14	“Criação e manutenção de um negócio em Moçambique”	Horacio Morgado	Portuguese
12-Nov-14	Where do you stand?	Dorival Bettencourt	English
18-Nov-14	Mas afinal qual a taxa de desemprego em Moçambique: 30% ou 70%?	Ricardo Santos	Portuguese
25-Nov-14	Será que o sector do turismo se pode tornar competitivo em Moçambique?	Carrie Davies	Portuguese
9-Dec-14	Why good relationships with the neighbors are important	Carrie Davies	English / Portuguese
11-Dec-14	Apreciação da Lei da Conservação – aspectos práticos para a sua aplicação	Sal and Caldeira	Portuguese
16-Dec-14	What future for Mozambican industry?	Carrie Davies	English / Portuguese
22-Dec-14	Fast tracking development thru Special Economic Zones: What can be said so far?	Domingos Mazivila	English
22-Dec-14	Efeitos das flutuações cambiais na economia moçambicana	Pacheco Jossias	Portuguese
23-Dec-14	How better prices (across the border) make the pastures greener?	Domingos Mazivila	English
20-Jan-15	As Zonas de Desenvolvimento Accelerado e a Transformação Económica em Moçambique: Lições e Perspectivas.	Domingos Mazivila	Portuguese
20-Jan-15	São necessárias reformas inteligentes para	Luke Kozumbo	Portuguese

Date of Publication	Title	Author(s)	Portuguese/English
	o turismo ser competitivo em Moçambique		
27-Jan-15	Maputo: Poverty and Prosperity in a Glass House		English
29-Jan-15	Did you know...?	Domingos Mazivila	English
31-Jan-15	Beyond the Gas Pump and into your wallets -	Dorival Bettencourt	English
5-Feb-15	O Salário Mínimo, Produtividade e a Criação do Emprego em Moçambique: Situação e Perspectivas	Domingos Mazivila	Portuguese
6-Feb-15	Development of Tourism value chains in the SADC region	Tralac	English
10-Feb-15	What's in a Name? Agriculture and Food Security in Mozambique	Honorata Sulila	English
12-Feb-15	Perspectivas sobre o ajustamento do salário mínimo em 2015.	Eduardo Sengo	Portuguese
17-Feb-15	Rumo a Mercados do Trabalho Mais Eficazes: O Que Há Ainda a Fazer?	Lynn Salinger	Portuguese
18-Feb-15	Industrialization and labor in SADC	Tralac	English
19-Feb-15	Issues and way forward on the current minimum wage setting in Mozambique	Domingos Mazivila	English
24-Feb-15	Um preço (in)amigável	Domingos Mazivila	Portuguese
25-Feb-15	Is it possible to have better governance in the RECs?	Tralac	English
26-Feb-15	Contar histórias unilaterais – um apelo ao jornalismo responsável	Carrie Davies	Portuguese
20-Jan-15	As Zonas de Desenvolvimento Accelerado e a Transformação Económica em Moçambique: Lições e Perspectivas.	Domingos Mazivila	Portuguese
20-Jan-15	São necessárias reformas inteligentes para o turismo ser competitivo em Moçambique	Luke Kozumbo	Portuguese
27-Jan-15	Maputo: Poverty and Prosperity in a Glass House	Mike McCaffrey	English
29-Jan-15	Did you know...?	Domingos Mazivila	English
31-Jan-15	Beyond the Gas Pump and into your wallets	Carlos Matos	English
5-Feb-15	O Salário Mínimo, Produtividade e a Criação do Emprego em Moçambique: Situação e Perspectivas	Domingos Mazivila	Portuguese
6-Feb-15	Development of Tourism value chains in	JB Cronjé	English

Date of Publication	Title	Author(s)	Portuguese/English
	the SADC region		
10-Feb-15	What's in a Name? Agriculture and Food Security in Mozambique	Honorata Sulila	English
12-Feb-15	Perspectivas sobre o ajustamento do salário mínimo em 2015.	Eduardo Sengo	Portuguese
17-Feb-15	Rumo a Mercados do Trabalho Mais Eficazes: O Que Há Ainda a Fazer?	Lynn Salinger	Portuguese
17-Feb-15	Moving Toward More Efficient Labor Markets: What Else is Needed?	Lynn Salinger	English
18-Feb-15	Industrialisation and labor in SADC	JB Cronjé	English
19-Feb-15	Issues and way forward on the current minimum wage setting in Mozambique	Domingos Mazivila	English
24-Feb-15	Um preço (in)amigável	Dorival Bettencourt	Portuguese
25-Feb-15	Is it possible to have better governance in the RECs?	Gerhard Erasmus	English
26-Feb-15	Contar histórias unilaterais – um apelo ao jornalismo responsável	Carrie Davies	Portuguese

ANNEX 3: ACTIVITIES LIST

(Also see the SPEED Impact Tracking Table (SITT) in separate Excel document)

Activities by thematic area and client

#	Activities	Client	FY2011	FY2012	FY2013	FY2014	FY15 Q1-Q2
Business Environment, Trade and Investment							
1	Challenges to economic growth in Mozambique	CTA		X			
2	Streamlining the construction license process in Maputo	Maputo City Council (CMCM)		X	X	X	X
3	Partnership for Trade Facilitation	Tax Authority/Customs		X	X	X	
4	Institutional support to CTA	CTA		X	X	X	X
5	Foreign exchange	CTA	X	X			
6	Safety Nets	CTA	X	X	X		
7	Janela Unica Review (SEW review)	ACIS			X		
8	Streamlining application forms for starting a business	MIC		X	X	X	X
9	Business Environment Annual Strategy PAMAN/EMAN II	MIC/GoM		X	X		
10	Credit bureau regulation review	CTA		X			
11	Making it easier to pay taxes	CTA		X	X	X	
12	Public-private partnership regulations	MoF/CTA		X			
13	Evolution of the Business Environment and public-private dialogue	CTA			X	X	
14	Foreign Employment impact analysis	ACIS			X		
15	Doing Business quick wins for 2014	USAID				X	
16	Quality of service for mobile operators	INCM		X	X		
17	Nacala terminal recommendations	ACIANA		X	X		
18	CACM Grant to introduce informal arbitration	Arbitration, Conciliation and Mediation Center(CACM)		X	X	X	
19	Improving Mozambique's "Doing Business" ranking	MIC	X				
20	Mozambique's Competitiveness in the SADC region	CEMO	X				
21	Impact of Central Bank procedures on business environment	CTA				X	X
22	Insolvency Law	CTA	X				
23	Insolvency Law implementation support	MJ			X	X	
24	Registering property	MJ				X	X
25	Electricity access and quality	CTA				X	X
26	Public and Private Partnership (PPP) law	CTA	X				
27	Competition Law	CTA	X				
28	Competition Law support	CTA				X	
29	Cost of capital	ACIS				X	X

30	Cross border price differentials	CTA				X	X
31	Levels of decision making	CTA				X	X
32	Top Mozambican SME's	IPEME				X	X
33	Grant reconciliation	CTA	X				
34	SME linkages to extractives sector	CTA			X		
35	Manufacturing competitiveness	CTA				X	X
36	Impact of "tolerância de ponto"	CTA				X	
37	Assessment to minimum wage framework	CTA				X	X
38	Industrial Policy review	CTA				X	
39	Support to Ministry of Finance	Ministry of Finance		X			
40	Immigration requirements	ACIS				X	X
41	Trade Union's parecer	ACIS				X	X
42	Performance Assessment Framework (PAF)	PSWG		X			
43	Doing Business data validation	MIC/GIRBI		X			
44	Diagnosis of construction license process in Quelimane	Quelimane City Council (CMCQ)		X	X		
45	Updating legal framework on tax guides	ACIS	X	X			
46	Support to CCMUSA	CCMUSA		X			
47	Support to Tiri Pamodzi	Tiri Pamodzi		X	X		
48	AMCHAM strategic plan	AMCHAM				X	X
49	TPM HR capacity-building assistance	TPM		X			
50	Doing Business Methodology	MIC	X				
51	EDBI Conference	MIC				X	
52	National Inspectorate for Economic Activities (INAE)	INAE	X	X			
53	Framework for association support	CTA	X				
54	Milange Business Association (AGECOM) assessment	MIC	X				
55	Business Registration Equipment	MoJ				X	
56	Digitization of CASP manuals	CTA				X	
Agriculture							
57	New Alliance for Food Security and Nutrition	MINAG				X	X
58	Recommendations on taxes in agriculture	CTA		X	X		
59	Development of Agriculture Investment Plan	GoM/MINAG		X	X	X	X
60	MOA capacity-building (Senior Advisor)	MINAG		X	X	X	X
61	Agriculture competitiveness	CTA				X	X
62	Labor market competitiveness	CTA				X	
63	Agro.biz Media Project	SOICO				X	X
64	Non-Fiscal Barriers to Agriculture	CTA		X	X	X	
65	Grow Africa / New Alliance for Food Security in Africa	MINAG		X	X		
66	Legal framework guide for land (manual)	ACIS		X			
67	Legal framework for land (capacity building)	ACIS			X	X	X
68	Support to CEPAGRI on New Alliance Investments	CEPAGRI			X	X	
69	Agriculture, food security and nutrition law review	MINAG				X	

70	Non-intrusive inspection (SCANNERS)	CTA				X	
71	Nacala special terminal	CTA				X	
72	Special economic zones initiative in Mozambique	GAZEDA					X
73	Mobile money	MoMo					X
74	First national nutrition conference	SUN					X
75	Support to World Bank Development Policy Operation	WB		X			
76	Guide to district agriculture commercialization associations	MIC	X	X			
Tourism							
77	Arco Norte Tourism Development Corporation	ANTDC		X	X		
78	Mozaico de Indigo – Strategic Review	MdI	X				
79	Open Skies initiative	CTA		X	X	X	X
80	Position paper on Tourism Decree	FEMOTUR		X			
81	Tourism competitiveness	CTA				X	X
82	Concessions on protected lands	IUCN		X			
83	Tourism levy	CTA	X	X			
84	Impact of renewed conflict on the tourism sector	ACIS				X	
85	Support to the Ministry of Tourism	MITUR				X	X
86	Support to ANAC	ANAC				X	X
87	Support to BIOFUND	BIOFUND				X	X
88	CITES upgrading	MICOA / CTA				X	X
89	Tourism manual update	MITUR				X	X
Democracy & Governance							
90	Impact of the resource boom on the economy	CTA		X	X		
91	Formalizing Public Participation in the Policy Process	CTA	X	X	X	X	X
92	Anti-corruption legislation (Public Probity Law)	USAID	X	X	X		
93	Competitiveness in the face of the resource boom	SPEED			X	X	X
94	Analysis of LNG legal framework	TA				X	X
95	Local content regulations and business linkages	CTA			X		
96	Local content policy framework	CTA				X	X
97	Analysis of draft mining regulations	TA					X
98	Analysis of draft petroleum regulations	TA					X
99	Analysis of draft transfer pricing regulations	CTA					X
100	Support to publish book on Public Probity Law	USAID			X		
101	Sovereign wealth funds (SWFs)	CTA		X			

102	Support to EITI-Mozambique	EITI – Mozambique		X	X		
103	Corporate Code of Ethics	IoD		X	X		
104	Code of Corporate Governance	IoD	X				
105	Disseminating the Code of Corporate Governance	IoD	X				
106	Support to Attorney General’s Office	PGR			X		
107	Multi-stakeholder dialogue platform	CTA/IUCN				X	X
108	Mobile Monday e-Governance	MoMo				X	
109	Role of the State in business	CTA				X	
110	Quelimane Municipal Audit	Quelimane City Council (CMCQ)		X	X		
111	Economics training for journalists	CTA		X			

#	Activities	Client	FY2011	FY2012	FY2013	FY2014	FY15 Q1
Capacity Building (Private Sector & Civil Society)							
1	Access Africa Forum in Portugal	CCMUSA		X			
2	Africa Regional Doing Business conference	CTA		X			
3	African Growth and Opportunities Act (AGOA)	CEMO	X				
4	AGOA Forum	FEMME	X				
5	Agricultural Policy Exchange and Learning Event	CTA			X		
6	Agriculture supply chain workshop	USAID				X	
7	Anti-corruption Business Breakfast	IoD		X			
8	AWEP strategic planning workshop	AWEP				X	
9	BIOFUND Mozambique	WWF		X			
10	Board of Directors strategy retreat	CTA	X				
11	Business Environment seminar	AMECON	X				
12	Commercial Code Translation	ACIS	X	X			
13	Extractive Industries Contract Negotiation	GoM			X		
14	Food subsidies debate	CEMO	X				
15	Gorongosa workshop	Carr Foundation			X	X	
16	Insolvency law seminar	CTA	X				
17	Investment incentives seminar	CEMO	X				
18	Journalist Q&A	CTA		X			
19	Launch of Federation	FENAGRI	X				
20	New faces, new voices conference	NFNV				X	
21	Northern region consultation trip	CTA	X				
22	SADC competitiveness seminar	CEMO	X				
23	Support to the Private Sector Working Group Retreat	PSWG					X
24	The 2 nd National Conference on Entrepreneurship	ANJE					X
25	The Global Youth Economic Opportunities Summit	ANJE					X

26	Training for SMEs in Israel	MOZ SMEs					X
27	Translating Columbia University report on RB	SIPA (CU)				X	
28	US/Africa leaders' summit	CTA/CIP/AWEP				X	
29	US/Mozambique Business Conference	U.S. Embassy		X			
Capacity Building (Government)							
30	Agribusiness forum	CEPAGRI	X				
31	ANAC biodiversity science conference	ANAC				X	
32	Bangalore trade fair	IPEME	X				
33	Business association workshop	CEP	X				
34	Doing Business seminar/training in Bilene	MIC		X			
35	EMAN II Retreat	MIC			X		
36	Food Prize 2011	MINAG		X			
37	Fourth Tripartite Forum for Trade Negotiations	MIC		X			
38	FS&N MINAG meeting	MINAG				X	
39	Global Agriculture and Food Security Forum	MINAG			X		
40	IPEME Conselho Consultivo	IPEME		X			
41	IPEX Conselho Consultivo	IPEX	X	X			
42	IPEX Economist	IPEX	X				
43	London Roundtable	MINAG		X			
44	MIC Commodity Exchange retreat	MIC		X			
45	MIC Coordination Council	MIC			X	X	
46	MOA Investment Plan Workshop	MINAG		X			
47	New Alliance Policy Matrix Workshop	GoM/MINAG		X			
48	North region development forum	MPD (GAZEDA)				X	
49	Review of INGC strategy	INGC		X			
50	Support for Mozambique's AGOA participation	MIC		X			
51	Support to MIC participation in India/Africa Partnership meeting	MIC			X		
52	Support to MIC participation in SADC meeting	MIC			X		
53	Support to MIC to participate in competition training	MIC				X	
54	US-Africa Agriculture Forum	MINAG		X			

#	Activities	Client	FY2011	FY2012	FY2013	FY2014	FY15 Q1
Other Activities (Internal)							
1	Communication for Policy Change (C4PC) initiative	-			X		
2	Estimating benefits of policy reform	-	X		X	X	
3	Grants manual	-		X			
4	IPEME local currency funds	-		X	X	X	X
5	SPEED strategy retreat	-		X	X		
6	TIP policy recommendations inventory	-	X				

7	USAID CDCS support	-		X	X		
8	Website upgrade	-		X	X	X	X

ANNEX 4: TESTIMONIALS



Maputo, 9 de Março de 2015

À Sra. Brigit Helms,
Directora do projecto USAID/SPEED
Maputo

Por ocasião do encerramento das actividades do projecto USAID/SPEED, e no quadro da colaboração institucional entre o IFC e o projecto USAID/SPEED, urge-me tecer, por este meio, breves palavras de reconhecimento e apreço.

Durante cerca de 4 anos de vigência foram várias as iniciativas conjuntamente levadas a cabo pelo IFC e USAID/SPEED com o intuito de contribuir para a melhoria do ambiente de negócios em Moçambique. São iniciativas a nível da revisão do quadro legal, regulatório e institucional, sustentadas por análises técnicas, sempre assegurando o alinhamento e coordenação com autoridades governamentais moçambicanas. A flexibilidade do projecto em adequar nos seus planos de trabalho solicitações de colaboração norteou a sua actuação em quase todas as suas vertentes.

Dos vários exercícios conjuntos levados a cabo, importa destacar, de forma geral, o apoio ao Governo na implementação da Estratégia de Melhoria do Ambiente de Negócios (EMAN) e EMAN II, e mais particularmente, a colaboração para simplificação da abertura de empresas através do formulário único, a revisão legal do Código do Registo Predial, a comunicação ao público das reformas implementadas, a elaboração de planos de reformas com impacto nos indicadores do 'Doing Business' e no trabalho de mapeamento de decisores administrativos.

A colaboração entre as duas entidades é sem dúvida reconhecida pelo Governo de Moçambique e outros actores relevantes, pelos resultados alcançados. Nestes termos, gostaria de endereçar esta mensagem de reconhecimento à USAID/SPEED desde os seus mentores, financiadores e implementadores e, desejar a todos sucessos nos desafios que se reservam pela frente.

Michelle Sousa
Especialista em Ambiente de Negócios
Grupo do Banco Mundial

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ROYAL NORWEGIAN EMBASSY

**À Sra. Brigit Helms,
Directora do projecto USAID/SPEED
Maputo**

Your ref:

Our ref:

Date:

05 de Março de 2015

Cara Sra. Helms,

Por ocasião do encerramento das actividades do projecto USAID/SPEED, apraz-me tecer, por este meio, breves palavras de reconhecimento e apreço pelo vosso contributo que sobremaneira enriqueceu a qualidade do trabalho do grupo temático do sector privado, o PSWG e o importante contributo ao fortalecimento e o apoio à melhoria da qualidade do diálogo entre o governo, sector privado, sociedade civil e parceiros de cooperação em prol da melhoria do ambiente de negócios.

Como coordenadores do PSWG, por cerca de dois anos, pudemos testemunhar o importante papel desempenhado pelo projecto na recolha e análise de informação relevante ao desenvolvimento do sector privado, bem como na sua disponibilização para o enriquecimento do debate público sobre as reformas necessárias no quadro legal, regulatório e institucional em Moçambique. A flexibilidade do projecto e a capacidade de mobilização de recursos humanos tecnicamente qualificados para responder a solicitações norteou a actuação da USAID/SPEED o que foi e ainda é muito apreciado.

Os resultados alcançados pelo PSWG nos últimos tempos conta com uma grande contribuição do projeto. Nestes termos, gostaríamos de endereçar esta mensagem de reconhecimento à equipa técnica da USAID/SPEED, os seus mentores e financiadores.

Nesta hora de despedida, apraz-me endereçar à toda equipa da USAID/SPEED votos renovados de sucessos nos desafios que se forem a abraçar, e por todo o vosso apoio, o meu maior,

Muito obrigado


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