

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

This summary was prepared for the Private Sector Working Group (PSWG) as input into the evaluation process of the Poverty Reduction Strategy Paper (PARPA II) (2006 to 2009). The purpose of this summary is to provide the PSWG, a member of the PARPA II Economic Development Pillar, an evaluation and summary 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.

Evaluation of Results – 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 Achievement	Process Indicators			Result Indicators			All	
	No.	PARPA II Matrix No.	%	No.	%	PARPA II Matrix No.	No.	%
100% achieved	12	38.a, 38.c, 38.d, 40.a, 40.b, 40.c, 42.a, 42.b, 42.c, 43.b, 43.c 44.b,	66.76%	3	33.33%	44.1, 40.1, 42.1,	15	55.6%
Good progress	3	38.b, 44.a, 43.a	16.67%	3	33.33%	38.e, 39.1, 41.1	6	22.2%
Not achieved	2	39.a, 41.a,	11.11%	3	33.33%	38.1,43.1, 43.d	5	18.5%
No Target	1	41.b	5.6%	0	0.0%		1	3.7%
Total	18		100.0%	9	100.0%		27	100.0%

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

In order to strengthen the impact of PARPA III on the economy, it is recommended to continue to place primary importance on output indicators and to ensure these indicators are regularly monitored.

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
- Number of nights spent in Mozambique by tourists

Recommendations to improve the performance of PARPA – During the interviews, the following key issues were noted:

- **PARPA II Objectives:** It was reported that objectives were sometimes not clear. At times objectives are not under direct control of one organization, making achievement difficult.
- **Strategy:** Sector Strategies exist in many areas included in the PARPA II, but implementation of these strategies, including specific steps and timescale, often does not occur.
- **Monitoring and Evaluation:** There appears to be lack of adequate monitoring and evaluation mechanisms to review targets, assess progress, and take corrective action. Reporting systems are weak, and not timely. In some cases, they are not compatible with the targets, so it is difficult to verify if targets are being achieved or not, and to assess progress of the overall program.

Recommendations to Improve Monitoring and Evaluation Systems – the following recommendations were made to improve the monitoring and evaluation systems of PARPA II.

- Create just one monitoring and reporting system, which includes all indicators. It is not considered useful to have indicators that are not tracked.
- Monitor performance on a regular basis, with reporting procedures and adequate control systems (with adequate structures, resources, etc. in place).
- Focus on monitoring/evaluation and control systems will improve the quality and timeliness of results. This will assist and improve decision making by donors and government.
- Reports, for any given year, should focus on concrete results, and comparison to, program targets, with variances and their causes noted, and proposals put forward to remedy negative variances.
- Results, for any given year, should also be set in the context of the overall program, i.e., giving results and comparing them to targets for that year, but also in relation to the overall progress to date, again with any shortfalls noted and remedial action proposed.
- A practical way to achieve these objectives is to have a “report template” which sets out the format for the essential data and results to be included in reports.

Attachment 1 – PARPA II Matrix with Achievements

Objectivo	Indicador de Resultados [Fonte de Verificação]	Base 2005	Meta 2009 [Posição 2009]	Realizações (Acções)	Responsável	Indicador de Produto/ Execução [Fonte de Verificação]	Base 2005	Meta 2006	Resultado 2006	Meta 2007	Resultado 2007	Meta 2008	Resultado 2008	Meta 2009	Apreciação do desempenho (see footer note)
38. Melhorar o ambiente de negócios (par. 495)	38.1 Doing Business Ranking [Relatório anual do Banco Mundial]	110	70 [141]	Simplificação dos procedimentos para se começar um negócio	MJ / MIC	38.a. Nº de dias para se começar um negócio [Relatório anual do Banco Mundial "Doing Business Annual Report"]	153	90	140	60	134	40	141	30	A/Retain. DB #s change each year. Agreed to use number in year report as published 2009 report give 2008 ranking.
				Simplificação do sistema de procedimentos de licenciamento de actividades económicas nos Ministérios	MIC (Grupo Inter-Ministerial)	38.b. % de procedimentos simplificados [MIC/GASP e Grupo Interministerial]	Diagnostico de licenças em todos os ministérios	25%	NA	50%	NA	75%	-50%	100%	P/Retain. Covers many Ministries, not tracked. Slow start, now good progress.
				Criação de uma inspecção geral	MIC/outros Ministérios	38.c. Participação nas mutas eliminada			Progress	Progress			Reported that has been eliminated.	Eliminated	A/Drop. National Inspection Agency created
				Adopção e adaptação de normas internacionais (ISO) e regionais de acordo com a s necessidades do sector privado	INNOQ/Sector Privado	38.d. Normas aprovadas [INNOQ]	30 (cumulativo)	38	NA	48	36	58	42	119	A. Good performance, schd with big increase. Substitute certification of companies.
				Simplificação dos procedimentos para fazer uma importação e exportação	CSTA/Banca/Ministérios/ IPEX	38.e. Nº de dias [Doing Business]	41/41 (importações e exportações)	35/35	38/39	30/30	38/27	20/20	32/26	15	P/Retain. Still slow and behind target. Support services also weak. Scanning costly. Eliminate pre-shipment inspecn.
39. Criar o emprego (par. 556 e 497)	39.1. Nº de empregados no sector formal [MITRAB]	570000	900000 [204,000]	Aprovação e implementação duma Lei de trabalho flexível	MITRAB	39.a. Custo da contratação e despedimento dos trabalhadores [Doing Business Posição]	113	113	157	80	162	60	161	30	N/Retain. Significant disimprovement in Rank.
40. Aumentar a participação do empresariado nacional no sector de Recursos Minerais; posicionar Moçambique como destino turístico de classe mundial (par. 547)	40.1. Nº de operadores privados nacionais no sector mineiro [MIREM]	390	1,000 [1,064]	Realização de estudos geológicos	MIREM	40.a. Nº de estudos [MIREM]	NA	None	NA	None	NA	None	NA	None	A/Drop. Large scale geol map of Moz completed, equiv to many studies. Substitute survey of natl nat resources.
				Formação de operadores	MIREM	40.b. Nº cumulativo de operadores mineiros nacionais	2	12	5	17	50	22	54	27	A/Drop. Greatly exceeded, retain as as internal target.
				Reabilitação e reorganização das áreas de conservação do país (par. 548)	MITUR/MICOA	41.b. Reabilitada e reorganizadas [Nota técnica]	-	-	-	-	-	-	-	No Target set	NT/Drop. Not possible to evaluate as no target. Maintain as internal target.
42. Pesca Artesanal: Melhorar o nível de vida das comunidades pesqueiras e gerir a exploração sustentável dos recursos (par. 542)	42.1. Nível de abastecimento do mercado interno com o pescado nacional em toneladas [IDPPE]	100 mil	115 mil [120.2 mil]	Criação e/ou reabilitação das infra-estruturas de apoio	IDPPE	42.a. Nº de fábricas de gelo construídas [IDPPE]	-	3	0	1	1	1	2	1	A/Drop. Good progress, maintain as internal target.
					IDPPE	42.b. Nº de desembarcadouros construídos [IDPPE]	-	4	0	1	0	1	5	1	A/Drop. Good progress, maintain as internal target.
					MP - DNEP / DNAP	42.c. Reabilitado o Porto de Pesca de Angoche e Beira [IDPPE]	0	0	0	1	0	0	1	1	1
43. Pesca Comercial: Melhorar a competitividade e sustentabilidade da pesca comercial (par. 544)	43.1. Valor das exportações em milhões de USD [IDPPE]	90	115 No data, but exports down.	Experiência e divulgação de técnicas melhoradas de conservação e processamento de pescado artesanal	IDPPE	43.a. Centros de pesca cobertos com a rede de extensão pesqueira [IDPPE]	8	25	0	25	0	25	50	25	P/Drop. Good progress, more appropriate as internal target.
					IDPPE	43.b. Mercados de peixe construídos /reabilitados [IDPPE]	0	3	0	1	0	1	5	0	A/Drop. Good progress, better as internal target.
					IDPPE	43.c. Divulgada informação comercial expandida dos actuais 13 distritos para 25 [IDPPE]	13	16	ND	19	ND	22	50	25	A/Drop. Good progress reported Better as internal target.
					MP - DAQ / Sector privado	43.d. O volume das exportações de aquacultura comercial crescendo das actuais 630 para 2,000 toneladas anuais [IDPPE]	630 t	800 t	ND	1,000 t	NA but drop	1,500 t	Only 582 t produced	2,000 t	N/Retain. Strong neg market forces. Important sector with potential.
44. Criar o emprego (par. 556 e 497)	44.1. Nº de empregados totais no sector formal [Inquérito MITRAB]	1 800	14 300 [43,587]	Formações viradas para o autoemprego	MITRAB	44.a. Nº de formados cada ano [MITRAB]	2500	2500	ND	2500	ND	2500	ND	2500	P/Retain. Extend data to cover the statistics. Inc with 44.1 above.
				Regulamentação e submissão da Lei do Trabalho	MITRAB	44.b. Anteprojecto submetido [Anteprojecto de reforma da lei]		x			New Law		Create implementing Regulations	A/Retain. Implement the regulations in all sectors.	

Note: A = 100% achieved, P= Good progress, N=Not achieved, NT = No Target

Attachment 2 – Proposed PSD Indicators for PARPA III

Objectivo	Indicador de Resultados [Fonte de Verificação]	Base	Meta	Realizações (Acções)	Responsável	Indicador de Produto/ Execução [Fonte de Verificação]	Base 2009	Meta 2010	Meta 2011	Meta 2012	Meta 2013
Melhorar PARPA III	Melhorar coordenação da programas e processos de desenvolvimento			Interligar PARPA, PES e outros sistemas de monitoria	MPD						
				Referencia PARPA aos programas chaves, eg Aid for Trade, Integrated Framework	MPD						
				Melhorar o sistema da monitoria e avaliação	MPD						
Melhorar o ambiente de negócios (par. 495)	Doing Business Ranking [Relatório anual do Banco Mundial]			Simplificação dos procedimentos para se começar um negócio	MINJ / MIC	Nº de dias para se começar um negócio [Relatório anual do Banco]					
				Eliminação onde possível e simplificação do sistema de procedimentos de licenciamento de actividades económicas nos Ministérios	MIC (Grupo Inter-Ministerial)	% de procedimentos simplificados [MIC/GASP e Grupo Interministerial]					
				Certificação das empresas [INNOQ]	INNOQ / Sector Privado	Por definir					
	Aumento nas exportações			Simplificação dos procedimentos para fazer uma importação e exportação	CSTA / Banca / Ministérios / IPEX CSTA / Banca / Ministérios / IPEX CSTA / Banca / Ministérios /	Nº de dias [Doing Business] Eliminação das inspecções pre-embarque Reduzir os custos e prazos de scanning					
Criar o emprego (pars. 556 e 497)	Nº de empregados no sector formal [MITRAB]			Implementação da Lei do Trabalho em todos os sectores.	MITRAB	Numero de sectores em que e implementada.					
				Formações viradas para o emprego (incluindo auto-emprego).	MITRAB	Nº de formados cada ano (incluindo auto emprego). [MITRAB]					
				Simplificação da contratação da empregados	MITRAB	Custo da contratação e despedimento dos trabalhadores* [Doing Business]					
Aumentar o impacto nacional do sector de Recursos Minerais	Aumentar as vendas das minerais			Realização de estudos geológicos dos todos os recursos minerais nacionais.	MIREM	Nº de estudos [MIREM]					
				Aumento do numero de contratos, blocos e minas.	MIREM	Nº de contratos [MIREM]					
				Aumentar o numero de formados no empresariado nacional no sector de Recursos Minerais	MIREM	Nº de contratos [MIREM]					
	Aumentar as exportações			Aumento nas exportações	MIREM	Exportações [INE]					
Desenvolver e posicionar Mocambique como destino turístico de classe mundial (par 547)	Nº de noites passadas em Moçambique		Por definir	Actividades turísticas promocionais.	MITUR	Por definir					
				Aumentar as receitas turísticas	MITUR	Numeros classificados.					
	Aumentar Investimento no sector do turismo		Por definir	Investimento na sector do turismo	MITUR	Investimento aprovado [CPI]					
Pesca Artesanal e Comercial: Melhorar a competitividade da pesca comercial, e a eficacia da pesca artesanal.	Nível de abastecimento do mercado interno com o pescado nacional em toneladas			Criação e/ou reabilitação das infra-estruturas de apoio	MP/IDPPE						
				Experiência e divulgação de técnicas melhoradas de conservação e processamento	MP/IDPPE						
	Aumentar as receitas pesqueiras nacionais. US\$.			Incentivo a distribuição e comercialização de pescado e de insumos de pesca	MP/IDPPE						
	Valor das exportações em milhões de USD [IDPPE]			Expansão das áreas de aquacultura (camarão, peixe, e algas)	INAQUA	Aumento o volume das exportações de aquacultura comercial, volume e valor.					