

Evaluation of PARPA II Private Sector Indicators and Recommendations for PARPA III

The purpose of this summary is to provide an overview of the progress made, and obstacles encountered, in achieving the private sector strategic indicators PARPA II. The methodology consisted of a literature review, compilation of interview guides, and in-depth interviews with key personnel in all the relevant ministries and agencies. Fifteen indicators (55.6%) were fully achieved; six indicators (22.2%) made significant progress and five indicators (18.5%) had little or no achievement; one indicator had no target against which to base an evaluation (see Table 1). Specifically:

- **Process Indicators:** Twelve process indicators, or 66.7%, were achieved; three process indicators, or 16.6%, showed good progress; two process indicators, or 11.1%, were not achieved; and one process indicators, or 5.6%, had no target.
- **Result Indicators:** Three result indicators, or 33.3%, were fully achieved; three result indicators, or 33.3%, showed good progress: and three result indicators, or 33.3%, were not achieved.

Table 1 - Level of Achievement by Type of Indicator

Level of Achiever	Process Indicators			Result Indicators			All	
	N	PARPA II Matrix No.	%	N	%	PARPA II Matrix No.	No.	%
100% achieved		38.a, 38.c, 38.40.a, 40.b, 40.42.a, 42.b, 42.43.b, 43.c 44.	66.7%		33.33%	44.1, 40.1, 42.1,	15	55.6%
Good progress		38.b, 44.a, 43	16.67%		33.33%	38.e, 39.1, 41.1	6	22.2%
Not achieved		39.a, 41.a,	11.11%		33.33%	38.1,43.1, 43.d	5	18.5%
No Target		41.b	5.6%		0.0%		1	3.7%
Total			100.0%		100.0%		27	100.0%

Note: Categories of level of achievement as set by the Ministry of Planning and Development

Key factors that contributed or hindered achievement of results – Individuals and institutions interviewed noted the following:

- **Drivers** – Impact of new legislation and strategies enacted by the Government of Mozambique that positively affects the business environment and the private sector in Mozambique; Dialogue between the Private Sector and Government on improving legislation and the business environment; Investment by private sector (e.g., mining, petroleum, tourism, energy); Market potential of various sectors (e.g., extractive industries, fisheries, tourism); Commercial forces driving policies and investment; General reform of the public sector.
- **Obstacles** – Some PARPA II matrix indicators were regarded as too general and unrealistic; Some indicators were perceived to lack clarity; PARPA/PES was not seen as drivers of reform and had insufficient monitoring, evaluation, control, and reporting; Inadequate resources (financial and human); Need for training (e.g., in technical topics); Inappropriate mind set, resistance to change, poor support services (especially for exports); Situations where no one agency was responsible for the indicator, i.e. responsibility for achieving indicator can be spread among various institutions; Inadequate infrastructure (e.g., fisheries, mining); Market forces (e.g., fisheries).

Legal and Policy Developments – A considerable amount of business-friendly legislation is being enacted and this is helping to achieve results (e.g., simplified licensing, One-Stop-Shop, elimination of minimum capital requirements, etc.). In addition, there is also a significant amount of new policies being formulated (e.g., bankruptcy law, single inspection agency, etc.). For PARPA II objectives to be realized, it will be important to ensure implementation of these new policies. Considerable progress has been achieved since independence in terms of turning Mozambique into a market-oriented economy and making the private sector the driving force for economic growth. Much of this progress is not recorded in PARPA or PES.

Questions for Additional Research – Additional research, especially in collection of relevant data, would benefit monitoring and evaluation of PARPA II, especially in the following areas: Employment creation, trade and investment data, and nights spent in Mozambique by tourists.