



Quarterly Report FY17 Q3

April 01 – June 30, 2017

Supporting the Policy Environment for
Economic Development (SPEED+)

July 2017

This publication was produced by the SPEED+ Project under Contract No. AID-656-TO-16-00005 at the request of the United States Agency for International Development Mozambique Mission (USAID/Mozambique). This document is made possible by the support of the American people through the United States Agency for International Development (USAID). Its contents are the sole responsibility of the author or authors and do not necessarily reflect the views of USAID or the United States government.

Table of Contents

Abbreviations and Acronyms	4
Executive Summary	7
Introduction	12
1. Technical Activities	13
<i>Component 1: Improving the Agriculture Policy Framework</i>	<i>13</i>
1.1 Review of the PODA Agriculture Value Chains.....	13
1.2 Support to New Alliance Business Advisory Working Group (BAWG).....	14
1.3 Update the New Alliance Policy Matrix.....	14
1.4 Autonomous Tax (<i>Tributação Autónoma</i>).....	15
1.5 Improvements to Land Administration.....	16
1.6 Support in Review of Agriculture Policy Plans.....	17
1.7 Support Efforts to Reduce Cost of Fertilizer in Mozambique.....	18
1.8 Support Implementation of Seed Policies in Mozambique.....	18
1.9 Review MASA Agriculture Service Centers.....	18
1.10 Review Mozambique’s Commodity Exchange.....	19
1.11 Other Activities.....	19
<i>Component 2: An Improved Trade & Investment Framework</i>	<i>20</i>
2.1 TFA Ratification and Implementation.....	20
2.2 AGOA Utilization Strategy.....	23
2.3 Reducing Import/Export Costs on the Nacala Corridor.....	24
2.4 Improving Sanitary and Phytosanitary Certification (SPS) Framework.....	24
2.5 Strengthening Public Participation in the Legislative Process.....	25
2.6 Support to EIF and Review EIF Tier 2 Proposals on SPS and TBT proposals in line with the Trade Africa MOU.....	25
2.7 Quality standards for trade.....	26
2.8 Support to MIC on a New Trade Policy.....	27
2.9 Other Activities.....	27
2.10 Business Enabling Environment Activities.....	28
<i>Component 3: An Improved Power & Water Policy Framework</i>	<i>32</i>
3.1 Power Sector Activities.....	32
3.2 Water Sector Activities.....	36
<i>Component 4: Biodiversity Conservation</i>	<i>40</i>
4.1 Strengthen Implementation of Government Regulations and Policies.....	40
4.2 Improve the Biodiversity Policy Environment.....	41
4.3 Promote Public Engagement on Biodiversity Issues.....	42
4.4 Promote Policies for Private Sector Investment in Conservation Areas.....	42
2. MANAGEMENT AND ADMINISTRATION	44
2.1 Summary.....	44
2.3 Business Breakfasts.....	44
2.4 Communication.....	45
2.5 Monitoring, Evaluation and Learning (ME&L).....	46
Administration of the ME&L System.....	46
Baseline Data Collection.....	46
Progress on Context and Performance Indicators.....	46
2.6 Gender Action Plan.....	47
2.8 Finances and Budget.....	49

ANNEX 1: CAPACITY-BUILDING ACTIVITIES AND OUTREACH IN FY2017 Q3 51
ANNEX 2: SUMMARY ME&L TABLE 52
Context Indicators 52
Performance Indicators 56

Abbreviations and Acronyms

AEO	Authorized Economic Operator
ADVZ	Zambezi Valley Development Agency
AFORAMO	Association of Private Water Providers
AGOA	African Growth and Opportunity Act
AgRED	Donor working group on Agriculture and Rural Development
AIAS	Water and Sanitation Infrastructure
AMOS	Safari Operators Association
ANAC	National Conservation Areas Agency
ANSI	American National Standards Institute
APME	Association of Small and Medium Enterprises of Mozambique
APROSE	Association of Private Sector Seed Companies
ARA	Regional Water Authority
ARENE	National Independent Energy Regulator
AT	Tax Authority
BAWG	Business Advisory Working Group
BEE	Business Enabling Environment
BVM	Mozambique Stock Exchange
CAADP	Comprehensive Africa Agriculture Development Program
CASP	Confederation of Business Associations' Annual Private Sector Conference
CCT	Labor Consultative Council
CDN	Northern Development Corridor (operator of Nacala Port)
CDCS	Country Development Cooperation Strategy
CIP	Center for Public Integrity
CITES	Convention on International Trade in Endangered Species
COP	Chief of Party
CPAR	Contractor Performance Assessment Report
CPI	Investment Promotion Center
CRA	Mozambique Water Regulator
CSA	Agriculture Service Centers
CSO	Civil Society Organization
CTA	Confederation of Business Associations
DCOP	Deputy Chief of Party
DFID	U.K. Department for International Development
DINAT	National Land Directorate
DNA	National Directorate of Water
DNAAS	National Directorate of Water Supply and Sanitation
DRH	Department for Water Resources
EDM	Electricity of Mozambique
EIF	Enhanced Integrated Framework
EMAN II	Strategy to Improve the Business Climate
EnDev	Energizing Development program
ESWG	Energy Sector Working Group
EXIM	Export-Import Bank of the United States
FENAGRI	National Federation of Agricultural Associations
FINAGRI	USAID Financing Agriculture Project

FIPAG	The Water Supply Investment and Asset Fund
FP2	FastPath 2 methodology
FPA	Federal Power Act
FTF	Feed the Future
GAZEDA	Special Economic Zones Office
GE	General Electric
GRM	Government of the Republic of Mozambique
HEPG	Harvard Electricity Policy Group
ICAJU	Cashew Institute of Mozambique
ICT	Information and Communications Technology
ICM	Mozambique Institute of Cereals
IIAM	National Agriculture Research Institute
INNOQ	National Institute for Standards and Quality
IPEME	Institute for the Promotion of Small and Medium Enterprises
IT	Information Technology
JICA	Japan International Cooperation Agency
M&E	Monitoring and Evaluation
M&EL	Monitoring and Evaluation Learning Plan
MADER	Ministry of Agriculture and Rural Development
MASA	Ministry of Agriculture and Food Security
MASC	Mechanism to Support the Civil Society
MAST	Mobile Application to Secure Tenure
MCA	Millennium Challenge Account
MIC	Ministry of Industry and Trade
MIREME	Ministry of Energy and Mineral Resources
MITADER	Ministry of Land, Environment, and Rural Development
MOU	Memorandum of Understanding
NA	New Alliance for Food Security and Nutrition in Africa
NDE	National Directorate of Energy
NGO	Nongovernmental Organization
NQI	National Quality Infrastructure
NTFC	National Trade Facilitation Committee
NTB	Non-Tariff Barrier
OPIC	Overseas Private Investment Corporation
PARP	Poverty Reduction Action Plan
PEA	Political Economy Analysis
PEDSA	Strategic Plan for Agriculture Development
PGR	Attorney General
PNISA	National Agriculture Investment Plan
PODA	National Agricultural Development Operational Plan
PPD	Public-Private Dialogue
PPC	Policy Portfolio Coordinator
PPM	Policy Portfolio Manager
PPP	Public-Private Partnership
PSI	Pre-Shipment Inspection
PSWG	Private Sector Working Group
PURC	Public Utilities Research Center
PWP	Private Water Provider
SADC	Southern Africa Development Community

SIGIT	Land Management Information System
SATIH	Southern Africa Trade and Investment Hub
SINAS	National Information System for Water and Sanitation
SOW	Scope of Work
SPEED	Support Program for Economic and Enterprise Development
SPEED+	Supporting the Policy Environment for Economic Development Project
SPGC	Services of Geography and Cadaster
SPS	Sanitary and Phytosanitary
SRUC	Sector Reform and Utility Commercialization Project (USAID)
STTA	Short-Term Technical Advisor
SUWASA	Sustainable Water and Sanitation in Africa Project (USAID)
TAMIS	Technical and Administrative Management Information System
TBT	Technical Barriers to Trade
TEEN	Nacala Dry Port
TFA	Trade Facilitation Agreement
TIFA	Trade and Investment Framework Agreement
TIP	Trade and Investment Project
TOR	Terms of Reference
TSC	Trade Sub-Committee (PSWG)
UNDP	United Nations Development Program
UPS	United Parcel Service
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USTDA	U.S. Trade and Development Agency
WALIS	Water for Africa through Leadership and Institutional Support
WTO	World Trade Organization

Executive Summary

The Supporting the Policy Environment for Economic Development (SPEED+) activity is a four-year, \$37.2 million project funded by United States Agency for International Development's (USAID) Mission in Mozambique (USAID/Mozambique). SPEED+ seeks to support economic and structural policy reforms across four components: (1) agriculture; (2) trade, business enabling environment; (3) power, water; and (4) biodiversity conservation. Highlights of key deliverables are included in the table below; additional details and activities are provided in the following report.

Table 1: Highlights of Key Activities

Task	Activities This Quarter	Next Steps
<i>Cross Cutting</i>		
SPEED+ Retreat	<ul style="list-style-type: none"> Annual Retreat with SPEED+ staff and USAID held April 12-13, 2017 	
<i>Component 1: Improving the Agriculture Policy Framework</i>		
Review of PODA Value Chains (Cashew, Rice)	<ul style="list-style-type: none"> SPEED+ finalized and received USAID approval for Cashew Reform Memorandum and began implementation of the review and reform of Cashew Law and regulations, and the economic analysis of the cashew sector, law and regulations SPEED+ Business Breakfast: Cashew Sector Competitiveness 	<ul style="list-style-type: none"> Finalize review and recommendations for revision of Cashew Law and regulations, and economic analysis of cashew sector
New Alliance and Business Advisory Working Group (BAWG)	<ul style="list-style-type: none"> USAID informed SPEED+ of African Union changes in New Alliance, which will result in scale down of these activities. SPEED+ informed BAWG and other partners 	<ul style="list-style-type: none"> SPEED+ will discuss managing existing New Alliance commitments with USAID
Autonomous Tax	<ul style="list-style-type: none"> SPEED+, CTA and AT and conducted a field study to better understand application of Autonomous Tax. The resulting recommendation is to recognize the tax-exempt status of smallholder producers, and to support buyers to eliminate the burden of Autonomous Tax by documenting tax-exempt status of their suppliers 	<ul style="list-style-type: none"> SPEED+ and working group to develop detailed proposal for implementation of recommendations
Improvement of Land Administration	<ul style="list-style-type: none"> SPEED+ consultants finalized field work and presented findings and recommendations to DINAT and USAID, including a draft Land Reform Memorandum. Recommended reform includes the revision of the legal and procedural framework for land administration, and a district-level pilot activity to test the proposed reforms SPEED+ participated in Land Donor Working Group and Reflection Group for the Land Consultation Forum 	<ul style="list-style-type: none"> SPEED+ will submit Land Reform Memorandum for USAID review and approval, and discuss initial steps for implementation with DINAT and USAID
Implementation of Seed Policies	<ul style="list-style-type: none"> SPEED+ supported the SADC Seed Inspection Training delivered by the USAID-funded Southern African Seed Trade Project for 24 delegates from Malawi, Zambia and Mozambique (including APROSE and IIAM) 	<ul style="list-style-type: none"> SPEED+ will continue to coordinate with the Seed Trade Project to collaborate on seed trade-related reforms in Mozambique.
Review MASA Agriculture Service Centers (CSA)	<ul style="list-style-type: none"> SPEED+ developed scope of work (SOW) for baseline study of CSAs and recommendations for strategies to improve their effectiveness in raising farm-level productivity; expand their services to incorporate access to inputs, technical assistance, credit, and markets; and achieve sustainability through innovative management models including public-private partnerships. 	<ul style="list-style-type: none"> SPEED+ will discuss the activity with USAID next quarter.

Institute for Cereals Management (ICM) Strategic and Operational Plan	<ul style="list-style-type: none"> • SPEED+ developed and submitted for USAID approval a scope of work to assist ICM to develop their five-year strategic and operational plan (SOP), which will aim to support ICM implement a private sector vision for commercialization, domestic trade and food security for cereals in Mozambique. 	<ul style="list-style-type: none"> • Ms. Lara Goldmark and Ms. Jose Macamo will begin to work with ICM next quarter.
<i>Component 2: An Improved Trade and Investment Framework</i>		
World Trade Organization (WTO) Trade Facilitation Agreement (TFA) Ratification and Implementation	<ul style="list-style-type: none"> • SPEED+ provided technical inputs to the institutionalization process for the National Trade Facilitation Committee, resulting in a draft Decree formalizing the NTFC, to be signed by the Prime Minister, and the SOW for the NTFC secretariat • SPEED+ provided technical inputs to implementation of TFA Category B and Category C provisions, including the requirements for publishing Average Release Times; improve accessibility of information; eliminating pre-shipment inspection; and the Authorized Economic Operators (AEO) program • SPEED+ Business Breakfast: Challenges in Trade Facilitation in Mozambique 	<ul style="list-style-type: none"> • SPEED+ will continue to support formalization and operation of the NTFC. • SPEED+ will design SOWs to support Category C provisions on: fees and costs, elimination of pre-shipment inspection (PSI) and enhancing implementation of Authorized Economic Operators (AEO)
Develop a National Trade Portal	<ul style="list-style-type: none"> • A National Trade Portal will help Mozambique meet its transparency obligation under Article 1 of the WTO TFA Agreement. SPEED+ and Southern Africa Trade and Investment Hub (SATIH) made a presentation to NTFC on trade portals • SPEED+ drafted a proposal for a study tour to SADC countries that have recently implemented trade portals 	<ul style="list-style-type: none"> • SPEED+ will finalize study tour proposal and submit to USAID for approval once MIC confirms their commitment to develop a Trade Portal
Development of AGOA Utilization Strategy	<ul style="list-style-type: none"> • Under the USAID Trade Africa MOU and as outlined in AGOA legislation, an AGOA Utilization Strategy can help countries take advantage of AGOA tariff preferences and prepare for trade in a post-preferences trade environment. SPEED+ consultant Michael Blakeley completed field work, public consultation, and initial draft of AGOA strategy for Mozambique 	<ul style="list-style-type: none"> • AGOA Strategy will be finalized, translated and submitted to MIC for approval and ultimate adoption as national policy
Reducing Import/Export Costs on the Nacala Corridor	<ul style="list-style-type: none"> • A more efficient Nacal corridor, from port facilities, customs and transport, can support economic growth and increased trade along the corridor. SPEED+ initiated the Nacala Corridor Assessment to help identify and propose solutions for increasing efficiency along the corridor. SPEED+ will work with Northern Development Corridor (CDN) on the activity 	<ul style="list-style-type: none"> • SPEED+ will discuss work with the Minister of Transport and Communications and analysis and public consultation will be conducted by the assessment team, led by Graham Smith.
Improving Sanitary and Phytosanitary (SPS) Framework	<ul style="list-style-type: none"> • Ensuring SPS regulations in export markets are met can help Mozambique export, and ensuring SPS regulations meet international best practices as outlined in the WTO SPS Agreement can ensure imports are not unfairly blocked. SPEED+ consultant João Magalhães conducted field work and public consultation on baseline assessment and roadmap for reform of SPS Framework, and presented preliminary findings and recommendations to the Private Sector Working Group Trade Subcommittee and at SPEED+ Business Breakfast. 	<ul style="list-style-type: none"> • SPEED+ will finalize the baseline assessment and recommendations report and submit to National SPS Committee/Group for comments.
Support to EIF / Review EIF Tier 2 Proposals on SPS and TBT	<ul style="list-style-type: none"> • SPEED+ provided technical assistance to MIC to meet milestones for eligibility for Phase II of EIF (2 of 3 milestones were met). Eligibility will ensure the EIF allocates financial and technical assistance to Mozambique 	<ul style="list-style-type: none"> • SPEED+ will continue to support MIC to meet final milestone for EIF eligibility
Quality Standards for Trade	<ul style="list-style-type: none"> • Ensuring standards and technical regulations in export markets are met can help Mozambique export, and ensuring standards and technical regulations meet international best practices as outlined in the WTO TBT Agreement can ensure imports are not unfairly blocked. SPEED+ consultants Edward Nemeroff and Thomas Leonard conducted fieldwork for baseline assessment and recommendations for reform of 	<ul style="list-style-type: none"> • SPEED+ will finalize baseline assessment and recommendations for reform, and begin to plan implementation • SPEED+ will support ANSI to deliver workshop on "Using Mozambique NQI Policy to Promote US-Mozambique Trade and Investment"

	<p>National Quality Infrastructure (NQI) and technical barriers to trade (TBT)</p> <ul style="list-style-type: none"> • SPEED+ customized a Mozambique version of Handbook on Standards, Metrology and Conformity Assessment which was submitted to INNOQ for review and also supported INNOQ to hold World Metrology Day conference 	
Support to MIC on New Trade Policy	<ul style="list-style-type: none"> • A Trade Policy can help guide Mozambique's international and domestic trade interventions. SPEED+ began work on the new Trade Policy with a kick-off meeting and formation of a steering committee with appropriate representation from across MIC 	<ul style="list-style-type: none"> • SPEED+ will carry out fieldwork with consultants Phil Rourke and Luis Siteo, draft proposed trade policy, and hold public consultations in Maputo, Beira and Nampula
<i>Business Environment</i>		
Strengthening Public Participation in Legislative Process	<ul style="list-style-type: none"> • Ensuring the public can comment on draft legislation is a hallmark of transparent and collaborative governance. SPEED+ was able to secure commitment from CTA and civil society to finalize the Law for Public Consultation. Public consultation on the draft Law began with a SPEED+ Business Breakfast on the topic in Maputo 	<ul style="list-style-type: none"> • SPEED+ will begin drafting revisions to the Law to submit to the Minister of Justice the Prime Minister • Two additional public consultation events will be held in Beira and Nampula
Doing Business Indicators: Getting Electricity	<ul style="list-style-type: none"> • SPEED+ supported EdM and NDE to implement communications campaign about Decree 10/2016 which streamlines process for business to connect to electrical grid and is developing training sessions with EdM and NDE on correct interpretation and implementation of Decree 10/2016, which will help Mozambique's Doing Business indicators in the area 	<ul style="list-style-type: none"> • SPEED+ will support full implementation of communications campaign and training related to Decree 10/2016
Commercial Code Revisions	<ul style="list-style-type: none"> • SPEED+ is supporting MIC to revise the Commercial Code which will help create a modern, business friendly commercial code and, at the same time, help to improve scores on 2 Doing Business indicators: Starting a Business and Protecting Minority Investors. SPEED+ consultants worked with MIC and MJACR to develop the workplan for review and revisions to the Code, taking into account the recommendations made by the IFC, and the criteria used by the World Bank for Doing Business indicators 	<ul style="list-style-type: none"> • SPEED+ consultants will complete review and recommendations for Commercial Code reform, reducing number of steps to register a business and enhancing corporate disclosure and transparency, shareholder rights and governance along with other reforms needed to modernize the Code.
Mozambique Stock Exchange (BVM)	<ul style="list-style-type: none"> • SPEED+ consultants John Thompson and Hipolito Hamela completed research and draft recommendations for BVM to play a more active role in improving the business enabling environment and encouraging more firms to participate in the stock exchange 	<ul style="list-style-type: none"> • SPEED+ will support BVM, APME and CTA to hold a workshop on preliminary results and finalize report, identifying potential engagement for BVM in removing barriers to business
Labor Law / Minimum Wage	<ul style="list-style-type: none"> • SPEED+ consultants William House and James LaFleur completed fieldwork and submitted draft evaluation of the framework for minimum wage, which may help to create more formal sector employment and encourage new investment in Mozambique. 	<ul style="list-style-type: none"> • SPEED+ will finalize the evaluation and recommendations, and support CTA to present the study to Ministry of Labor and trade unions, and Labor Consultative Council (CCT)
<i>Component 3 An Improved Power & Water Policy Framework</i>		
<i>Power</i>		
On-grid regulatory and transaction support	<ul style="list-style-type: none"> • For independent on-grid generation opportunities to attract additional capital and expand generation and access to electricity across Mozambique, the legal and regulatory environment must be clear and consistent with international best practice. The Electricity Law, as the pinnacle legal framework guiding the sector, is outdated and needs to be updated. SPEED+ worked closely with MIREME and provided comments on how the Electricity Law can be updated, and supported the formation of a multi-sectoral working group and a roadmap for implementation • SPEED+ provided technical assistance to MIREMEs legal department resulting in MIREME issuing non-objection letter for the Inhambanhe Wind Farm, 	<ul style="list-style-type: none"> • SPEED+ consultants David Waltenberg and Taciana Lopez will begin work next quarter to support development of REFIT implementing regulations, improvements to the legal framework, including revisions to the Electricity Law and transaction support for IPSS, including standardized processes for IPP tenders • SPEED+ will organize a Business Breakfast on on-grid regulatory and transaction support

	allowing the project to move forward to the feasibility study stage	
Support the Independent Energy Regulator (ARENE)	<ul style="list-style-type: none"> • A sector regulator can strengthen the performance of the energy sector in Mozambique and create sector stability that can help to attract investors. SPEED+ consultant Ashley Brown provided a technical review and recommendations for improvement of the law establishing ARENE, which resulted in the revision of the law • SPEED+ provided technical assistance for the operationalization of ARENE, delivering recommendations on organizational structure and capacity requirements 	<ul style="list-style-type: none"> • SPEED+ will continue to provide technical assistance for the operationalization of ARENE, focusing on training and the establishment of an appeals process
<i>Water</i>		
Implementing the Decree for Private Water Suppliers (PWP)	<ul style="list-style-type: none"> • PWPs can help invest the necessary capital to expand access to water across Mozambique. SPEED+ worked with DNAAS and AFORAMO to develop an interim procedures and guidelines licensing PWPs until implementing regulations are approved which outline technical and service standards, tariffs, etc. • SPEED+ facilitated resolution of the AFORAMO request for a tariff increase and began work on the establishment of a tariff model for PWPs 	<ul style="list-style-type: none"> • SPEED+ will provide review of technical and service standards • With USAID approval, SPEED+ will begin development of tariff model for PWPs • SPEED+ will hold a Business Breakfast on the Role of the Private Sector in Achieving the Sustainable Development Goals for Water
Regularization of Private Water Providers (PWP)	<ul style="list-style-type: none"> • For existing PWPs to be formalized and provided licenses, and for new PWP licenses to be issued, the government needs to have an idea of where PWPs are operating and their network. SPEED+ began work to procure mapping services for national inventory of PWPs 	<ul style="list-style-type: none"> • SPEED+ will proceed with mapping of PWPs (upon USAID approval) • SPEED+ will coordinate with WALIS on implementation of SINAS updating
Public Dialogue and Communication Strategy	<ul style="list-style-type: none"> • SPEED+ designed dissemination and training materials and planned three regional seminars to support awareness and capacity to implement the Decree 	<ul style="list-style-type: none"> • SPEED+ will assist with updating the DNAAS Communications Strategy and will support three regional dissemination and training seminars
<i>Component 4: Biodiversity Conservation</i>		
Revised SPEED+ Biodiversity Work Plan	<ul style="list-style-type: none"> • SPEED+ hired the Biodiversity Portfolio Manager, Afonso Madope and completed discussions with the National Administration of Conservation Areas (ANAC), the Mozambican Association of Safari Operators (AMOS), and USAID to define a new work plan for the Biodiversity Conservation Component. 	<ul style="list-style-type: none"> • SPEED+ will begin implementing the revised work plan next quarter
Strengthening Enforcement of the Conservation Law	<ul style="list-style-type: none"> • A revised Conservation Law for Mozambique creates more opportunities for government to penalize wildlife and biodiversity-related crimes. But government needs to have the capacity to prosecute crimes. SPEED+ engaged a Partnership Manager (Luisa Capelão) to liaise with Attorney General (PGR) on the creation of handbooks on the application of the Conservation Law 	<ul style="list-style-type: none"> • SPEED+ will begin designing PGR handbooks following USAID approval • Partnership Manager Luisa Capelão will begin work
Preparation of Regulations for the Conservation Law	<ul style="list-style-type: none"> • SPEED+ and ANAC are working together to finalize the General Regulation and specific regulations as need for the implementation of Conservation Law 5/2017. A consultant has been selected to assist with the revision and harmonization of the draft General Regulations, integrating inputs from ANAC's stakeholder engagement process 	<ul style="list-style-type: none"> • Upon USAID approval, SPEED+ consultant Gildo Espada will provide technical assistance for drafting and harmonizing the General Regulation, through the point of submission to Cabinet for approval.
Management and Governance of Conservation Areas (CAs)	<ul style="list-style-type: none"> • Partnerships between government, local communities and investors for management of conservation can help promote economic growth while protecting and improving biodiversity conservation initiatives. SPEED+, in partnership with BIOFUND, drafted a work plan for development of a framework for conservation area co-management, taking into account best practices in Mozambique and regionally 	<ul style="list-style-type: none"> • SPEED+ consultants Peter Lindsey and Mujon Baghai will conduct fieldwork and draft initial assessment report and recommendations

Introduction

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

This Quarterly Report covers the period from April 01, 2017 through June 30, 2017. It is organized in two main sections: (1) Technical Activities and (2) Management and Administration. Section 1 is organized by component and generally follows the structure of the Year 1 work plan to enable reporting against work plan activities. Annex 1 provides a summary of capacity building and outreach activities and Annex 2 provides a summary of M&E indicators.

1. Technical Activities

COMPONENT 1: IMPROVING THE AGRICULTURE POLICY FRAMEWORK

1.1 Review of the PODA Agriculture Value Chains

MASA's Operational Plan for Agrarian Development (PODA) 2015-2019 identifies 15 strategic value chains for promotion and development. SPEED+ will assist MASA to implement market driven approaches to value chain development, supported by policy that encourages private sector investment and competitiveness. In addition to policy support to the sector, SPEED+ can also assist in the transfer of new technologies and management practices that create more transparent, inclusive, and productive value chains. Among the 15 strategic value chains, immediate policy issues in the cashew and rice sectors (see below) led to the prioritization of these two value chains for SPEED+ intervention.

Cashew

Proposals made by the private sector for either a total ban on raw cashew exports, or an increase of the tax on these exports, along with the release of the National Institute for the Development of Cashew (INCAJU) proposed revisions to the Cashew Law and regulations have led TechnoServe and the Mozacaju project to work together with SPEED+ to assist the Government on cashew policy reform. To initiate the partnership, SPEED+, Mozacaju and INCAJU established a coordination committee that meets weekly.

- *Reform Memorandum:* In this quarter, USAID approved the SPEED+ Cashew Sector Reform Memorandum, drafted by STTA Louise Williams in close collaboration with INCAJU and with significant contributions from TechnoServe (which has been providing broad technical assistance to the sector). The Reform Memorandum identifies areas for SPEED+ engagement, including support on drafting a revised Cashew Law and undertaking a related economic analysis of the impact of the cashew export tax on smallholder cashew farmers.
- *Revision of Cashew Law and Regulation:* In this quarter, SPEED+ worked closely with key sector stakeholders to formulate the scope of work for a consultant team (Norberto Mahalambe, Luis Nahe, Julio Cuamba, Benedito Maniate) to advise on the review and revisions of the Cashew Law and regulations. In the next quarter, the SOW and consultant will be submitted for USAID approval, and the analysis will begin immediately as it is a key input to the consultative reform process.
- *Economic Analysis of Cashew Sector, Law and Regulations:* To inform legal and regulatory reform and public consultation, SPEED+ is providing technical assistance for an economic analysis of the cashew sector, including the impact of current and proposed Cashew Law and regulations. In this quarter, SPEED+ worked closely with key sector stakeholders to formulate the scope of work and selection of consultant team (Bruce Bolnick, António Franco and Carlos Costa) for the economic analysis, which were finalized and submitted to USAID for approval.

- *Business Breakfast*: On June 1 SPEED+, INCAJU and the Confederation of Business Associations (CTA) held a Business Breakfast on “Cashew Sector Competitiveness” to kick off the collaboration. The event was well attended with over 60 participants from various regions of the country. INCAJU presented their “Master Plan for the Cashew Sector 2011-2020: Perspectives and Challenges”. SPEED+ engaged Mozambican cashew sector expert Carlos Costa to present “Cashew Export Tax: Who Will It Benefit?”. Initial discussions included potential SPEED+ support for the revision of Cashew Law and regulations, and the economic analysis of the cashew sector.
- *Promote market driven approaches to value chain development*: SPEED+ met with the French organization ETC Terra, which has been implementing a support project in the Gile National Reserve that disseminates monthly market information about cashew prices to producers and traders. SPEED+ and INCAJU are exploring the possibility to work with ETC Terra to raise awareness about this market information system in Nampula, another major cashew production area. SPEED+ will discuss this possibility with USAID and continue to develop this activity if appropriate.

Rice

MASA has asked SPEED+ to support the National Rice Development Program 2016-2027 (NRDP). Early signs indicated that GRM was considering a prohibition on rice imports in order to support domestic production. SPEED+ has had initial discussions with the National Directorate for Planning and International Cooperation (DNPCI) and the Center for the Study of Agro-Food Policies and Programs (CEPPAG) regarding collaboration on a competitiveness analysis for the rice value chain. The analysis will enable SPEED+ to support the government with policy recommendations to improve competitiveness and develop an economically viable rice sector. SPEED+ will discuss this activity with USAID in the following quarter.

1.2 Support to New Alliance Business Advisory Working Group (BAWG)

The Business Advisory Working Group (BAWG) was formed to support passage of the reforms identified in the New Alliance Policy Matrix. SPEED+ maintained communication with members of the BAWG regarding the update of the New Alliance Matrix. SPEED+ continued internal discussions regarding appropriate engagement with the group given its limited membership and dynamism. Also in this quarter, SPEED+ informed the group of potential changes in SPEED+ activities given upcoming African Union changes to the New Alliance (see section 1.3 *Update the New Alliance Policy Matrix*).

1.3 Update the New Alliance Policy Matrix

Within the framework of the New Alliance for Food Security and Nutrition (NA), the GRM committed to fifteen policy reforms (outlined in the New Alliance Policy Matrix) important to increasing private sector investment. As previously reported, MASA contacted USAID with a request for SPEED+ to assist with revision of the New Alliance Policy Matrix and the development of the New Alliance Annual Report 2016-2017. In this quarter, SPEED+ engaged with the DNPCI, the International Water Management Institute (IWMI) which supports GRM in New Alliance annual progress reporting, and with the Agriculture Donor Working Group to coordinate efforts. It was agreed that DNPCI would lead the reporting process and collect data from the government side, Grow Africa would collect data from the private sector, and SPEED+ would collect data from donors. However, during the quarter, SPEED+ was informed by USAID that the

African Union was in the process of altering the New Alliance, it will be replaced by something new, and USAID does not have a lead role in the new CAADP level program. Therefore, SPEED+ will not provide further support to MASA on updating the New Alliance Policy Matrix.

1.4 Autonomous Tax (*Tributação Autónoma*)

The Autonomous Tax is a 35 percent tax on non-documented expenses levied under the Value-Added Tax (VAT) code, on transactions made with persons not registered within the tax system. In the agriculture sector, Autonomous Tax is required for firms buying from smallholder producers (almost 5 million farmers) who do not have tax registration and cannot provide receipts. This additional 35% cost is a serious barrier to sourcing agriculture products from smallholders. The Tax Authority (AT) has held the position that all smallholder farmers should register under the Simplified Tax for Small Taxpayers (ISPC - *Imposto Simplificado para Pequenos Contribuintes*) regime. However, in rural areas, uptake of the ISPC has been very low due to low rates of literacy, lack of information, lack of desire to engage with government, lack of ID documents which prevents tax registration, and the need for any registered ISPC-payer to travel long distances to pay taxes.

- *Establishment of Working Group*: Since the beginning of the project, SPEED+ has engaged both CTA and AT in fresh discussions about the Autonomous Tax. The Autonomous Tax is an issue which has been on the reform agenda of some parts of the private sector for almost ten years. Discussions about the proposal generated by the prior SPEED program (for buyers to be responsible for issuing receipts on behalf of smallholders) had been at a standstill. In this quarter, however, SPEED+ was successful in bringing AT and CTA together to establish a working group to study Autonomous Tax and offer new solutions. This is a significant achievement that SPEED+ is confident will result in movement towards resolution as the two partners work closely together to better understand the issues.
- *Working Group Field Research*: SPEED+ and representatives from AT and CTA undertook a field study to understand constraints in registering smallholders for ISPC, and identify options to facilitate purchase of agricultural produce from smallholders while ensuring that tax is paid. The team visited Namialo, Ribaué, Meconta, Nacala Porto and Monapo districts in Nampula province (12th - 17th June), Chókwè in Gaza, and Manhiça and Moamba in Maputo province (20th - 23rd June). The trip focused on various agriculture value chains including aviculture, beans, horticulture, maize, rice, sugar cane, and tobacco. The team interviewed companies, associations, cooperatives and agriculture smallholders, to understand why smallholders do not engage with the tax system, and to identify measures that would not only guarantee effective tax collection but also end the need for Autonomous Tax. Surprisingly, the team discovered that solving the problem of smallholder registration for ISPC was not the most important intervention. The main finding from the field trip was that most smallholders fall below the minimum income threshold (36x minimum wage) that would require tax payments. Therefore, it is important to find ways for those who buy from smallholders to document that these sellers are tax exempt, thus eliminating the need for Autonomous Tax. Those who buy from smallholders, such as informal traders and farmer groups, may be sufficiently incentivized by the removal of the threat of the Autonomous Tax to actually become registered traders and farmer associations.

- *Working Group Recommendations:* The clear challenge of registering 5 million smallholder farmers has led to the working group’s recommendation to shift compliance focus from the smallholder seller to the buyer. During the field study, the working group learned that there are successful models of large commercial buyers, in crops such as sugar and tobacco, that require their smallholder suppliers to form associations and to register with the AT, and may even provide support for the registration process. Farmer associations have been motivated to register in order to maintain access to the market, and are able to issue receipts to the large commercial buyer so that the buyer is not subject to Autonomous Tax. Replicating this model in other crop sectors and with other large commercial buyers may be an important step forward. A second recommendation for the medium term is to develop a similar process for traders (intermediaries), farmer associations and cooperatives that are not necessarily linked to major commercial buyers to document that their product is sourced from tax exempt smallholders. This would require greater usage of a type of licensing for businesses/associations that deal exclusively with smallholders. It would require informal traders and farmer organizations to register with the AT, document and verify their suppliers, and pay taxes on their income. However, it would eliminate the burden of the Autonomous Tax.

In the next quarter, SPEED+ will continue working with AT and CTA to develop more detailed proposals for implementing the recommendations. Implementation may be complex, and require consensus building within the AT, review of business registration and licensing options, significant awareness raising and promotion of compliance with the changes for the public and private sector, and implementation support for the licensing and tax registration of a significant number of new traders or associations.

1.5 Improvements to Land Administration

SPEED+ works closely with MITADER to support implementation of the roadmap for reform developed under the prior USAID supported SPEED program. The [roadmap](#) provides guidance for reform of the existing legal framework for land through the alignment of legislation across various sectors in order to standardize systems, streamline procedures, reduce costs and improve implementation.

- *Reform Memorandum:* In this quarter, SPEED+ land consultants Ian Rose and Bruno Lopez completed their field work and presented findings and a proposal for activities to the National Directorate for Land (DINAT) and USAID. The consultants are now preparing a Land Reform Memorandum to guide SPEED+’ interventions. The initial draft identifies focusing on (a) Revision of land sector’s legal and procedural framework (e.g., certainty and transparency, protection of investment, community consent and participation, sustainable land administration and consensus building) and (b) small-scale district level implementation to validate the reform approach (e.g., community land delimitation, decentralization of cadastral services to district entities, improved land use planning, completeness and transparency of cadaster, district/municipality coordination and judicial training and ADR capacity building).
- *Land Donor Working Group:* SPEED+ participated in the Land Donor Working Group (LDWG). The group was formed to map and align the interventions of donors in the land sector. The Minister met with the group and stated that MITADER’s five-year budget for land administration is USD 165 million, leaving a deficit of USD 153 million if the Ministry is to implement the reform roadmap. SPEED+ took a lead role in the development of a *Nota*

Informativa for the Minister detailing donor funding and program commitments as of May 2017. SPEED+ has committed USD 1 Million for activities that will be specified in the SPEED+ Land Reform Memorandum. The *Nota Informativa* also expressed the need for a robust and functional information system to register land and key land attributes and the establishment of an autonomous institution with the capacity to carry out the main functions of land administration (cadaster, cartography, land use planning).

- *DINAT Annual Report*: SPEED+ continued to work with DINAT to produce its 2016 annual report. Some challenges have been encountered in gathering the complete set of data required for the report, and resolution of the missing data is pending with DINAT. SPEED+ will continue providing assistance if requested by DINAT, but it appears as if DINAT will not be able to finalize its 2016 Annual Report due to the challenges.
- *Land Consultation Forum*: DINAT invited SPEED+ to participate in the Reflection Group for the Land Consultation Forum (GRFCT) which is preparing for the 9th Land Consultation Forum (FCT) in November 2017. SPEED+ was asked to work with the conference preparation group focusing on legal reform in land. The group has met several times and determined that the main issue to bring to the 9th FCT would be a complete and persuasive justification for moving forward with legal reform of land administration, including the methodology to be followed so that the process is as harmonized, inclusive and participatory as possible.

1.6 Support in Review of Agriculture Policy Plans

Mozambique has a number of agriculture policies including Poverty Reduction Action Plan ([PARP](#)), Strategic Plan for Agriculture Development ([PEDSA](#)), National Agriculture Investment Plan ([PNISA](#)) and National Operational Plan for Agriculture Development ([PODA](#)). In coordination with MASA and the Donor Working Group on Agriculture and Rural Development (AgRED), and in particular the World Bank, SPEED+ continued engaging with MASA and the World Bank to provide inputs to on-going policy reviews. SPEED+ participated in the Agricultural Sector Coordination Committee's Joint Review of the Agricultural Sector meeting which initiated both the revision of PNISA and the biannual evaluation of the African Union's 2014 [Malabo Declaration](#) on Africa Accelerated Agricultural Growth and Transformation (3AGT). The first reporting on the Malabo Declaration will be made in January 2018. SPEED+ also attended a meeting organized by MASA in partnership with the Africa Wide Regional Strategic Analysis and Knowledge Support System (ReSAKSS) which aims to establish an agriculture research network. SPEED+ was invited by the Ministry to participate in the event which will result in a mapping of ag sector policy support. University Eduardo Mondlane, International Growth Center (IGC), Growing Africa's Agriculture (AGRA), Care International, etc. were also represented along with NGOs. Participants, including SPEED+, made presentations on their programs. This was a good opportunity to build relationships, receive updates on diverse programs, and to present USAID as a key player in the agriculture policy space.

- *Support Mid-Term Review of National Agriculture Investment Plan (PNISA)*: The World Bank is providing the technical consultants to complete the review of PNISA, which is considered a "mid-term review" because PNISA is likely to be extended through 2020 in order to align with the Strategic Plan for Agriculture Development (PEDSA) 2011-2020 timeline and the overall GRM five-year planning cycle. Donor coordination between USAID and other donors through AgRED led to an agreement that WB will take the lead on this activity, with SPEED+ available to provide private sector perspective as needed. In this quarter, SPEED+

engaged with the World Bank consultants and provided contributions to the PNISA review, particularly emphasizing broader stakeholder communication and consultation. SPEED+ also proposed supporting public and private sector engagement in the PNISA review, but to date no formal request for this assistance has been received.

1.7 Support Efforts to Reduce Cost of Fertilizer in Mozambique

SPEED+ is coordinating with MASA and the National Directorate for Agriculture and Silviculture (DNAS), the private sector Mozambique Fertilizer Association (AMOFERT), the African Fertilizer and Agribusiness Partnership (AFAP) and other stakeholders to identify potential SPEED+ contributions to the efforts to reduce the cost of fertilizer in Mozambique. Mozambique's National Fertilizer Program, approved in July 2012, aims to increase the use of fertilizer by small farmers. A [baseline progress assessment and recommendations](#) was made in 2015 by the prior SPEED project. In this quarter, SPEED+ consulted with key stakeholders to develop a scope of work for updating the 2015 SPEED analysis, given the recent elimination of import tax on fertilizer, and changes in the economic environment in Mozambique. In addition, AFAP has raised some concerns regarding prior SPEED program recommendations regarding the best approach to approval authority for regulations impacting the fertilizer industry. In the next quarter, SPEED+ will engage USAID in discussion and review of this potential activity. Further exploration of the potential SPEED+ contribution to initiating domestic fertilizer production may be undertaken following the overall sector update study.

1.8 Support Implementation of Seed Policies in Mozambique

SPEED+ maintains a continual dialogue and coordination with partners including DNAS, Association for the Promotion of the Seed Sector in Mozambique (APROSE), and the USAID Southern Africa Seed Trade Project (STP). In this quarter, SPEED+ came to agreement with STP to share office space with a full-time staff member of STP, Carlos Moamba. SPEED+, STP and SATIH held discussions to coordinate efforts in the seed sector, including support for seed testing laboratories. SPEED+ provided logistical support for a five-day SADC Seed Inspection Training in Maputo from 24-28 April 2017. 24 delegates from Malawi, Zambia and Mozambique participated in the training. From Mozambique, the private sector seed association (APROSE) and the national Agriculture Research Institute (IIAM) attended the training which was delivered by the South African Ministry of Agriculture.

1.9 Review MASA Agriculture Service Centers

Mozambique's National Agricultural Mechanization Program (PNMA) aims to increase agricultural production by at least 7% per year. Under PNMA, MASA established Agriculture Service Centers (CSA) to promote mechanization along six development corridors. There are 123 CSAs, of which 98 are Public-Private Partnerships (PPPs) and 25 are public sector managed. SPEED+ is supporting MASA to review and improve the management models for CSAs. In this quarter, SPEED+ worked closely with MASA and the Agriculture Development Fund (*Fundo de Desenvolvimento Agrário - FDA*) to define the scope of work for a consultant to conduct a baseline study of the management models and operations of existing CSAs in the Beira and Nacala corridors, and recommend strategies to improve their effectiveness in raising farm-level productivity; expand their services to incorporate access to inputs, technical assistance, credit, and markets; and achieve sustainability through innovative management models including

public-private partnerships. In the next quarter, SPEED+ will submit the SOW to USAID for discussion.

1.10 Review Mozambique's Commodity Exchange

The Mozambique Commodity Exchange (BMM) was created in 2012 and is affiliated to the Ministry of Industry and Trade (MIC). The BMM has approximately 85,000 tons of storage capacity including 21 silos. The BMM is also piloting a warehouse receipt system ([WRS](#)) to facilitate access to finance for producers or traders using the BMM storage facilities. There may be opportunities for collaboration and learning with the Southern Africa Trade and Investment Hub (SATIH) WRS pilot being implemented separately. A number of the BMM silos are owned by the Mozambique Institute of Cereals (ICM) and operated by BMM. The ICM is interested in ensuring successful management of the BMM silos through public private partnerships, and thus provides a useful entry point to SPEED+ engagement with BMM.

ICM plays an important role in the staple crop sector, and, as a government institute, faces competing pressures in adopting a best-practice model which enables it to fulfill its mandate, while at the same time not distorting the market through direct intervention. ICM is undergoing a period of restructuring with a new Director and revitalized efforts to fulfill their mandate to facilitate efficient trade so that national industry can absorb local production. ICM is also charged with establishing a reserve stock of cereals to ensure food security, and to potentially intervene in the market as the buyer of last resort. As part of the restructuring process ICM has identified the need to develop a five-year Strategic and Operational Plan (SOP).

ICM is keen to understand the role of cereals institutes in other countries in order to adopt a best-practice model to stimulate production, trade and improve food security without creating market distortions. A central element of ICM's role will be a focus on private sector management of storage facilities. The SOP would review ICM's existing infrastructure, including their silo management partnership with BMM, and explore ways to integrate these into a broader strategy to promote agricultural trade while also responding to GRM's need to ensure food security for the population in times of crisis.

In this quarter, SPEED+ worked with ICM to develop the scope of work for a consultancy supporting the ICM SOP Task Force to develop its five-year SOP. The SOW has been submitted for USAID approval. SPEED+ also met with the firm Grain Management, which has been contracted by SATIH to implement the WRS in Mozambique, to receive an update on the current status of the activity and to establish coordination between the SPEED+ and SATIH activities in this area.

1.11 Other Activities

During the quarter, SPEED+ engaged in the following additional activities:

Sanitary and Phytosanitary Standards: SPEED+ has determined that a coordinated contribution to systemic improvements in Mozambique's sanitary and phytosanitary (SPS) standards, and their implementation and enforcement, will deliver the greatest impact. During the quarter, SPEED+ concluded (under the Trade Component) a baseline assessment and roadmap for reform of Mozambique's SPS system, which will help SPEED+ develop a strategy for addressing SPS-related concerns, such as CTAs and Frutisul's support for an action plan

addressing Banana Bunch Top Virus (BBTV), support to address the weaknesses in MASA provincial monitoring and testing for fruit fly which is required for mango exports from Manica Province to South Africa, and support to address the spread of the Fall Army Worm. At the same time, SPEED+ coordinated with Chiluba Mwape from SATIH, particularly to support Mozambique's implementation of the SPS Annexes to the SADC Trade Protocol as part of SADCs Standards, Quality Assurance and Metrology (SQAM) program. In the next quarter, SPEED+ will discuss potential interventions with USAID and key government stakeholders (in coordination with SATIH).

FENAGRI: FENAGRI is the association of small enterprises in agriculture (*Federação Nacional das Associações Agrárias de Moçambique*). Following FENAGRI's recent elections, SPEED+ participated at the inauguration event and informally discussed areas of collaboration or support. FENAGRI may be an important partner for SPEED+ efforts to expand the voice of the smaller scale enterprises in Mozambique. FENAGRI is currently working on their strategic plan and will provide it to SPEED+ for review and comments

COMPONENT 2: AN IMPROVED TRADE & INVESTMENT FRAMEWORK

2.1 TFA Ratification and Implementation

Ratification and implementation of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) will create transparency and expedite the movement, release and clearance of goods, as well as secure effective cooperation between trade and customs authorities. The TFA was ratified by the Council of Ministers in 2016. Following the ratification, SPEED+ support has focused on establishing and helping facilitate meetings of the National Trade Facilitation Committee (NTFC), which is a key commitment of the agreement and an essential component to ensuring implementation. SPEED+ is also supporting implementation of the seven Category B provisions and mobilization of financing for the ten Category C provisions.

- *Business Breakfast:* SPEED+ hosted a business breakfast on “Challenges in Trade Facilitation in Mozambique” on April 20th, 2017. The breakfast, co-organized with Customs and CTA, brought together 60 stakeholders from government and the private sector who acknowledged the ratification of TFA as an important milestone, but raised the need to ensure its implementation so that the trade community can maximize its benefits. The event considered the Maputo Development Corridor as a case study. Two presentations were made: one by Caroline Ennis, who provided details about the TFA, including the categorization work and implication of TFA ratification to Mozambique, and another by Erminio Jocitala, who shared findings from a SPEED study conducted in 2015 on the efficiency of the Ressano Garcia Terminal (see section 2.9 *Other Activities* for detail and next steps).
- *Support to National Trade Facilitation Committee (NTFC):* During the quarter, SPEED+ supported three NTFC meetings. A key focus was the institutionalization of the NTFC. SPEED+ presented options for the formalization of the NTFC to the current committee for review and discussion, and then prepared a memo for the Minister of Industry and Trade (MIC) on the recommendations of the committee. SPEED+ then compiled all inputs into a presentation of the options for the Minister's Advisor to present to the MIC Technical

Committee. Upon receiving the resulting decision on formalization, SPEED+ collaborated with the MIC Legal Department to prepare an outline and technical inputs for the draft decree. Consultations on the decree are being held within MIC, after which the decree will be finalized and submitted for approval. SPEED+ also drafted a proposed SOW for a secretariat to support the NTFC.

- *TFA Provision 7.6: Establishment and Publication of Average Release Times*: SPEED+ is providing technical assistance on the implementation of TFA Provision 7.6, Establishment and Publication of Average Release Times. Provision 7.6 is currently classified as Category B, but as a result of SPEED+ research during the quarter, NTFC is learning that the collection and validation of data on release times across multiple land, sea and air ports is problematic. SPEED+ worked with AT to assess the possibility of using data from the Single Electronic Window (SEW) to measure average release times. SPEED+ also worked with the SEW operator, MCNet, on data related to average release times and participated in two field visits. The visits to Ressano Garcia port, the busiest land border for trade, and to Maputo Port sought to verify in situ the operation of the MCNet system and to better understand data anomalies. The team was able to observe the MCNet system, conduct interviews with MCNet/Customs staff, and appraise opportunities to use MCNet data to calculate average release times. This preliminary analysis was presented to the National Trade Facilitation Committee, which initiated a discussion about the possible re-classification of this provision to Category C, in order to finance a more in-depth analysis.
- *TFA Provisions 1.1 and 1.2 Accessibility of Information on the Internet*: Many of the Category B provisions relate to increasing understanding of procedures and accessibility of information. While SPEED+ works to develop consensus for a National Trade Portal to help make information more widely accessible, SPEED+ supported Customs to draft clearer, simpler yet technically accurate language for their website. In this quarter, SPEED+ specifically addressed appeal procedures.
 - *Provisions 1.1/1.2 (publication/information available through the internet)*: After an exhaustive assessment of existing publications and websites (essentially, that of the Single Electronic Window operator MCNet and the Revenue Authority's own site) SPEED+ verified that publically-available information on the Customs appeal procedures were not available. The procedures exist, but information was not available to traders. SPEED+ worked with the NTFC to draft texts to include the required information on appeals procedures on the website of the Revenue Authority. The text is expected to be approved at the meeting of the NTFC on July 27, and subsequently published.
- *TFA Provision 5.3 Test Procedures and TFA Provision 10.8 Rejected Goods*: SPEED+ reviewed draft texts shared by Customs on test procedures and rejected goods. The revised text is expected to be approved at the meeting of the NTFC on July 27, and subsequently published.
 - *Provision 5.3 (Test Procedures)*, says that countries may allow for a second test to be taken of goods when a first sample has an 'adverse finding'. Members are simply obliged to publish or provide to importers the names and contact details of laboratories where such tests can be carried out and 'consider' the results. This is not established in the legislation, but the TFA simply requires Customs to

publish/provide the laboratory contact details and 'consider' the second test. This is already standard practice (Customs allows 2nd tests at the trader's cost). SPEED+ worked with Customs to establish a list of acceptable institutions, but due to the lack of internationally accredited laboratories in the country, Mozambique will state that it will accept a second test from any 'accredited' laboratories.

- *Provision 10.8 (Rejected Goods)* requires customs to allow goods that have been rejected due to technical or sanitary/phytosanitary violations to be returned to the original exporter. This provision was not included under previous regulations. After extensive consultation, it was included in the legislation (Article 46 of the General Rules for Customs Clearance, decree No 9/2017, of 6th April 2017). Following further discussion at the NTFC, SPEED+ and the Customs team drafting the alterations to the legislation, it was agreed that while the TFA does not include specific mention of goods which could be a danger to public health, a caveat would be included in the national legislation such that in these circumstances, the goods would be destroyed and not re-exported.
- *Other support to TFA implementation:* SPEED+ reviewed the proposed work plan for the Enhanced Integrated Framework (EIF) and ensured that aspects related to the implementation of the TFA were included. SPEED+ also drafted a presentation on TFA and the role of the Single Electronic Window (SEW) for the MCNet retreat. SPEED+ provided technical review and inputs to the detailed SOWs for all Category C provisions being drafted by an EU consultant team and is working to support implementation of TFA Article 6 – a study on fees and costs. SPEED+ also facilitated a discussion during the Donor Trade Sub-Committee around division of support for Category C implementation.

2.1.1 Shift from Pre- to Post-Shipment Inspection

The shift from pre- to post-shipment inspection is a Category C provision. SPEED+ worked closely with Customs to develop a final scope of work for the development of a roadmap for elimination of Pre-Shipment Inspection. In the next quarter, the scope of work and a proposed candidate consultant will be submitted to the General Director of Customs for approval. Following Customs approval, SPEED+ will submit the scope of work and consultant to USAID for approval.

2.1.2 Help MIC Establish a National Enquiry Point for Trade

As detailed in the SPEED+ annual work plan, SPEED+ began development of a SOW to review fees charged on imports and exports (both formally and informally) and to assess the compliance of these fees on key provisions in the TFA, as outlined in TFA Article 6. SPEED+ also provided support to MIC to develop dissemination materials (posters) about selected trade agreements signed by Mozambique. SPEED+ wrote the content, designed the format, and funded printing of the posters. The posters will be distributed by MIC, which will also use the information to create further dissemination materials such as brochures.

2.1.3 Develop a National Trade Portal

SPEED+ worked with the engaged with Southern Africa Trade and Investment Hub (SATIH) to present at the NTFC meeting on the role of Trade Portals as an important tool for trade facilitation. SPEED+ and SATIH collaborated on development of the presentation to ensure its relevance for the Mozambique context (including SPEED+ translation). SATIH led the presentation with technical inputs provided by SPEED+. The NTFC agreed that a Trade Portal would be a useful instrument for Mozambique, but raised concerns about the cost of updating the information and managing a dual-language trade portal. At the request of the NTFC, SPEED+ also drafted a proposal for a study tour of Trade Portals recently implemented in SADC countries. In the next quarter SPEED+ and SATIH will finalize the proposal and submit to USAID for approval.

2.1.4 Authorized Economic Operators

Implementation of Authorized Economic Operators program (AEO) is a Category C provision. To date, there has been limited participation by the private sector in the AEO program. SPEED+ drafted a one- page overview about AEO, which was submitted to the AT. AT suggested that SPEED+ should undertake a quick survey to better understand the reasons for a low level of participation in the program. SPEED+ drafted a scope of work for the implementation of this survey, which will be submitted in the next quarter to AT for review and approval, and subsequently to USAID.

2.2 AGOA Utilization Strategy

The African Growth and Opportunity Act (AGOA) gives products from AGOA-eligible countries, including Mozambique, preferential access to the U.S. market. SPEED+ is assisting the GRM to develop a comprehensive AGOA strategy that targets the full range of supply-side constraints to trade. In this quarter, SPEED+ engaged trade specialists Michael Blakeley and Zeynep Akalin to support the development of an AGOA strategy that also conforms to the existing Trade and Investment Framework Agreement (TIFA) and Trade Africa Memorandum of Understanding. The consultants worked directly with MIC, the Export Promotion Institute (IPEX), the Confederation of Business Associations (CTA), AGOA beneficiary companies, and USAID and SPEED+ staff in developing the AGOA Strategy.

- Three workshops were held in Maputo, Beira and Nacala in April 2017. The aim was to engage with Government and private sector to identify constraints to competitiveness for Mozambique’s exports to the U.S, assess Mozambique’s current state of AGOA utilization, identify actions Mozambique must undertake to ensure eligibility, and identify candidates to either initiate or increase exports to the U.S. market under AGOA.
- The draft AGOA strategy was submitted to USAID for comments. It includes 21 recommendations for improving awareness of AGOA, increasing the competitiveness of specific sectors, and exploiting the benefits granted to goods made in Mozambique for the U.S. market. Each recommendation includes identification of implementing entities as well as a recommended timeframe, ranging from changes that should be implemented immediately to longer term export strategies.
- In response to USAID comments, SPEED+ began revising the draft AGOA strategy, and also preparing an additional consultant report that summarizes the process of developing the AGOA strategy (overview of consultations, research and interviews held).

In the next quarter, SPEED+ will complete revision and the Portuguese translation of the draft AGOA strategy and submit to MIC for review and approval. The consultant report will also be finalized and uploaded onto SPEED+ website.

2.3 Reducing Import/Export Costs on the Nacala Corridor

Reducing the time, costs and promoting efficiency for trade along the Nacala Corridor can help to generate increased investment and jobs throughout through increases in the volume of trade along the corridor. SPEED+ is supporting the Ministry of Transport and Communication (MTC) and the operator of Nacala Port, the Mozambican firm Northern Development Corridor (CDN), to complete an analysis of ports, rail, roads and infrastructure along the corridor using the FastPath 2 (FP2) methodology. A reform roadmap will be developed in conjunction with stakeholders. In this quarter, SPEED+:

- Finalized and received approval for the scope of work for the FP2 study, and engaged a team of five specialists including Graham Smith, Bo Giersing, Kristen Harkins, Zeynep Akalin and Jacqueline Pateguana.
- Secured the commitment of CDN to participate in the activity through the secondment of one of their staff, Fatima Nalá (Business Development Analyst), as well as assistance in obtaining data and setting up meetings for our work along the corridor, at no additional cost to USAID.
- Created a Steering Committee, including submitting formal letters to MTC, MASA, MIC, National Road Administration (ANE) requesting their participation. In addition, SPEED+ informed the Provincial Governors of Nampula, Zambézia, Niassa and Cabo Delgado about the scope of the activity and timeline.
- Began preparatory activities for the field work, including developing a detailed work plan for the mission and setting meetings were set with Government, and with private sector representatives in Maputo, Nacala, Nampula, Lichinga, Cuamba, Lilongwe, Blantyre, and Chipata. SPEED+ also began organizing two consultation workshops to take place in Nampula and Maputo. The consultant team is expected to start work on July 26.

2.4 Improving Sanitary and Phytosanitary Certification (SPS) Framework

Efficient and cost-effective SPS services are a key element for facilitating agricultural exports. SPEED+ is working with the National SPS Committee to review Mozambique's SPS Framework, and to strengthen their National Enquiry Point and National Notification Authority.

In this quarter, SPEED+ engaged consultant, João Magalhães, to carry out the baseline assessment and develop a roadmap for reform to ensure that Mozambique's SPS measures do not burden trade, but rather facilitate it through increased regional and international harmonization within the existing Trade and Investment Framework Agreement (TIFA) and Trade Africa Memorandum of Understanding (MoU).

SPEED+ staff and Mr. Magalhaes met with the SPS Committee chaired by the Ministry of Agriculture and Food Security, and involving the Ministry of Fishery, Sea and Domestic Waters,

and the Ministry of Health. SPEED+ also worked with private sector and donors to gather inputs for this assessment. Upon the completion of the fieldwork, SPEED+ presented preliminary findings and recommendations at the Business Breakfast and to the Trade Subcommittee of the PSWG meeting (both held on June 22nd). In the next quarter, SPEED+ will finalize the baseline assessment report and submit to the SPS group for comments.

SPEED+ and MASA organized a Business Breakfast on “Challenges and Importance of SPS Measures for Trade and Development in Mozambique”. The event on June 22 brought together 51 representatives from the fisheries, health, industry and commerce sectors, both public and private. Conclusions highlighted that cross-cutting plant protection, animal health and food safety issues need to be urgently addressed. However, SPS has not been a high priority for GRM, as evidenced by the lack of a National SPS Strategy or dedicated National SPS Agenda. Preliminary finding and recommendations from the SPS baseline assessment reviewed the factors underlying Mozambique’s lack of compliance with the WTO SPS Agreement, including the lack of a National SPS Strategy, limited human resources and capacity, outdated technology, and a regulatory regime that requires updating.

2.5 Strengthening Public Participation in the Legislative Process

SPEED+ is supporting CTA and civil society with a campaign to raise awareness and support advocacy for the adoption of the draft Law for Public Consultation in Legislative Processes in Mozambique, which was completed with the support of the prior SPEED program in 2014. In this quarter, SPEED+ developed and had approved by USAID a scope of work for Sal & Caldeira to play a key role in public consultation through a Business Breakfast series (see below), compile inputs and recommendations for changes to the draft Law, and draft the final version of the proposed Law for submission.

SPEED+ is acting as Secretariat for the coordination group that includes CTA and the Civil Society organizations committed to development and passage of the Law for Public Consultation. The group meets on a weekly basis to plan strategic communications and engagement with GRM, the National Assembly, the media, the private sector, and the general public. The group has agreed that the Ministry of Justice is the most appropriate Ministry to submit the proposal to the Council of Ministers, and has started to engage with the National Director of Justice and the National Assembly. Members of the group are also committed to a communication campaign including televised debates and articles published in newspapers, newsletters, and on social media.

To support the communications campaign, SPEED+ worked with the coordination group to organize a Business Breakfast series to launch the public consultation process for the draft Law. The first event in the series was held in Maputo on May 11. In the next quarter, the Breakfast will be presented in Beira and Nampula. Sal & Caldeira will provide background to the development of the draft Law, outline its provisions, and describe the important role public participation should play in policy making. Opportunity will be provided during the Breakfast and in follow up conversations to provide inputs and suggestions to the draft Law.

2.6 Support to EIF and Review EIF Tier 2 Proposals on SPS and TBT proposals in line with the Trade Africa MOU

During the quarter, SPEED+ worked closely with the National Director of Trade and the EIF/NIU team to meeting eligibility requirements for the phase 2 of EIF (2016-2022), which are required by June 30 and include: (a) a mid-term evaluation report of phase 1 approved by the Inter-Institutional Committee (CII); (b) an audit report submitted to EIF Coordinator in Geneva; and (c) a work plan for phase 2 approved by CII and submitted to Geneva. SPEED+ worked with MIC to develop the work plan for the EIF phase II, which includes some TIFA activities such as implementation of the AGOA Utilization Strategy, as well as TBT and SPS related support. The work plan was submitted to the WTO/EIF secretariat in Geneva along with the mid-term evaluation report. Unfortunately, MIC missed the deadline for submitting the audit report. SPEED+ will continue working with MIC to ensure the audit report is submitted as soon as possible to WTO/EIF secretariat in order to secure EIF funding.

2.7 Quality standards for trade

To help expand international trade, Mozambique needs to adopt and implement internationally recognized and accepted metrology, accreditation, standardization, and quality (MAS-Q) practices. Doing so can help facilitate trade, improve market access, increase export competitiveness, and increase consumer confidence in product safety, quality, health and the environment.

- *Baseline assessment of National Institute for Standards and Quality:* In this quarter, SPEED+ worked closely with the General Director and staff of INNOQ to support the baseline assessment of Mozambique’s regulatory framework for National Quality Infrastructure (NQI) and technical barriers to trade (TBT), and the development of a roadmap for reform. The findings of this assessment should guide SPEED+ support to bring Mozambique in line with regional and international standards, including the TBT Agreement. SPEED+ engaged two consultants, Ed Nemeroff and Thomas Leonard, who held meetings with representatives from throughout INNOQ. The consultants also met with representatives from GIZ and PTB to review the results of the trilateral project with GIZ, PTB and INMETRO (Brazil National Institute of Metrology Standardization and Industrial Quality). Preliminary findings indicate that INNOQ has the foundation to become an effective organization that can provide metrology, standards, and conformity assessment services. However, despite significant support by many international donors to enhance the National Quality Infrastructure, more can be done to ensure INNOQ complies with WTO and SADC TBT requirements, including a number of high impact and low-cost activities SPEED+ can support to help INNOQ comply with their international commitments, adopt international standards and ensure technical regulations do not unfairly impact trade. SPEED+ submitted to INNOQ and USAID the draft baseline assessment which is pending revisions based on comments received. Following completion of the report, SPEED+ will enter into discussions with INNOQ and USAID to outline a specific work plan for implementation of the recommendations.
- *Handbook on Standards:* In response to one of the initial recommendations of the baseline assessment, SPEED+ began work to customize a Mozambique version of a Handbook on Standards, Metrology and Conformity Assessment - Tools to Facilitate Trade and Market Access. The customized handbook is aimed at creating greater awareness of standards-related issues and international obligations and has been submitted to INNOQ for comments.

- *ANSI Coordination:* SPEED+ supported ANSI to prepare their workshop entitled “Using the Mozambique National Quality Policy to Promote U.S. – Mozambique Trade and Investment”, scheduled for August 10th. SPEED+ support includes logistical support (identifying venue, catering and interpretation services), as well as working with INNOQ to identify and invite Mozambican speakers and participants. ANSI will organize the international speakers.
- *World Metrology Day:* SPEED+ supported INNOQ to prepare a conference as part of the celebration of World Metrology Day. The conference, held on May 22, focused on the transport sector and had 117 participants. The conference was chaired by the Vice Minister of Industry and Trade, Ragendra de Sousa, and the USAID Acting Mission Director Sheryl Stumbras.

2.8 Support to MIC on a New Trade Policy

MIC has requested SPEED+ to assist with the design of a Trade Policy and Strategy for the period 2017-2021, which establishes a results-oriented framework with realistic goals for the use of trade as a tool for economic growth and job creation. The deadline for submission of the new Trade Policy paper to Council of Ministers is November 2017. This quarter, SPEED+ engaged two trade policy experts, Phil Rourke and Luis Siteo, to work with MIC in the design of this five-year trade policy and strategy. A kick off meeting was held between MIC, SPEED+ and Luís Siteo, and SPEED+ committed to submit a draft work plan for the development of the trade policy to MIC in early July. José Maria Guilherme, Head of Trade Policy Department, was appointed as the focal point for the Trade Policy review, MIC committed to provide working space for the consultants. A steering committee was established with representation from MIC including the National Director of Trade, Zulmira Macamo, Deputy National Director of Trade, Susana Mafuiane, Advisor to the Minister, Calado Silva, and José Maria Guilherme. Rosário Marapusse will represent SPEED+. In the next quarter, SPEED+ will carry out the field work and draft the proposed Trade Strategy. Consultation meetings will be conducted country wide with Government, private sector and donors. SPEED+ will also conduct validation workshops in Maputo, Beira and Nampula.

2.9 Other Activities

During the quarter, SPEED+ engaged in the following additional activities:

- *Ressano Garcia International Road Terminal (KM4) / Maputo Corridor Efficiency Study:* SPEED+ hosted a Business Breakfast (see section 2.1 TFA Ratification and Implementation) that brought together stakeholders from government and the private sector to discuss the implications of ratification of the TFA for Mozambique, looking at the Maputo Development Corridor case study completed by the prior SPEED program. A presentation by Erminio Jocitala shared findings from a study conducted by the prior SPEED project in 2015 on the efficiency of the Ressano Garcia Terminal. Participants raised the need to update the study providing detailed figures about the efficiency of Maputo Corridor. Next quarter, SPEED+ will engage with Tax Authority and CTA to finalize the SOW and discuss the activity with USAID.
- *Trade and Investment Engagement Workshop:* SPEED+ attended the USAID Trade and Investment Engagement Workshop in Pretoria, South Africa, from May 15-18. The workshop explored different ways of promoting trade and investment that align more directly to the

priorities of the new administration – “America First”. In this context, a common message in trade and investment across sub-Saharan Africa was developed: “Connect Africa”.

- *Coordination with other USAID/USG activities:* SPEED+ is supporting the Southern Africa Trade and Investment Hub (SATIH) in developing a database of business associations which will inform programming of SATIH intervention. SPEED+ has provided orientation/overview information, and provided introductions and logistical support for meetings with various associations. The objective of the meetings was to interview associations aimed at assess their internal management, marketing, membership and financial capacity. SPEED+ met with the US Embassy Economic and Commercial officer to discuss possible opportunities to create jobs through supporting SMEs to provide services to the gas industry.

2.10 Business Enabling Environment Activities

2.10.1 Doing Business Indicators

Getting Electricity

In the 2017 edition of the Doing Business report, Mozambique dropped 4 places in the ranking on the Getting Electricity indicator, from 164th to 168th, which is Mozambique’s worst score across the entire report. The Getting Electricity indicator measures the time and cost to get connected to the electrical grid, the reliability of the electricity supply and the cost of electricity consumption. SPEED+ is supporting EdM and National Directorate of Energy (NDE) to disseminate information about Decree 10/2016, which streamlines the process for businesses to get connected to the electrical grid. Decree 10/2016 reduced procedures from 7 to 5, reduced days for obtaining a new connection from 91 days to 54 days, and eliminated the need to provide a bank guarantee. The Decree moved all licensing procedures to EdM, eliminating the need for companies to deal with both EdM and NDE. The implementation of the Decree will directly impact the calculation of Mozambique’s score on the Getting Electricity indicator and should lead to an improvement in the ranking. To support implementation of the Decree, SPEED+:

- Supported EdM and NDE to develop a communication plan to disseminate the new Decree, particularly targeting the private sector. The communication plan includes newspaper announcements, posters for every EdM and NDE office nationwide, fliers, TV spots, the CTA newsletter, and the SPEED+ website. Dissemination was begun with publication of the announcement in major newspapers and online. In the next quarter, the communication plan will be fully implemented.
- Supported EdM and NDE to develop training sessions in the south, center and north region in the next quarter. Trainings will target EdM staff responsible for processing new connection requests, to ensure correct interpretation of the Decree 10/2016, particularly regarding the calculation of costs to consumers.

Starting a Business and Protecting Minority Investors – Commercial Code Reform

MIC is currently focusing on reforms to the Commercial Code, which, when complete, will improve Mozambique’s scores on two indicators in the Doing Business report: Starting a Business and Protecting Minority Investors. In order to move forward with the implementation of Commercial Code reforms, MIC, in coordination with the Ministry of Justice (MJ) and Confederation of Business Association of Mozambique (CTA), have requested SPEED+ assistance

to update Mozambique's Commercial Code. While focus will be on reducing time to register a new business from 10 procedures and 19 days and improving aspects of the Commercial Code that govern corporate disclosure and transparency, conflict of interest, shareholder rights and governance, and directors' liability, SPEED+ support will enable other recommendations geared towards creating a modern Commercial Code. In this quarter, SPEED+ collaborated with MIC to develop the scope of work and select a team of consultants to assist with the review and recommendations for revision of the Commercial Code, taking account the recommendations made by the IFC, and the criteria used by the World Bank in developing the Doing Business report for Mozambique. Upon receiving USAID approval, SPEED+ coordinated between the consultants and MIC and MJACR to create a work plan for the study.

Dealing with Construction Permits

SPEED+ continued to coordinate with Maputo Municipality (CMM), MIC and the World Bank regarding implementation of possible reforms to improve the process of issuing construction permits, including:

- Support to update and improve the CMM website and ensure that all information concerning documentation required and fees to obtain building license are available.
- Support to disseminate information on the issuance of construction permits.
- Support to allow permit applications to have a meeting with CMM prior to submitting applications to enable applicants to better understand the permitting requirements.
- Support to update the software financed by SPEED to allow applicants to apply for licenses online and track applications.

2.10.2 Strengthening of public advocacy on BEE - CTA reform agenda and meeting with Prime-Minister

The Business Environment Monitoring Council (CMAN), organized by CTA and chaired by the Prime Minister, is the main forum in Mozambique for dialogue on business environment issues between the public and private sectors. In the last quarter, the CMAN was postponed because CTA and MIC were not able to agree on the business environment improvement agenda contained in Private Sector Matrix. In this quarter, CTA has requested SPEED+ financial and technical assistance to draft a revised Private Sector Matrix and to support the CMAN, now scheduled for July 21. SPEED+ will help CTA update the Matrix, ensure a standardized process for updating the matrix is followed, and provide logistical support for the CMAN meeting with the Prime Minister.

2.10.3 Mozambique Stock Exchange (BVM)

The BVM can play a key role in advocating for enabling environment reforms on such issues as foreign exchange controls, labor laws, and corporate governance. A more conducive investment climate will attract more firms to invest in the country, and thus stimulate a more dynamic capital market. Although access to credit in Mozambique is complex and expensive, only a very few firms have chosen to list on the BVM. SPEED+ is working with the BVM to develop a study recommending strategies to improve the business environment and encourage more firms to list on the BVM. In this quarter, SPEED+ submitted and had approved by USAID a scope of work and candidate consultant team to carry out the study, "Increasing Private Sector Participation in the Stock Exchange in Mozambique". The consultants, Hipolito Hamela and John Thompson, worked closely with BVM, CTA, sector business associations, SME's, companies listed at BVM, and

key government stakeholders. The study identified ways in which the BVM can advocate for business environment reforms which can lift constraints to the growth of firms listed on the BVM. The study also focused on institutional strengthening of BVM, including shifting away from state ownership to a mutual or independent corporate structure; establishing an independent supervisory body; broadening the investor base to include retail, institutional and foreign investors; and considering association with another regional or global platform. A public presentation of the preliminary results of the study has been organized in partnership with BVM, Association of Small and Medium Enterprises of Mozambique (APME) and CTA, to be held on July 5, 2017.

2.10.4 Minimum wage study

In 2008, the GRM introduced negotiated minimum wages, which were defined according to economic sectors. Subsequently, minimum wages have been set for at least 16 sectors and sub-sectors. The annual minimum wage negotiation process, which comes into force on 01 April each year, uses a formula that includes sectoral economic growth (as a proxy for increased labor productivity), the overall rate of inflation, and a variable (delta) which reflects the wage negotiations and collective bargaining process between the employers and trade unions in the respective economic sectors.

The policy of setting variable minimum wages by sector has challenged investment and growth of the private sector. As such, CTA asked SPEED+ to commission a study to evaluate the framework, considering international best practice, the government's goals for employment creation and Mozambique's current state of economic development. During the quarter, consultants James LaFleur and William House completed their investigation and submitted the study to SPEED+ and CTA.

Key recommendations for the reform of minimum wage policy included:

- Set minimum wage levels that promote the formalization of employees of low-wage labor-intensive businesses and SMEs and which ensure a basic level of welfare is guaranteed within the Mozambican economic reality.
- Promote minimum wage levels that incentivize investment in large entry-level, labor-intensive economic activities.
- Implement a sub-minimum wage for youth and young adults in apprenticeships and internships.

In the next quarter, SPEED+ will finalize edits to the study and seek USAID approval for wider distribution. CTA will also present the study to the Ministry of Labor and the Mozambique trade unions. After that, the study will be presented at the Labor Consultative Council (CCT).

2.10.5 Closure of Mozambique's International Airline Entry Points

The Mozambique Airports Company (AdM) has proposed reducing the number of "point of entry" airports (those that allow arrivals from international airlines) from the current 9 entry points to only 3 (Maputo, Beira and Nacala). Under this proposal, all international and regional flights would be restricted to the three points of entry, and domestic carrier flights would then take passengers to other airports throughout the country. Closure of these six airports to international traffic could have economic impacts for various sectors throughout the economy. The Government has constituted a task force to analyse the airport closure proposal. CTA, the

Mozambican Federation of Tourism (FEMOTUR) and IACM are members of the task force, and have requested technical assistance from SPEED+ to undertake a study to analyse the impacts of the proposed airport closures. It is expected that the study's findings will be presented to the Minister of Transport and Communication who will, in turn, present the findings to Cabinet. In this quarter, the scope of work for the study and the selected consultant were approved by USAID, and the work is expected to begin in the next quarter.

COMPONENT 3: AN IMPROVED POWER & WATER POLICY FRAMEWORK

3.1 Power Sector Activities

3.1.1 *On-grid IPP law, regulatory and transaction support*

Power generation can be provided competitively to the national grid by independent power producers (IPP). For independent on-grid generation opportunities to attract additional capital and flourish, the legal and regulatory environment must be clear and consistent with international best practice. To fully realize on-grid IPP projects, MIREME may also require technical assistance to move specific transactions through the concession process.

1.1 Implement REFIT

The Renewable Energy Feed-In Tariff (REFIT) was established by a Council of Ministers Decree in 2014 with support from USAID. The Decree sets forth the framework of the REFIT, but implementing rules are necessary for the program to function. Draft implementation guidelines have been prepared with USAID support. Next quarter, SPEED+ consultants David Waltenberg and Taciana Lopes will work with MIREME to advance approval of the implementation guidelines.

1.2 Transaction and legal support for pilot IPPs

One of the potential on-grid IPP projects is the 30MW Inhambane wind farm, which has been under development (with USAID support) over a period of five years. The procurement process has encountered various obstacles, and has been pending clearance to initiate the feasibility study. SPEED+ worked with MIREME to unblock the procurement process by clarifying the terms of the original tender that govern the awardees rights and responsibilities around ownership and investment. Ventos de Inhambane had requested a non-objection letter from MIREME for a proposed sale of ownership shares over a year ago, but MIREME required technical support to assess the decision. SPEED+ assisted the MIREME Legal Department to analyze the terms of the tender and award for this project, verifying that this transaction was allowable. MIREME then issued the non-objection letter and, after completing this transaction, the project can now move to the feasibility study phase. With this improved understanding of how to evaluate such situations, MIREME will be able to move future IPP projects more quickly through the concession process. Next quarter, SPEED+ consultants David Waltenberg and Taciana Lopes will further engage with MIREME to provide support on the Inhambane Wind Farm and on other potential IPPs to ensure decisions for new IPPs are made more efficiently in the future.

To help build the confidence of MIREME's legal department and expedite decisions to license IPPs, SPEED+ worked to develop a training package to build capacity on details of IPP licensing decisions, such as on project finance, determining internal rates of return, models for public-private partnerships, taxation of foreign investors, sovereign guarantees and risk mitigation, etc. The SOW has been developed with MIREME and will be submitted for USAID approval in the next quarter.

1.3 Support clarification of legal framework for on grid IPPs

Through discussions with MIREME's Vice-Minister, the National Directorate of Energy (NDE), and the Legal Department, [twelve high priority legal reforms](#) were identified, and updating the Electricity Law was a top priority. During the quarter, SPEED+ was able to quickly engage Professor Ashley Brown to provide a high-level review of the Electricity Law and make some initial recommendations for revision. His commentary was reviewed with MIREME and other key stakeholders, and will be used as an input for David Waltenberg and Taciana Lopes as they engage with MIREME on legal reforms next quarter, including addressing any potential conflicts between the Public Private Partnership (PPP) Law and the Electricity Law.

SPEED+ also worked with MIREME to highlight the importance developing a reform roadmap and establishing a legal reform working group to support revision of the Electricity Law. SPEED+ drafted a SOW for the working group, whose mandate would be to solicit and review input on the major elements to be included in a new Electricity Law. Members of the working group would include MIREME, FUNAE, EdM, CNELEC, AMER, CTA and interested donors, such as USAID, GIZ, etc.

3.1.2 Off-grid IPP law and regulatory environment

Mini-grids and solar home systems, which can be operated by utilities, dedicated private companies, or community-based organizations will play a key role in expanding off-grid power and meeting Mozambique's goal of ensuring 20 million Mozambicans will have access to power.

2.1 Mini-grid mapping and pilot activity and consensus on an off-grid strategy

As part of the SPEED+ Energy Component work plan, once the National Electrification Strategy (NES) has been finalized, SPEED+ will begin to analyze concrete support actions for the development of a conducive off-grid regulatory framework and provide transaction support as needed. The NES addresses both on- and off-grid solutions to scale up coverage, and is being financed and managed by the World Bank with Electricidade de Moçambique (EdM) as its main counterpart. SPEED+ has participated in the Energy Sector Working Group, and has provided review and comments on the draft NES. The NES may inform further SPEED+ work, and is expected to be released in the next quarter. As SPEED+ considers the potential value of an off-grid mapping exercise, we will also build on the mapping work done by Lusophone Renewable Energy Association (ALER).

2.2 Drafting of off-grid enabling legislation

Based on discussions with USAID, further SPEED+ activity on off-grid enabling legislation is pending the finalization of the National Electrification Strategy.

2.3 Review of VAT and import duties for renewable energy equipment

SPEED+ will support the reform of fiscal and import regulations for off-grid IPP investments under the UK's Department for International Development (DFID) Energy Africa Compact for Mozambique. SPEED+ reviewed the first draft of the report on the Energy Africa Compact, which aims to increase access to power through off-grid systems with a focus on solar home systems. SPEED+ participated in discussions of the recommendations with the Off-Grid Energy Sector Working Group (donor coordination group). USAID has committed through SPEED+ to provide analysis and technical assistance to improve fiscal and import regulations for off-grid IPP

investments, including support for a Task Force on Fiscal and Import Regulations. Major stakeholders on the task force will include MIREME, Ministry of Finance, GIZ, and CTA.

SPEED+ also began strategizing on how to best advance consensus building and, next quarter, will support on advancing recommendations as necessary, including¹:

- Reviewing the existing study that analyses the costs and benefits of removal of VAT and import duties on household off-grid energy products;
- Proposing a list of eligible equipment and recommend applicable import duties and VAT;
- Developing an implementation strategy.

3.1.3 *Support the Independent Energy Regulator*

With the rapid development of the energy sector over the last two decades, attracting an increasing amount of public and private investments, the GRM was prompted to create a new independent energy regulator with autonomy to make binding determinations – ARENE (Energy Regulator Authority). ARENE replaces the National Electricity Council (CNELEC) which performed certain functions of a regulator, but only in a non-binding advisory capacity.

3.1 Review of ARENE draft law and implementing regulations

SPEED+ consultant Ashley Brown reviewed the draft ARENE law. The consultant's recommendations highlighted the need to incorporate guiding principles of international best practice in energy sector regulation into the law. Important guiding principles include cost and pricing principles, ethics and transparency, competitive frameworks, the proper authority and qualifications of Commissioners, public participation and access to information, and access to appeal processes. SPEED+' comments were shared with the National Electricity Council (CNELEC), and were submitted to the National Assembly by CTA. This technical assistance resulted in the addition of 2 Articles (Objectives and Principles) to the final version of the law which integrated the best practice principles into the guiding framework for the entire law. The law was approved by the National Assembly in May 2017 and is expected to be published in the Boletim next quarter.

3.2 Define Capacity Needs for ARENE

SPEED+ consultant Ashley Brown worked with the CNELEC to provide guidance on the operationalization of ARENE, including:

- Preparing ARENEs internal organizational structure, position qualifications and job description (completed in this quarter)
- Training to CNELEC/ARENE staff on best practice principles for independent energy regulators, as reflected in the final version of the law establishing ARENE (to begin in the next quarter)
- Design and operationalization of appeals processes (to begin in the next quarter)

¹ Recommendations should be discussed with the IMF pending their mission next quarter.

3.1.4 Strengthening EdM

More private participation in the power sector is needed in order to increase investment, foster economic development, and achieve universal access goals by 2030. One of the easiest ways to bring private sector participation in the power sector is through independent power producers (“IPPs”). Grid connected IPPs will sell power under long term power purchase agreements (“PPAs”) to EdM. If EdM is insolvent, IPPs will not be able to raise financing backed by PPAs without government guarantees. For this reason, it is important to strengthen EdM.

4.1 Explore options for energy efficiency activities

SPEED+ is working with EdM to identify options, opportunities and recommendations to improve energy efficiency. During the quarter, EdM and SPEED+ explored revitalizing the Mozambique Energy Efficiency Forum. The Forum was created in 2013 on the initiative of a small group representing the University Eduardo Mondlane (UEM), EdM, and the Ministry of Energy. The membership included representatives of MIREME; Ministry of Public Works, Housing and Water Resources (MOPHRH); MITADER; CNELEC; UEM; EdM; FUNAE; PETROMOC (state owned liquid fuel distribution company); and CTA. Although the Forum has been dormant, it offers an excellent mechanism for multi-sectoral cooperation on energy efficiency activities. SPEED+ can work with EDM and a revitalized Energy Efficiency Forum to further discuss the USAID ICF International report that found that the most cost effective and most likely to succeed opportunities are in residential lighting, commercial lighting, and industrial HVAC. In the coming quarters, SPEED+ can outline the benefits and economic consequences of favored energy efficiency options, and indicate whether reduced import duties on efficient equipment, or a modification of the electricity tariff itself, would be necessary in order for EdM to adopt certain options. In the next quarter, SPEED+ will discuss this activity in more detail with USAID.

4.2 Support the establishment of a clear and transparent interconnection process to encourage new investments

IPPs require a transparent and predictable process for grid interconnection and a technical specification that defines the parameters a facility connected to a public electric network must meet to ensure safe, secure and economic proper functioning of the electric system.

- *Interconnection process.* EdM must create a process for new generators to connect to the grid. This activity will be undertaken in close coordination with the development of the implementation procedures for the Grid Code.
- *Grid Code.* IPP’s must comply with the national Grid Code in the design, construction and operation of new power generation projects. While the Mozambican Grid Code is fully drafted and approved (Ministerial Diploma 12 November 2014), the implementation and enforcement of the Grid Code requires the design and operationalization of eight administrative procedures (manuals, procedures, protocols and regulations) which are clearly identified in Article 90 of the current Code. In this quarter, SPEED+ explored the possibility to support EdM to finalize and submit to MIREME a revised and operational Grid Code. This effort will also form the basis for the development of a clear roadmap of the process for any future revisions of the Code. Discussions were held with the EdM, MIREME, and the Portuguese Cooperation (also interested in supporting the activity via the

Portuguese state energy company, National Electric Network (REN)). In the next quarter, SPEED+ will deepen discussion with USAID and the relevant stakeholders to determine the way forward.

4.3 Reduction of costs for customer connections

See Component 2 section 2.10.1 *Doing Business Indicators, Getting Electricity* for activities undertaken in this quarter to reduce costs for customer connections.

3.1.5 Other Activities

During the quarter, SPEED+ engaged in the following additional activities:

Power Africa Transaction Tracker (PATT): The PATT is an online system tracking all the current power generation transactions and the stages required to complete the concession process and reach the construction phase. In this quarter, SPEED+ updated the PATT to include new projects and pipeline projects, including . Mavuzi, Mavuzi 2 & 3, Maputo Central Térmica, Kuwaninga Energia, Mocuba Solar PV, and the Inhambane Wind power project.

3.2 Water Sector Activities

Private water providers are an essential component of the water supply network, particularly in urban areas, and often offer the only option for consumers. SPEED+ will provide support to National Water and Sanitation Directorate (DNAAS) and the Association of Private Water Providers (AFORAMO) to improve the legal and regulatory environment and promote private sector investment in the water sector. This is vital to Mozambique's commitment to Sustainable Development Goal 6, to achieve universal and equitable access to safe and affordable drinking water for all by 2030.

3.2.1 Implementing the Decree for Private Water Providers

The Regulation for Licensing of Private Water Providers in the Supply of Potable Water (Decree 51/2015) has been in force for 18 months, but implementation has only begun in one municipality (Matola), where there have been very few applications from private water providers (PWP). More effective implementation of the Decree requires broader dissemination of the new regulatory framework, better tools for licensing authorities, and the establishment of minimum technical standards to govern privately supplied water systems.

- *Dissemination of Decree 51/2015:* There is limited understanding of the new regulatory framework among licensing authorities, private water providers (PWPs) and the general public. SPEED+ is assisting DNAAS to broadly disseminate the Decree by designing a clear and attractive format for publishing the text of the Decree and distribution across all district and municipal offices. SPEED+ will also support dissemination seminars, which are part of the DNAS communication strategy (see section 3.2.4 Implementing the Communications Strategy).
- *Tools for Implementation:* SPEED+ also designed and printed a set of guidelines for the implementation of the Decree at district and municipal levels. The guidelines include: identification of required personnel and their roles and responsibilities for licensing and

database management; timelines for processing licenses; performance monitoring of licensed providers; enforcement of technical standards; tariff setting; procedures for coordination with GRM Water Asset Management Administrations; and reporting requirements to CRA and DNAAS. The guidelines also included a helpful summary of the roles and responsibilities of all GRM entities working in the water sector. Similarly, SPEED+ created a simple format clearly outlining the step-by-step procedures for licensing authorities and PWPs (new or existing) to follow in processing licenses for distribution of potable water. The materials will be distributed to district and municipal authorities who will also make them publicly available. They will also be shared with AFORAMO.

- *Technical and Service Standards:* Effective implementation of Decree 51/2015 requires the development of technical standards to ensure that private water systems meet public health and safety requirements. Technical standards govern water quality and testing, distribution infrastructure, operation and maintenance regimes, and inspection requirements. Service standards are needed to ensure minimum acceptable standards for quantity and availability of water, and to ensure PWPs deliver service equitably to consumers. In this quarter, DNAAS finalized the first draft of the technical and service standards but has not yet shared the draft for comment. In the next quarter, SPEED+ expects to have the opportunity to provide comment on the first draft of the technical standards. While the technical standards are under development, it is important that DNAAS can move forward with licensing, particularly for the many existing PWPs that must be brought into compliance with the new regulatory framework during the transition period. SPEED+ held two in-depth discussions with technical representatives from DNAAS and AFORAMO to agree on a transition plan. DNAAS will use a set of interim guidelines for issuing temporary one-year licenses to new PWPs, to be followed by long term licenses requiring full compliance with the technical standards. Existing PWPs will be issued licenses for a period of 5 or 10 years (depending on water quality risk assessments) during which they will be required to come into full compliance with the technical standards. In this quarter, SPEED+ assisted DNAAS to develop guidelines for licensing authorities and PWPs to use during the transition period. These guidelines are being disseminated through SPEED+ supported informational materials and seminars (see Tools for Implementation section above).
- *Setting Tariffs for PWPs:* The establishment of a transparent and predictable tariff model is key to building the investor confidence and interest necessary to scale up private sector water provision. Since the Decree 51/2015 does not yet establish a model for setting tariffs, decision making on the tariff adjustment presents a challenge. In January 2017, the Association of PWPs (AFORAMO), submitted a request for authorization of a tariff increase.² The proposed increase was not supported by well-substantiated arguments to enable GRM to evaluate it. However, the government was obliged to respond. SPEED+ helped facilitate consultation about the tariff adjustment among AFORAMO, the Water Regulatory Authority (CRA) and DNAAS. SPEED+ also provided technical assistance to DNAAS and CRA in the evaluation of the request, and prepared a technical opinion for the Ministry of Public Works, Housing and Water Resources (MPWHWR). The technical opinion supported the provisional approval of the tariff increase for 2017, pending the establishment of an agreed upon tariff

² The public water service uses a tariff structure based on a minimum volume of 5 m³ and a “fee ladder” that increases fees for additional volumes consumed. The minimum charge is equivalent to 30 MT per m³ (50 cents USD) and ladder fees can reach 37 MT per m³ (61 cents USD). The requested increase was 25% (from 40 MT to 50 MT per m³) for systems using grid electricity, and of 20% (from 50 MT to 60 MT per m³) for systems using generators.

model. This technical opinion played an important role in the subsequent approval of the temporary tariff adjustment by the Council of Ministers on June 27th. In the next quarter, SPEED+' will support DNAAS, AFORAMO and CRA to develop a tariff model for future adjustments for PWPs. A draft a scope of work was developed this quarter and the selected consultant and scope of work will be submitted to USAID for review and approval in the next quarter.

3.2.2 Regularization of Private Water Providers

- *Mapping Private Water Providers (PWP)*: SPEED+ is assisting DNAAS to complete an updated and accurate inventory of the number and location of PWPs operating nationwide, which will be an important tool in disseminating and ensuring compliance with Decree 51/2015. It will also be important for decision-makers in developing water policy and regulation, identifying investment priorities, and targeting development activities to increase potable water supply to urban and rural areas. Data will be captured and managed in the National Information System for Water and Sanitation (SINAS) which is being upgraded with SPEED+ support (see section 3.2.5 Other Activities). Prior inventories covered the Greater Maputo area only, and showed high rates of growth. 400 PWPs were identified in 2010, while the most recent inventory in 2013 identified 816 PWPs. In this quarter, SPEED+ worked closely with DNAAS to clarify the scope of the activity, and developed the tender documents to procure the services of a mapping firm. In the next quarter, upon USAID approval, SPEED+ will proceed with the selection of a mapping consultancy firm.
- *Support Licensing of PWPs*: Initial activities around bringing existing PWPs into compliance with the new legal and regulatory framework are described under section 3.2.1 Implementing the Decree for PWPs.

3.2.3 Support Dialogue Around Water

The process of developing Decree 51/2015 highlighted the importance of a participatory approach in the reform of the water sector. Although the Regulatory Consultative Group was disbanded following the approval of the Decree, DNAAS wants to continue effective stakeholder consultation during implementation of the decree, the development of technical and service standards, and the setting of water tariffs. In this quarter, SPEED+ worked with DNAAS to prepare a Business Breakfast to discuss "The Role of the Private Sector in Achieving the Sustainable Development Goals (SDGs) - Opportunities and Challenges". The event is planned for July 27th. This Business Breakfast will include presentations by DNAAS and AFORAMO. SPEED+ support for dialogue and consultation is also described in section 3.2.1 *Implementing the Decree for PWPs* (dissemination seminars, stakeholder consultation on tariffs) and section 3.2.4 *Implement the Communications Strategy*.

3.2.4 Implement the Communications Strategy on Private Water Providers

In 2015, the USAID-funded Sustainable Water and Sanitation in Africa (SUWASA) project assisted DNAAS to develop a communications strategy to promote public awareness of the new regulatory and licensing framework established by Decree 51/2015. Lack of funding for implementation, and the economic crisis of 2016, delayed any action on rolling out the communications campaign.

SPEED+ has been able to kick off the implementation of the communication strategy by designing, printing and distributing an attractive and easy to follow format for the Decree (see section 3.2.1 *Implementing the Decree for PWPs*). Working with DNAAS, SPEED+ also prepared a dissemination campaign with three regional seminars targeting district and municipal licensing authorities, PWPs, and interested new investors. Seminars will take place in Maputo for the Southern Region, Pemba for the Northern Region, and Chimoio for the Central Region. The Maputo seminar will be held in September, and the Pemba and Chimoio seminars are expected for October/November.

Since the SUWASA communication strategy was developed in 2015, DNAAS has become more focused on the critical importance of private sector investment to help meet DNAAS' estimate that USD 3.1 billion investment is required for Mozambique to fulfill their commitment to SDG Number 6 (universal access to water by 2030). Therefore, SPEED+ will assist DNAAS to update the communications campaign with a second component targeting promotion of private sector investment. DNAAS also needs assistance in budgeting for the communications campaign, and identifying adequate funding for the roll out.

3.2.5 *Other Water Sector Activities*

During the quarter, SPEED+ engaged in the following additional activities:

- *Support to DNAAS on proposal for Water for Africa Through Leadership and Institutional Support (WALIS) Funding:* In the last quarter, SPEED+ provided technical assistance to DNAAS to prepare a proposal for WALIS support to upgrade the National Information System for Water and Sanitation (SINAS). Next quarter, the DNAAS Planning Department responsible for SINAS will hold a seminar to update all stakeholders involved in water and sanitation data collection and to discuss the vision, mission and expected result from the SINAS upgrading. SPEED+ will support the organization of the seminar, to be held on July 12. It is important to note that SPEED+'s part-time embedded water adviser, Claudette Lavallee, will also be contracted under WALIS, to oversee the implementation of the SINAS upgrading. She will coordinate between SPEED+, WALIS and DNAS to ensure SINAS updates meet SPEED+ objectives, particularly for mapping PWPs. She will begin this position in the next quarter.

COMPONENT 4: BIODIVERSITY CONSERVATION

During the quarter, SPEED+ hired the Biodiversity Portfolio Manager, Afonso Madope. The program completed ongoing discussions with the National Administration of Conservation Areas (ANAC), the Mozambican Association of Safari Operators (AMOS), and USAID to define a new work plan for the Biodiversity Conservation Component. The four focus areas of the revised work plan are: (i) strengthen implementation of government policies and regulation; (ii) improve the biodiversity policy environment; (iii) promote public engagement on biodiversity conservation issues; and (iv) promote policies for private sector investment in conservation areas. This revised work plan will be submitted to USAID for approval in the next quarter.

4.1 Strengthen Implementation of Government Regulations and Policies

4.1.1 *Strengthening enforcement of the Conservation Law and regulations*

The recently passed Law of Protection, Conservation and Sustainable Use of Biological Diversity ([Law No. 5/2017](#)) improves the prior Conservation Law 6/2014, particularly in the area of penalties, fines and prosecution of wildlife trafficking and poaching crimes. An initial step in supporting enforcement of Conservation Law 5/2017 is improving public awareness of the new legal regime. In this quarter, SPEED+ worked with ANAC and other stakeholders to develop a public awareness and communications strategy. A first step is the organization of a Business Breakfast. The event will be held on July 6 and address "*Legal Reforms for Biodiversity Conservation and Opportunities for Private Sector Investment*" (see also 4.3 below). This event will help disseminate Law 5/2017 to key stakeholder participants, and, through media coverage, will also reach the broader public. Upon completion and approval of the General Regulation (see 4.2.1 Preparation of further regulations for the Conservation Law, below), SPEED+ will create brochures covering the law and regulation for distribution in partnership with ANAC, and will co-sponsor public forums and media coverage to increase public awareness.

4.1.2 *Developing legal references for the judicial sector on how to effectively enforce the Conservation Law*

Conservation Law 5/2017 provides the country's legal and judicial system with more powerful tools to tackle wildlife poaching and trafficking. However, significant capacity building is needed to enable Mozambique's legal and judicial system to implement the new provisions and improve enforcement of criminal and civil laws. SPEED+ will assist the Attorney General's office (PGR) to create handbooks on the application of Conservation Law 5/2017. Handbooks will improve the capacity of PGR prosecutors to improve prosecutions and convictions of wildlife criminals. In future, handbooks may also be designed for use by judges. In this quarter, USAID approved the SOW for a Partnership Manager, Luisa Capelão, who will liaise with the PGR to manage the materials development and future trainings. Ms. Capelão will begin work in the next quarter. SPEED+ worked closely with PGR to draft the SOW to develop the handbooks on Conservation Law 5/2017 and to select Gildo Espada as the expert to complete the work. In the next quarter, SPEED+ will submit the SOW and consultant for USAID review and approval.

4.1.3 *Support the regulatory framework for managing safari areas*

One of ANAC's priorities is to develop transparent, collaborative and internationally competitive management and regulation for priority safari areas such as Tchuma Tchato. Tchuma Tchato was established in 1994 and is one of the first community-based natural resource management programs in Mozambique. In order to move towards a more successful regulatory framework for managing safari areas, ANAC would like to identify lessons learned and develop better collaborative management models to support biodiversity conservation, strengthen community ownership of natural resources, attract private investment, and improve rural livelihoods modeled on Tchuma Tchato. Key to the evaluation will be an understanding of the roles of each party (local communities, private sector, and local government) in collaborative resource management.

In this quarter, SPEED+ worked with ANAC to detail the requirements for the Tchuma Tchato assessment and recommendations for improved collaborative management models. SPEED+ efforts will build on the current study (funded by Biofund and implemented by consulting firm Verde Azul) entitled *Current Stage and Management Options of the Tchuma Tchato*. In June, SPEED+ and ANAC attended the presentation of the preliminary report. Based on the final report's findings, SPEED+ and ANAC will continue discussions on next steps and present a draft proposal to USAID for discussion.

4.2 Improve the Biodiversity Policy Environment

4.2.1 Preparation of further regulations for the Conservation Law

Following the passage of Conservation Law 5/2017, ANAC must now finalize the General Regulation for the implementation/operationalization of the law. In this quarter, SPEED+ and ANAC committed to work together to ensure that the process of finalizing the regulation is efficient, transparent, and inclusive. ANAC is leading the development of the General Regulation, and has received various recommendations from biodiversity conservation partners focused on legal frameworks, models for CA management, and issues related to compensation and counterbalance (offsets for negative biodiversity impacts). ANAC has formed a working group to conduct more in-depth analysis and discussions regarding these recommendations.

ANAC and the working group require technical assistance to assess and respond to partners' inputs, and to integrate as necessary the recommendations into the draft regulation. It is particularly important that as revisions are made, the overall regulation is continuously harmonized to avoid internal contradictions. In this quarter, ANAC and SPEED+ collaboratively designed a scope of work and selected a candidate consultant (Gildo Espada) to provide legal expertise on the revision and harmonization of the regulations. SPEED+ has submitted the scope of work and the consultant for USAID review. The SPEED+ consultant will provide technical assistance through the point of submission of the regulation for approval by the Cabinet. The SPEED+ consultant will support ANAC to identify further specific regulations that should be developed outside of the General Regulation, and work together to assess the requirements for further technical assistance.

Regarding public consultation on the General Regulation, SPEED+ learned that the public consultation process will be supported by Mozbio (a World Bank funded project). Therefore, SPEED+ will participate and support a transparent and inclusive process but will not play a direct role.

4.2.2 *Identification of policies, strategies and approaches to combat wildlife trafficking*

Wildlife trafficking is one of the biggest biodiversity threats after habitat loss and is threatening to reverse several years of conservation success. To reduce the destruction of wildlife resources from poaching and trafficking, it is important to develop policies that address issues related to access, ownership and the promotion of viable alternatives for the community.

Ivory and horn stockpiles: Mozambique has significant elephant poaching, while the rhino population has already been exterminated in the country. Mozambique is also a route for trafficking illegal ivory and horn from around the region. As a result of increased vigilance by the authorities, several tons of ivory and rhino horn have been seized and stockpiled. GRM now needs to take an informed decision on what to do with the stockpiles (destruction, commercialization, storage, etc.) Through discussions with ANAC, the Wildlife Conservation Society (WCS), and USAID it has been agreed that SPEED+ will support GRM decision-making about trafficked wildlife product stockpiles with an economic and political analysis of the risks, impacts and opportunities of various options for disposition. In the next quarter, SPEED+ work closely with ANAC and MITADER to develop the scope of work for the study, and to identify the right technical expert.

4.3 Promote Public Engagement on Biodiversity Issues

In this quarter, SPEED+ worked on several public engagement activities in support of the work plan areas of focus. These include:

- A Business Breakfast *“Legal Reforms for Biodiversity Conservation and Opportunities for Private Sector Investment”* to be held in the next quarter. This event will help disseminate Conservation Law 5/2017 to key stakeholder participants, and through media coverage will also reach the broader public.
- The possibility of convening a special youth focused Conservation Science Conference, similar to the conference sponsored by the prior SPEED program entitled *“Research Updates, Gaps, National Research Agenda and Priorities in Maputo, Mozambique”*. This special focus conference would allow younger people to present their studies or research and empower them to take leadership roles in the discussion of conservation and biodiversity issues.

4.4 Promote Policies for Private Sector Investment in Conservation Areas

4.4.1 *Developing strategies toward more effective management and governance of Conservation Areas*

SPEED+ is working with BIOFUND (www.biofund.org.mz/en/), donors and ANAC to develop models for more effective management and governance of Conservation Areas (CAs), in particular the co-management of National Parks and National Reserves. This involves establishing a framework for CA management that brings together government, local communities and investors to jointly manage conservation areas and protect wildlife and biodiversity assets in the CAs. The framework will be used to inform ANAC’s decision-making

around appropriate co-management or collaborative management arrangements with the private sector and/or local communities and local government for improved CA management.

In this quarter, USAID approved the scope of work and selected consultants to carry out an assessment of CA co-management models in Mozambique. The study will provide a framework for development of co-management models for Mozambique's CA system. Consultants Peter Lindsey and Mujon Bagan worked with SPEED+ and BIOFUND to establish the consultancy work plan. In addition, the team worked to prepare a kick-off workshop to be held on July 25 in Maputo.

4.1.2 Strengthening the Association of Mozambique's Safari Operators (AMOS)

Trophy hunting in Southern Africa is now recognized as a potentially sustainable and economically viable use of land and natural resources, if strong legal, regulatory, and professional standards are established and enforced. Well managed hunting industries can deliver benefits to rural communities including employment and skills transfer. The hunting industry can also be a strong constituency to support conservation and the biodiversity which ensures their own sustainability. The hunting industry in Mozambique has faced significant challenges due to a lack of appropriate legal and regulatory frameworks³ and their enforcement, and weak professional standards and self-regulation. Mozambique has been threatened with expulsion from the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and trophies from Mozambique have been banned from various countries as a sanction for poor hunting practices.

AMOS, the private sector association for safari operators engaged in wildlife based tourism in Mozambique, is a key stakeholder for all potential reform of the trophy hunting industry. AMOS has limited capacity to fulfill its role in representing and educating members; collaborating with government to develop and implement an improved legal and regulatory framework; establishing and enforcing professional and ethical standards among its members; participating in compliance with CITES and other relevant agreements; and promoting private investment in game ranches. In this quarter, SPEED+ worked with AMOS to develop a scope of work for a baseline study of AMOS' capacity and of its role in the sport hunting industry in Mozambique. In the next quarter, SPEED+ will continue to discuss this activity with USAID.

³ Conservation Law 5/2017 is recently passed, but no implementing regulations have been completed

2. MANAGEMENT AND ADMINISTRATION

2.1 SUMMARY

SPEED+ undertook its first annual staff retreat on April 12 and 13, 2017 at the Radisson Hotel. The first day of the retreat focused on team building and enhancing synergies and learning across components. The second day included participation from USAID and focused on SPEED+ project strategy and objectives, technical component goals and activities, project monitoring and evaluation indicators, and the use of strategic communications for achieving project goals and for project reporting. 24 people participated in the retreat, 18 from SPEED+ and 6 from USAID.

SPEED+ moved into the permanent SPEED+ offices, which are co-located with the USAID FTF Value Chain project and one full-time staff member of the Southern Africa Seed Trade project to ensure cost savings and facilitate synergies. SPEED+ will also host consultants and staff from the USAID-funded SATIH project during missions to Mozambique. Consultant Gwen Apple provide support to SPEED+ on information management systems TAMIS and Teamwork. SPEED+ Environmental Monitoring and Mitigation Plan is under development. Monitoring and evaluation and gender activities are outlined below.

2.3 BUSINESS BREAKFASTS

SPEED+ has scheduled 12 Business Breakfasts (BB) during 2017 with 3 events focusing on each of the 4 components. The aim of the BBs is to present a policy reform topic related to SPEED+ focus areas and to solicit stakeholder feedback to help orientate the project's work. In this quarter, SPEED+ held four Business Breakfasts:

- *Component 1: Promoting Competitiveness in the Cashew Sector:* On June 1 SPEED+, INCAJU and the Confederation of Business Associations (CTA) held a Business Breakfast about "Cashew Sector Competitiveness" to kick off the collaboration. The event was well attended with over 60 participants from various regions of the country. INCAJU presented their "Master Plan for the Cashew Sector 2011-2020: Perspectives and Challenges". SPEED+ engaged Mozambican cashew sector expert Carlos Costa to present "Cashew Export Tax: Who Will It Benefit?".
- *Component 2: Challenges in Trade Facilitation in Mozambique:* SPEED+ hosted a business breakfast on "Challenges in Trade Facilitation in Mozambique" on April 20th, 2017. The breakfast, co-organized with Customs and CTA, brought together 60 stakeholders from government and the private sector who acknowledged the ratification of TFA as an important milestone, but raised the need to ensure its implementation so that the trade community can maximize its benefits. The event considered the Maputo Development Corridor as a case study. Two presentations were made: one by Caroline Ennis who provided details about the TFA, including the categorization work and implication of TFA

ratification to Mozambique; and another by Erminio Jocitala who shared findings from a SPEED study conducted in 2015 on the efficiency of the Ressano Garcia Terminal.

- *Component 2: Public Participation in Legislative Process:* SPEED+ worked with the private sector/civil society coordination group to organize a Business Breakfast series to launch the public consultation process for the draft Law for Public Consultation in Legislative Processes in Mozambique. The first event in the series was held in Maputo on May 11, with 42 participants. In the next quarter, the Breakfast will be presented in Beira and Nampula. Sal & Caldeira will provide background to the development of the draft Law, outline its provisions, and describe the important role public participation should play in policy making. Opportunity will be provided during the Breakfast and in follow up conversations to provide inputs and suggestions to the draft Law.
- *Component 2: Challenges and Importance of SPS Measures for Trade and Development in Mozambique:* SPEED+ and MASA organized a Business Breakfast on “Challenges and Importance of SPS Measures for Trade and Development in Mozambique”. The event on June 22 brought together 51 representatives from the fisheries, health, industry and commerce sectors, both public and private. Conclusions highlighted that cross-cutting plant protection, animal health and food safety issues need to be urgently addressed. However, SPS has not been a high priority for GRM, as evidenced by the lack of a National SPS Strategy or dedicated National SPS Agenda. Preliminary finding and recommendations from the SPS baseline assessment reviewed the factors underlying Mozambique’s lack of compliance with the WTO SPS Agreement, including the lack of a National SPS Strategy, limited human resources and capacity, outdated technology, and a regulatory regime that requires updating.

2.4 COMMUNICATION

In this quarter, SPEED+ Communications Manager Abilio Cossa began work. SPEED+ developed a database of media outlets and contacts to facilitate the distribution of press releases and media invitations for SPEED+ events. During the quarter, there were 21 newspaper articles covering the following SPEED+ activities:

- 8 newspapers published articles about public participation in the legislative process
- 8 newspapers published articles about the cashew sector
- 5 newspapers published articles about World Metrology Day

SPEED+ also continued to update the project [Facebook page](#), and saw an increase of over 3,000 users, to 18,760 followers at the end of the reporting period. SPEED+ also created and distributed an email newsletter, for which the first edition had 155 subscribers. Pending USAID review and approval of a revised project website, SPEED+ has continued to provide updated reports and analyses on the existing [website](#). To attract interest and attention to SPEED+ communications, a contacts database has been created and will be continually updated to facilitate the distribution of newsletters and links to current SPEED+ publications.

SPEED+ is also designing standardized project communication materials including project roll-up banners and tri-fold brochures to disseminate information about its mission, vision, objectives and project components.

2.5 MONITORING, EVALUATION AND LEARNING (ME&L)

Administration of the ME&L System

The SPEED+ ME&L team finalized the Standard Operations Procedure Manual and data collection tools for the ME&L system. This culminated with an in-depth ME&L workshop for the SPEED+ technical team. The workshop, led by ME&L STTA Erika Dunmire and M&E Specialist Clerico Constantino, gave the opportunity for the technical team to engage in an overall review of project indicators, understand the alignment of project activities with expected results, learn proper usage of the data collection tools, and ensure that they are prepared to collect sufficient supporting documents.

USAID has provided some initial comments on potential changes to the performance measurement of the Biodiversity Component and the Water Component. Discussions will continue and any agreed upon changes will be submitted with the annual review/revision of the ME&L plan in October 2017.

SPEED+ began designing the M&E module of the project's Technical and Administrative Management Information System (TAMIS, a DAI proprietary database system) to ensure efficient and effective data collection, analysis, quality control, and security.

Baseline Data Collection

SPEED+ has finalized scopes of work for the collection of baseline data for six indicators: Context Indicators 2.2-2.5 are related to time and costs to export and import along Nacala Corridor; Performance Indicator 4.2 tracks the number of people with access to potable water service; and Performance Indicator 4.3 counts the number of private water providers. The Nacala Corridor study will begin next quarter. The scope of work for water sector baseline data is pending USAID approval.

Progress on Context and Performance Indicators

Annex 2 provides project results to date for each SPEED+ context and performance indicator. The narrative below adds additional detail as needed.

Activity Objective 1: An Improved Agricultural Policy Framework

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

- *Autonomous Tax (Component 1):* The policy levying the 35% Autonomous Tax on the output of non-registered businesses diminishes the competitiveness of small and medium businesses in the informal sector, including Mozambique's 5 million smallholder farmers. In

this quarter, SPEED+ completed Stage 1 (Analysis) of the policy reform process. See Component 1, section 1.4 *Autonomous Tax* for details.

- *Minimum Wage Policy (Component 2)*: The minimum wage policy of establishing varying minimums according to economic sector has challenged private sector growth and investment. In this quarter, SPEED+ completed Stage 1 (analysis) on the policy. Since the minimum wage policy directly impacts a large segment of the agriculture sector (particularly tobacco, sugar, cotton, banana), this policy reform is counted under Indicator 1.1.
- *AGOA Utilization Strategy (Component 2)*: Under the reporting period, SPEED+ completed Stage 1 (Analysis), Stage 2 (public consultation), and Stage 3 (drafting) for the AGOA utilization strategy. Since a large number of the products eligible for AGOA preferences are agriculture products, this policy reform is counted under Indicator 1.1.

Cross Cutting Indicators

Indicator 1: Number of participants attending SPEED+ workshops/conferences/training

Over the reporting quarter SPEED+ organized four Business Breakfast events: Challenges in Trade Facilitation in Mozambique; Public Participation in Legislative Process; Promoting Competitiveness in the Cashew Sector; and Challenges and Importance of SPS measures for Trade and Development in Mozambique. SPEED+ held three workshops on the AGOA utilization strategy, and supported 2 conferences (World Metrology Day and National Trade Facilitation Committee).

In total 415 people, of which 35% were women, participated in the events (see Annex 1 for details per event). The participants were from the government sector (45%), private sector (42%) and civil society (12%).

Targeted Policy Reform for Trade and Investment

The Law about public consultation in the legislative process is one of SPEED+ targeted policy reforms. SPEED+ facilitated a public debate and stakeholder consultation workshop about the draft law. 42 people (18 women and 24 men) attended. 74% were from private sector entities, 19% from civil society organizations and 7% from public institutions. This activity represents Stage 2 Public Debate and Consultation of the policy reform process.

2.6 GENDER ACTION PLAN

SPEED+ is aware of the importance of providing opportunities for female participation in the project's activities. Over the quarter, 146 women participated in workshop/conference/training organized with SPEED+' support. This accounts for 35% of total participants.

The activities carried out during the reporting period contributed to USAID gender indicator, also SPEED+ Performance Indicator 1.3. 21% of participants in USG-assisted programs designed to increase access to productive economic resources were women.

SPEED+ is also committed to monitoring gender impact on each area of activity. As part of the process of completing Reform Memoranda, a SPEED+ gender checklist is completed. As individual activities under the Reform Memoranda are carried out, gender checklists are

completed in more detail for the specific activity. In this quarter, the Gender Checklist was completed along with the Reform Memorandum for Cashew and Reform Memorandum for Land Administration.

2.8 FINANCES AND BUDGET

Table 2 below provides detailed information on SPEED+'s actual project expenditures from its inception in August 2016 through June 30, 2017. As of August 25, 2016, USAID has obligated \$18,620,000.00 to SPEED+. To date, the project has spent \$3,634,690.34. Table 3 shows expenditures to-date by project component and funding stream.

Table 2: Actual Expenditures (contract budget lines)

Line Item	Budget	Obligated Budget	Mortgage	Expenditures (August 25, 2016-June 30, 2017)	Pipeline	Remaining Budget
	A	B	C=(A-B)	D	E=(B-D)	F=(A-D)
Time Labor	\$23,648,354.53	\$11,834,585.45	\$11,813,769.08	\$2,375,779.68	\$9,458,805.77	\$21,272,574.85
Materials	\$10,767,831.01	\$5,388,654.67	\$5,379,176.34	\$1,124,127.68	\$4,264,526.99	\$9,643,703.33
Grants Under Contract	\$1,500,000.00	\$750,660.18	\$749,339.82	\$0.00	\$750,660.18	\$1,500,000.00
Sub-Total Program Costs	\$35,916,185.54	\$17,973,900.30	\$17,942,285.24	\$3,499,907.36	\$14,473,992.94	\$32,416,278.18
Indirect Costs	\$1,291,062.94	\$646,099.70	\$644,963.24	\$134,782.98	\$511,316.72	\$1,156,279.96
Total	\$37,207,248.47	\$18,620,000.00	\$18,587,248.47	\$3,634,690.34	\$14,985,309.66	\$33,572,558.14

Table 3: Actual Expenditures (Technical Components)

Component	Funding Source	Budget	Obligated Amount	Mortgage	Expenditures (August 25, 2016-June 30, 2017)	Pipeline	Remaining Budget
		A	B	C=(A-B)	D	E=(B-D)	F=(A-D)
Component 1: Improved Agricultural Policy Framework	Feed the Future (FTF)	\$11,162,174.50	\$4,420,000.00	\$6,742,174.50	\$1,116,392.23	\$3,303,607.77	\$10,045,782.27
Component 2: Improved trade and Investment Policy Framework	Trade Africa (TA)	\$11,162,174.50	\$8,700,000.00	\$2,462,174.50	\$1,241,392.74	\$7,458,607.26	\$9,920,781.76
	Local Currency*			\$0.00	\$0.00	\$0.00	\$0.00
Component 3: Improved Power and Water Policy Framework	Power Africa (PA)	\$8,557,667.15	\$2,500,000.00	\$6,057,667.15	\$741,403.26	\$1,758,596.74	\$7,816,263.89
	Water	\$1,488,290.03	\$1,000,000.00	\$488,290.03	\$196,890.95	\$803,109.05	\$1,291,399.08

Component	Funding Source	Budget	Obligated Amount	Mortgage	Expenditures (August 25, 2016-June 30, 2017)	Pipeline	Remaining Budget
Component 4: Improved Biodiversity Conservation Policy Framework	Biodiversity	\$4,836,942.30	\$2,000,000.00	\$2,836,942.30	\$338,611.16	\$1,661,388.84	\$4,498,331.14
Total		\$37,207,248.48	\$18,620,000.00	\$18,587,248.48	\$3,634,690.34	\$14,985,309.66	\$33,572,558.14

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

Table 4: Level of Effort (25 August 2016 - 30 June 2017)

Personnel Category	Approved LOE (Workdays)	Total Billed to Date (June 30, 2017)	Remaining
U.S National (USN) Labor Long-Term	2,169.00	213.75	1,955.25
USN Labor Short-Term	3,068.00	592.94	2,475.06
CCN Labor Long-Term (Professional Staff)	15,997.00	1,350.00	14,647.00
CCN/TCN Labor Short-Term	3,872.00	320.27	3,551.73
Total	25,106.00	2,476.96	22,629.04

ANNEX 1: CAPACITY-BUILDING ACTIVITIES AND OUTREACH IN FY2017 Q3

Workshop/conference/training	Type of event	Location	Men	Women	Total
Challenges in Trade Facilitation in Mozambique	Business Breakfast	Maputo	35	25	60
Public Participation in Legislative Process	Business Breakfast	Maputo	24	18	42
Mozambique National AGOA utilization Strategy	Workshop	Nacala, Beira and Maputo	52	19	71
Cashew Competitiveness	Business Breakfast	Maputo	48	13	61
National Trade Facilitation Committee	Conference	Maputo	9	4	13
World Methodology day	Conference	Maputo	72	45	117
Challenges and importance of SPS measures for trade and development in Mozambique	Business Breakfast	Maputo	29	22	51
<i>Total</i>			269	146	415

ANNEX 2: SUMMARY ME&L TABLE

Context Indicators

Indicator	Reported to:	Unit of Measure	Disaggregation	Baseline Year	Baseline Value	LOA Target	FY2017 Target	FY2018 Target	FY2019 Target	FY2020 Target	Achieved to date	Observation
SPEED+ Goal: Strengthen and improve the business environment in Mozambique												
I. Ease of Doing Business Rank		Rank	None	2017	137	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
Activity Objective 1: An Improved Agricultural Policy Framework												
1.4 Enabling the Business of Agriculture score in:												
1.4.1 Seed		score	none	2016	90.6	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
1.4.2 Fertilizer		score	none	2016	46.1	TBD	-	-	-	-	Data for this indicator will be collected and reported annually	
1.4.3 Machinery		score	none	2016	42.5	TBD	-	-	-	-	Data for this indicator will be collected and reported annually	
1.4.4 Markets		score	none	2016	83.9	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
1.4.5 Finance		score	none	2016	29.8	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
1.4.6 Transport		score	none	2016	60.7	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
1.5 Value of agricultural imports		US Dollars	None	2015	179,144,000	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
1.6 Value of agricultural exports		US Dollars	None	2015	76,465,000	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
1.7 Percent change in agricultural gross domestic product (GDP) (EG.3-c)	FTFMS	% change	None	2015	TBD	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
1.8 Percentage of national budget invested in agriculture (EG.3-d)	FTFMS	% of national budget	None	2015	TBD	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
Activity Objective 2: An Improved Trade and Investment Policy Framework												
2.1 Value and quantity of AGOA exports from Mozambique		USD	None	2016	1,470,131	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
		Kilograms	None	2016	687,759	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	

2.2 Time to export along Nacala corridor		hours	None	2017	TBD	TBD	-	-	-	-	Data to be collected and reported during baseline and end-line	-
2.3 Time to import along Nacala corridor		Hours	none	2017	TBD	TBD	--	--	--	-	Data to be collected and reported during baseline and end-line	
2.4 Cost to export along Nacala corridor		Hours	none	2017	TBD	TBD	-	-	-	-	Data to be collected and reported during baseline and end-line	
2.5 Cost to import along Nacala corridor		Hours	None	2017	TBD	TBD	-	-	-	-	Data to be collected and reported during baseline and end-line	
2.7 Ease of Doing Business Rank in:		Rank	None	2017	106	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Trading across borders		Rank	None	2017	106	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Time to import: Border compliance		Hours	None	2017	14	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Time to import: Documentary compliance		hours	None	2017	24	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Time to export: Border compliance		Hours	None	2017	78	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Time to export: Documentary compliance		Hours	None	2017	70	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Starting a business		Rank	None	2017	134	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Dealing with construction permit		Rank	None	2017	30	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Getting electricity		Rank	None	2017	168	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Registering property		Rank	None	2017	107	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Getting credit		Rank	None	2017	157	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Paying taxes		Rank	None	2017	112	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
2.8 OECD 11 Trade Facilitation indicators		Score	None	2016	.7	TBD	-	-	-	-	Data for this indicator will be collected and reported annually	
• Information availability		Score	None	2016	.7	TBD	-	-	-	-	Data for this indicator will be collected and reported annually	
• Involvement of the trade community		Score	None	2016	.67	TBD	-	-	-	-	Data for this indicator will be collected and reported annually	

• Advance rulings		Score	None	2016	0	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Appeal procedures		Score	None	2016	.63	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Fees & charges		Score	None	2016	1.33	TBD	-	-	-	-	Data for this indicator will be collected and reported annually	
• Formalities (Documents)		Score	None	2016	.33	TBD	-	-	-	-	Data for this indicator will be collected and reported annually	
• Formalities (automation)		Score	None	2016	.67	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Formalities (procedures)		Score	None	2016	1.1	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Internal border agency cooperation		Score	None	2016	1	TBD	-	-	-	-	Data for this indicator will be collected and reported annually	
• External border agency cooperation		Score	None	2016	2	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	
• Governance & impartiality		Score	None	2016	.57	This is a context indicator. SPEED+ will collect and report the data but has no direct control of the figures					Data for this indicator will be collected and reported annually	

Performance Indicators

Indicator	Reported to:	Unit of Measure	Disaggregation	Baseline Year	Baseline Value	LOA Target	FY2017 Target	FY2018 Target	FY2019 Target	FY2020 Target	Achieved to date	Observation
SPEED+ Purpose: Resilient, inclusive, broad-based and economic growth accelerated through policy reform enabling trade, investment, job creation and improved conservation of natural resources in Mozambique												
2.Private-sector cost reductions		US Dollars	Policy reform	2016	0	\$30 mil	0	\$6 mill	\$9 mill	\$15 mill	Data for this indicator will be collected once a policy reform is being undertaken	
2. Value of income increases		US Dollars	Policy reform	2016	0	\$15 mil	0	\$3 mill	\$4 mill	\$8 mill	Data for this indicator will be collected once a policy reform is being undertaken	
4.Value of new investments		US Dollars	Policy reform	2016	0	\$50 mil	0	\$10 mill	\$15 mill	\$25 mill	Data for this indicator will be collected once a policy reform is being undertaken	
5.Number of jobs created		# of jobs	Policy reform	2016	0	10,000	0	2,000	3,000	5,000	Data for this indicator will be collected once a policy reform is being undertaken	
Activity Objective 1: An Improved Agricultural Policy Framework												
1.1 Number of agricultural and nutritional enabling environment policies analyzed, consulted on drafted or revised, approved and implemented with USG assistance (EG.3.1-12)	PPR, FTFMS	# policies	Policy area; process/step	2016	0	12	3	3	3	3	Autonomous taxation (policy area: enabling environment for private sector investment; Process/step: analyzed) Minimum wage policy (policy area: enabling environment for private sector investment; Process/step: analyzed) AGOA Utilization Strategy (Policy area: Agriculture trade policy; Process/step: drafted)	

1.2 Number of for-profit private enterprises, producers organizations, water users associations, women's groups, trade and business associations and community-based organizations (CBOs) that applied improved organization-level technologies or management practices with USG assistance (EG.3.2-21)	PPR, FTFMS	# of entities	Type of organization	2016	0	16	4	4	4	4	0	
1.3 Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment) (GNDR-2)	PPR	% of women	None	2016	0	35%	25%	30%	33%	35%	0%	
Activity Objective 2: An Improved Trade and Investment Policy Framework												
2.6 Person hours of training completed in business enabling environment supported by USG assistance (E.G 4.6.1-16)	PPR	Number (of persons hours)	Sex	2017	0	TBD	-	-	-	-	0	
Activity Objective 3: An Improved Power Policy Framework												
3.1 Number of policy reforms/ laws/ regulations/ administrative procedures drafted and presented for public/ stakeholder consultation to enhance sector governance and/or facilitate private sector participation and competitive markets as a result of USG assistance (PA 29)	Power Africa	# of policy reform/law/ regulation/ administrative procedure	Focus of reform; drafted vs presented;	2016	0	TBD	-	-	-	-	0	

3.2 Number of energy sector laws, policies, strategies, plans or regulations officially revised, adopted or implemented as a result of USG assistance that enhance energy sector governance and/or facilitate private sector participation and competitive markets, and/or encourage investment in clean and cleaner, small scale and off-grid options, and/or support gender integration in the energy sector (PA 30)	Power Africa	# of policy reform/law/regulation/administrative procedure	Focus of reform; stage	2016	0	2	0	1	0	1	0	
3.3 Number of MW from transactions that achieved financial closure (PA 10)	Power Africa	MW	Technology; Qualified Transaction vs Power Africa Transactions; USG vs Non-USG	2017	0	TBD	-	-	-	-	0	

Activity Objective 4: An Improved Water Policy Framework

4.1 Number of people educated on tools, approaches, and/or methods for water security, integrated water resource management, and/or water source protection as a result of USG assistance (HL.8.3-1)	PPR	# of people	Sex	2016	0	656	132	324	100	100	0	
4.2 Number of people gaining access to safely managed drinking water service as a result of USG assistance (HL.8.1-2)	PPR	# of people	Rural vs urban;	2017	TBD	550,000	-	250,000	250,000	50,000	0	
4.3 Number of private water providers active in Mozambique		# of water provider	Sex; Rural vs urban	2017	TBD	220	-	80	80	60	0	

Activity Objective 5: An Improved Biodiversity Conservation Policy Framework

5.1 Number of laws, policies, or regulations that address biodiversity conservation and/or other environmental themes officially proposed, adopted or implemented as a result of USG assistance (EG.10.2-5)	PPR	# laws, policies, regulations	Stage of development ; conservation law compliance category	2016	0	4	0	2	1	1	0	
5.2 Number of people trained in sustainable natural resources management and/or biodiversity conservation as a result of USG assistance (EG.10.2-4)	PPR	# of persons trained	Sex; conservation law compliance category	2016	0	60	0	20	40	60	0	
Cross cutting:												
CC1: Number of participants attending SPEED+ workshops/conferences/trainings		# of participants	Sex; type of participant; type of event	2016	0	350 (40% women)	200	240	290	350	549 (34.06% women) (270 public sector; 78 civil society; 201 private sector)	
CC2: Number of persons trained with USG assistance to advance outcomes consistent with gender equality or female empowerment through their role in public or private sector institutions or organizations (F GNDR – 8)		# of persons trained	Sex	2016	0	50	35	40	45	50	0	

U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, DC 20523
Tel: (202) 712-0000
Fax: (202) 216-3524
www.usaid.gov