Annual Work Plan
September 2017 – August 2018

Supporting the Policy Environment for Economic Development (SPEED+)

Contract No. AID-656-TO-16-00005
Contract/Agreement Period: August 26, 2016 to August 25, 2020

August 2017

Contents

Abbreviations and Acronyms

AdM	Mozambique Airports Company/*Aeroportos de Moçambique*
AEO	Authorized Economic Operator
AFAP	African Fertilizer and Agribusiness Partnership
AFORAMO	Association of Private Water Providers/*Associação de Fornecedores de Água de Moçambique*
AGOA	African Growth and Opportunity Act
AgRED	Donor Working Group on Agriculture and Rural Development
AICAJU	Association of Cashew Processors/*Associação dos Industriais de Caju*
AMOFERT	Mozambique Fertilizer Association/*Associação Moçambicana para a Promoção do Uso de Fertilizantes*
AMOS	Mozambique Safari Operators Association/*Associação Moçambicana de Operadores de Safari*
ANAC	National Conservation Areas Agency/*Administração Nacional das Áreas de Conservação*
ANSI	American National Standards Institute
APROSE	Association for the Promotion of the Seed Sector in Mozambique/*Associação para Promoção do Sector de Sementes em Moçambique*
ARENE	National Independent Power Regulatory Authority/*Autoridade Reguladora de Energia*
AT	Tax Authority/*Autoridade Tributária*
BBTV	Banana Bunch Top Virus
BMM	Mozambique Commodity Exchange/*Bolsa de Mercadorias de Moçambique*
BVM	Mozambique Stock Exchange/*Bolsa de Valores de Moçambique*
CASP	CTA's Annual Private Sector Conference/*Conferência Anual do Sector Privado*
CCT	Labor Consultative Council/*Comissão Consultiva do Trabalho*
CITES	Convention on International Trade in Endangered Species
CMAN	Business Environment Monitoring Council/*Conselho de Monitoria do Ambiente de Negócios*
CMM	Maputo Municipality/*Conselho Municipal de Maputo*
CNELEC	National Electricity Council/*Conselho Nacional de Electricidade*
COP	Chief of Party/*Director Geral*
CRA	Water Supply Regulatory Council/*Conselho de Regulação do Abastecimento de Água*
CSO	Civil society organization

CTA	Confederation of Business Associations/*Confederação das Associações Económicas de Moçambique*
DCOP	Deputy Chief of Party/*Director Geral Adjunto*
DFID	U.K. Department for International Development
DNA	National Directorate of Water/*Direcção Nacional de Águas*
DNAT	National Directorate of Land/*Direcção Nacional de Terras e Florestas*
DPOPHRH	Provincial Directorates of Public Works and Housing/*Direcção Provincial das Obras Públicas, Habitação e Recursos Hídricos*
DRH/DNGRH	Department for Water Resources/*Direcção Nacional de Gestão de Recursos Hídricos*
DUAT	Land Use and Benefit Rights/*Direito de Uso e Aproveitamento da Terra*
EdM	Electricity of Mozambique/*Electrecidade de Moçambique*
ESWG	Energy Sector Working Group
FCT	National Consultative Forum on Land/*Fórum Consultivo da Terra*
FEMOTUR	Mozambique Tourism Federation/*Federação Moçambicana de Hotelaria e Turismo*
FENAGRI	National Federation of Agricultural Associations/*Federação Nacional das Associações Agrárias*
FP2	FastPath 2 methodology
FPA	Federal Power Act
FTF	Feed the Future
GDP	Gross Domestic Product
GETFiT	Global Energy Transfer Feed in Tariff
GRM	Government of the Republic of Mozambique/*Governo da República de Moçambique*
IACM	National Aviation Civil Institute/*Instituto de Aviação Civil de Moçambique*
ICM	Mozambique Institute of Cereals/*Instituto de Cereais de Moçambique*
INCAJU	National Cashew Institute/*Instituto de Fomento do Caju*
IPEME	Institute for the Promotion of Small and Medium Enterprises/*Instituto para a Promoção das Pequenas e Médias Empresas*
IPP	Independent Power Producer
ISPC	Simplified Tax for Small Taxpayers/*Imposto Simplificado para Pequenos Contribuintes*
ME&L	Monitoring, Evaluation and Learning
MASA	Ministry of Agriculture and Food Security/*Ministério de Agricultura e Segurança Alimentar*
MIC	Ministry of Industry and Trade/*Ministério de Indústria de Comércio*
MIREME	Ministry of Energy and Mineral Resources/*Ministério dos Recursos Minerais e Energia*
MITADER	Ministry of Land, Environment, and Rural Development/*Ministério da Terra, Ambiente e Desenvolvimento Rural*
MITESS	Ministry of Labor, Employment and Social Security/*Ministério de Trabalho, Emprego e Segurança Social*
MOU	Memorandum of understanding
NBSAP	National Biodiversity Strategy and Action Plan
NEP	National Enquiry Point
NGO	nongovernmental organization

NNA	National Notification Authority
NTB	Non-tariff barrier
NTFC	National Trade Facilitation Committee
NQI	National Quality Infrastructure
PARPA	Poverty Reduction Action Plan/*Plano de Acção para a Redução da Pobreza Absoluta*
PEDSA	Strategic Plan for Agriculture Development/*Plano Estratégico para o Desenvolvimento do Sector Agrário*
PGR	Attorney General/Procuradoria Geral da República
PNISA	National Agriculture Investment Plan/*Plano Nacional de Investimentos para o Sector Agrário*
PNMA	National Agricultural Mechanization Program/*Programa Nacional de Mecanização Agrária*
PPA	Power Purchase Agreement
PPD	Public-private dialogue
PM	Portfolio Manager
PPP	Public-Private Partnership
PWP	Private Water Provider
RCN	Raw Cashew Nut
REFIT	Renewable Energy Feed in Tariff
SADC	Southern Africa Development Community
SATIH	USAID Southern Africa Trade and Investment Hub
SEMEAR	USAID Improved Seeds for Better Agriculture
SIGIT	Land Management Information System/*Sistema de Gestão de Informação sobre a Terra*
SINAS	National Information System for Water and Sanitation/*Sistema de Informação Nacional de Água e Saneamento*
SOP	Strategic and Operational Plan
SPEED+	Supporting the Policy Environment for Economic Development Project
SPS	Sanitary and phytosanitary
SRUC	Sector Reform and Utility Commercialization Project (USAID)
STP	USAID Southern Africa Seed Trade Project
STTA	Short-term technical advisor
TAMIS	Technical and Administrative Management Information System
TBT	Technical Barriers to Trade
TEEN	Nacala Dry Port/*Terminal Especial de Exportação de Nacala*
TFA	Trade Facilitation Agreement
TIFA	Trade and Investment Framework Agreement
TIP	Trade and Investment Project
UNDP	United Nations Development Programme
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USTDA	U.S. Trade and Development Agency
VAT	Value Added Tax
WTO	World Trade Organization

Work Plan

INTRODUCTION

The Supporting the Policy Environment for Economic Development (SPEED+) activity is a four-year (August 26, 2016 to August 25, 2020), $37.2 million project funded by United States Agency for International Development's Mission in Mozambique (USAID/Mozambique). 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+ will provide technical assistance and capacity-building to improve public-private policy dialogue, improve the policy environment for agriculture, trade, power, water, and biodiversity governance, and strengthen implementation of government policies and regulations. SPEED+ will support economic and structural policy reforms across 4 components: (1) agriculture, (2) trade, business enabling environment, (3) power, water, and (4) biodiversity conservation. It will also promote the areas of improved fiscal transparency, tax policy and economic and environmental governance. It will support multiple global initiatives including the Feed the Future Presidential Initiative, the Trade Africa Presidential Initiative, the USAID Biodiversity Policy, the President's Strategy to Combat Wildlife Trafficking, and Power Africa.

The Year 2 Work Plan is designed around a set of activities that follow-on from the Year One Work Plan or that have been identified during the prior year, yet is also flexible to enable new initiatives to be incorporated as necessary. Activities presented in the Work Plan will depend on securing and maintaining political commitment from key counterparts and activities may need to be adjusted to account for political changes. At the same time, the Work Plan is designed to also provide rapid response for "hot topics" of the day. Mozambique's policy landscape can be fast-moving and complex, with stakeholders having limited opportunities, time and capacity to respond. SPEED+ will maintain the capacity to respond rapidly, with the best available experts offering quality advice, inputs and commentary on issues of the day.

COMPONENT 1: IMPROVING THE AGRICULTURAL POLICY FRAMEWORK

SPEED+'s framework for agriculture policy reform is based on Feed the Future (FTF) priorities and guidance, and targets high-impact reforms. SPEED+ staff will work with counterparts to identify sound, non-distorting policy reforms and regulations which are needed to mobilize private investment, create jobs, and enhance the competitiveness of Mozambique's agribusiness and agri-trade. As necessary, SPEED+ will identify current or proposed policies that negatively (or would negatively) affect the agribusiness environment and raise these concerns in appropriate forum for discussion and resolution. SPEED+ will facilitate improvements in the enabling environment that promote competitiveness of the agribusiness sector, while managing and mitigating the negative impacts. Existing analyses conducted by previous USAID-funded or other programs as well as analyses provided by governmental counterparts will provide a basis for this work. SPEED+ will support the analytical effort of Government of the Republic of Mozambique (GRM) counterparts to develop and pursue policy reform with the Ministry of Agriculture and

Food Security (MASA) and the Ministry of Land, Environment, and Rural Development (MITADER), the Ministry of Industry and Trade (MIC) as well as other relevant ministries to promote a policy environment conducive for sustainable agriculture value chain development. SPEED+ will also identify and work with partners to eliminate barriers that make it harder for women to engage as traders and business entrepreneurs. Specific activities for Year Two are presented below.

1.1 Policy and institutional reforms to increase competitiveness of agriculture value chains

Agriculture value chains contribute 24 percent of Mozambique's gross domestic product (GDP) and employ about 80 percent of the active labor force in the country. Approximately 85 percent of the cultivated land is being used by smallholder farmers. Despite potential competitive advantages in climate, seasonality, and proximity to large markets, agriculture in Mozambique remains predominantly subsistence with rudimentary practices and technologies, resulting in low levels of production and productivity, low competitiveness, and limited access to markets due to inefficient services and infrastructure. Despite its potential, the country still has a deficit in terms of production of basic food items. There are many development projects and government efforts to improve agricultural production, but policy, regulatory, and institutional barriers to increased competitiveness require additional technical expertise. SPEED+ will offer technical assistance to public and private sector actors to identify and address policy and regulatory obstacles to improving competitiveness of Mozambique's agricultural value chains.

1.1.1 Policy and legal reform in the cashew value chain

It is important to determine why current policies and institutions have not been effective in increasing production and productivity, and what changes are needed to make Mozambique's cashew industry competitive on the global market. SPEED+ will carry out two key studies which will feed into the current public-private dialogue, providing arguments to support economic reforms which have significant potential to increase the cashew value chain's competitiveness and smallholder incomes.

1.1.1a Economic analysis of Raw Cashew Nut (RCN) export tax

Mozambique's existing Cashew Law 13/99 and accompanying regulation 33/2003 represent the conclusion of the World Bank's efforts to liberalize the sector in the mid-1990s. The cornerstone of the law is an export tax on Raw Cashew Nut (RCN). The law was drafted under the premise that after a five-year period of protecting the domestic cashew processing industry, Mozambique would revisit the tax and adopt a more globally competitive policy. However, an 18% tax has remained in place for nearly two decades and is one of the highest among cashew-producing economies in Africa. Recent proposals to increase the tax, or ban exports completely, require in-depth analysis as the issues are complex. Evidence shows that Mozambique processes a much larger proportion of its cashew harvest than comparable countries, but that the tax is poorly implemented and that it reduces farm gate prices for RCN. The Mozambican cashew sector is held up by some as a success and by others as a failure, so it is important to answer the question: "Is the cashew export tax policy a success story in Mozambique?". Consultants will complete their analysis of the economic effects of the cashew tax on the cashew sector in Mozambique

during the first quarter of Year 2, and the analysis will be used in the review and revision of the cashew law and regulation.

1.1.1b Review and revision of the Cashew Law and Regulation

Given the socio-economic development of the cashew sector since 1999, and the need for a more robust legal framework to respond to new market dynamics, the government and the Confederation of Business Associations (CTA) has included revision of the Cashew Law and Regulation in its joint list of priorities. SPEED+ will provide technical assistance to update the legal framework for the cashew sector to promote sustainable production, processing, marketing and export of cashew, and to ensure that improved production and productivity take place and are translated into increased income for rural families, and revenue for the state, while at the same time increasing jobs. The revision of the legislation includes drawing up proposals based on a broad consultation, particularly with MASA, the National Cashew Institute (INCAJU), relevant associations of producers, processors and traders including *Associação dos Industriais do Caju* (AICAJU) and *Associação Comercial, Industrial e Agrícola de Nampula* (ACIANA), *Federação Nacional das Associações Agrárias* (FENAGRI) and the agribusiness portfolio at CTA, as well as exporters and the National Cashew Forum.

Aspects to be addressed in the legislation include: export tax rate and revenue distribution; processing industry participation in financing and promoting production; primary commercialization of cashew; participation of the cashew processing industry in promoting production; the right of option and supply mechanisms for raw material for the industry; the role of INCAJU; the model used to compute Free On Board (FOB) price of RCN; the measurement methodology for Out-Turn [1] and the entity responsible; the reference price based on the FOB price of the Out-Turn 46/48 of the nut to be exported. Consultants were hired during Year 1 and will begin working with counterparts in Year 2 to draft text to be considered for inclusion in the revised cashew law. Key technical points from the Cashew Reform memo will guide the legal drafting, and SPEED+ may propose hiring additional international STTA to support the process as necessary.

1.1.1c Implementation of revised Cashew Law and Regulation

Following approval of the revised law and regulation, SPEED+ will work closely with MASA, INCAJU, the Association of Cashew processors (AICAJU), the National Cashew Forum and others to ensure adequate dissemination of information about the changes through media and public events. SPEED+ will also support the development of training, customized to various public sector and private sector actors in the value chain, that can be rolled out to all significant cashew producing areas.

---

[1] Processors use Out-Turn as a common platform to analyze the quality of cashew nuts accepted by all market players worldwide. It is expressed in lbs quality, which just means the weight of useful kernels weighed in pounds in one bag of 80 kg of raw nuts. 48 lbs quality and above is standard grade.

1.1.2 Institutional reform of INCAJU

In 1998, INCAJU was created to promote the development of the cashew sector, through support for improving production and productivity, developing the domestic cashew processing industry, and providing proposals on legal and regulatory issues. There are significant weaknesses in the management of INCAJU which has fallen far short of its targets for production and which has established practices, such as the free (though limited and poorly targeted) distribution of inputs, that have undermined the development of a sustainable, non-subsidized, competitive value chain. In May 2017, the Council of Ministers approved a new decree proposed by the MASA Technical Council that redefines the general mission and functions of INCAJU. Notable was the addition of "other nuts" to the agency's jurisdiction, but the failure to address existing weaknesses and market distorting practices.

SPEED+ will provide technical expertise for an organizational analysis focused on INCAJU's role in the sector and the effectiveness of its management and operations. A fundamental outcome of this effort – particularly with respect to the new regulation – would be a shift in INCAJU's mission away from direct participation in cashew markets, especially with respect to inputs for farmers, and toward a greater emphasis on fair and appropriate regulation. Its functions would involve promoting improved production quality and quantity; sharing opportunities in diversified processing and innovative technologies; and promoting a better enabling environment for larger investments in cashew. SPEED+ will provide technical support to INCAJU as it undertakes implementation of changes brought about by the legal reform process.

1.1.3 Improve policy frameworks for select value chains

SPEED+ will offer technical assistance to public and private sector actors to identify and address policy and regulatory obstacles to improving the competitiveness of Mozambique's agricultural value chains. For select value chains aligned with Feed the Future (FTF) priorities and in coordination with Inova and other relevant USAID programs, SPEED+ will provide technical assistance to develop policy analysis and recommendations to improve value chain efficiency and competitiveness. For example, in 2016 the governments of Mozambique and India signed an MOU committing the Indian government to purchase 200,000MT of pigeon pea and other pulses from Mozambique by 2020 (doubling current amounts). SPEED+ can support MASA to ensure that all supporting policy and regulation is in place to facilitate scaling up exports.

1.1.4 Coordination with FTF Inova

SPEED+ will support policies and practices conducive to inclusive agricultural enterprise growth and trade competitiveness, linking back to value chains with significant smallholder farmer presence. Coordination with Feed the Future Inova will be an important mechanism to identify opportunities for SPEED+ assistance. Whenever formal rules, laws, and/or policies are identified as a major constraint through FTF Inova's value chain analyses, market assessments and partnerships, these findings will be shared with SPEED+. The two projects will work in tandem, with SPEED+ leading policy interventions and FTF Inova supporting activities to generate/amplify pressure for needed policy change among market actors. These collaborative activities will be identified on an ongoing basis by field staff and joint intervention strategies will be developed during bi-annual or quarterly Work Planning meetings.

1.2   Improvements in land administration

SPEED+ will provide support to improve land administration and enhance accessibility and security of formal land tenure, in order to stimulate an increase in land-based investment. This is expected to primarily impact agriculture investment, but may also include housing or light industry which require secure access to land. Bringing more transparency and clarity into the process of acquiring secure leasehold access to land via Land Use and Benefit Rights or *Direito de Uso e Aproveimento de Terra* (DUAT) will lead to increased transactions of leaseholds and eventually to a more market-oriented allocation of land rights. The more efficient allocation of land rights, accompanied by increased investment, will lead to greater productivity and thus economic growth. In Year One, SPEED+ participated in the USAID Land Tenure Assessment Mission, and engaged national and international consultants to review and make recommendations for reform of Mozambique's land administration system. The consultants' findings informed the development of the SPEED+ Land Reform Memorandum which summarizes the current challenges, proposes targeted high impact reforms, and outlines a program for SPEED+ assistance which revolves around supporting reform of the Land Law and related implementing regulations.

1.2.1   Support reform of the Land Law

Mozambique is widely regarded as having a modern and progressive land law, following the enactment of the 1997 Land Law and related legal instruments. The Land Law assigns all ownership of land to the State while providing for usage rights through DUATs. However, implementation has not always lived up to the promise of the original law. Twenty years of experience have revealed a number of areas in which the legal framework would benefit from revision. While it is possible to make significant progress and bring more clarity, transparency and security to the DUAT system without altering the fundamental premise of the 1997 Land Law, positive signs among public and private sector constituencies currently favor a well-informed consideration of further liberalization of land ownership. SPEED+ will work closely with key stakeholders including MITADER and DINAT (Direcção Nacional de Terras), private sector organizations and land sector NGOs, to agree on a process for initiating and managing a broad discussion of market-oriented reforms to the Land Law. SPEED+ will avail the opportunity of the National Consultation Forum on Land (FCT) and the associated Reflection Group on Land to engage national leadership in this effort.

1.2.2   Support reform of regulations for land administration

Within the current framework of the Land Law, the highest impact regulatory reforms should focus on clarifying land administration procedures and facilitating transactions of DUAT leaseholds. SPEED+ Land Reform Memorandum provides details on approximately a dozen of the most important legal instruments that need to be revised or drafted. For the most part, these revisions were also identified in DINAT's own list of nearly 40 instruments that must be created or amended. The majority of these revisions can be implemented via lower level administrative rules or ministerial regulations. The legal instruments targeted would range from lower level administrative rules, such as "Ordens de Serviço" or "Circulares" issued by the Director of DINAT, to higher-level ministerial "Despachos" and "Diplomas," and eventually to "Decretos" by the Council of Ministers that would amend the 1998 Land Law General Regulation and other relevant regulations.

SPEED+ will provide national technical expertise to draft new or revised regulations, working closely with both DINAT and the new legislative reform unit being created at MITADER's Fundo de Desenvolvimento Sustentável. SPEED+ legal advisor Rosemin Faquir will provide additional oversight and technical guidance as needed.

SPEED+ will ensure a thorough consensus-building process with DINAT and other stakeholders, led by or including private sector associations; professional organizations and national and local NGOs; and the GRM including judicial and legislative delegates. The National Consultation Forum on Land (FCT) will be a key venue for offering discussion papers and presentations, and engaging the members of the related Reflection Group on Land as key interlocutors.

SPEED+ will provide support throughout the relevant approval processes for each new regulation via DINAT, MITADER or the Council of Ministers. SPEED+ consultants will also identify any additional technical assistance required to ensure the efficient implementation of approved reforms. Based on lessons learned during this activity, SPEED+ will also consider, in discussion with USAID, the placement of an embedded advisor within DINAT to facilitate the reform process.

1.3   Tax reform in agriculture (*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.

In Year 1, SPEED+ convened a joint working group with the Confederation of Business Associations (CTA) and the AT, and conducted field research to better understand the Autonomous Tax problem and generate solutions. 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, and therefore purchases from these smallholders do not require the payment of Autonomous Tax. It is now important to identify mechanisms for buyers to fulfill their requirements under the tax code when buying from tax-exempt smallholders. This should have benefits for increasing business registration among currently informal buyers and sellers. During the coming year, SPEED+ will work with the AT on revision of the ISPC regulation, disseminating information on the revised regulation and supporting increased tax registrations.

1.3.1 Revision of ISPC regulation

SPEED+ will continue to engage the working group to identify and implement necessary changes to the regulations for ISPC. Revisions will clarify which businesses are required to pay ISPC, and simplify the process for calculating the tax and making payments. SPEED+ will work with AT and CTA to guarantee that smallholders with incomes below 36 times the minimum wage are

exempted from paying taxes and therefore have no need for registration. SPEED+ team will also work with AT and CTA to guarantee that informal traders or farmer associations (intermediaries) that buy, aggregate and sell the product of many smallholders at a profit, and whose incomes are greater than 36x minimum wage, are registered in ISPC and do pay taxes.

Smallholder farmers rarely keep adequate written records of their production or incomes, making it difficult to determine whether they are subject to ISPC. However, their incomes are closely linked to the amount of land they cultivate. Therefore, the AT and CTA are interested to explore using area of land under production as a proxy for income. SPEED+ will provide technical consulting to determine estimated smallholder incomes for key crops, based on the area under production and the inputs and technology used. These estimated farmer incomes will be linked to the ISPC to determine when smallholders would likely generate enough income to require payment of ISPC.

1.3.2 Disseminate updated information about ISPC and Autonomous Tax

Following SPEED+ support to revise the tax code around ISPC, and to clarify smallholder land areas and income levels subject to ISPC, it will be important to disseminate information about the reforms and promote increased compliance. As a first step, SPEED+ will work with medium to large size enterprises producing cash crops such as sugar cane, tobacco, and cotton through outgrower schemes. SPEED+ will support these enterprises to disseminate information and provide training about paying taxes, particularly the ISPC, to smallholder outgrowers. This effort will reach thousands of smallholders and provide a significant entry point for the appropriate registration of taxpayers and increased compliance with ISPC, when necessary, and for the elimination of the threat of autonomous tax payments for the lead firms.

1.3.3 Increase tax registration in agriculture sector

Improved understanding of the revised tax code and the tax exemptions for eligible smallholders will eliminate a constraint to tax registration for smallholders and the often-informal buyers (such as traders, farmer associations and cooperatives) that do business with them. The revised code 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

SPEED+ will support registration of smallholders and informal buyers by supporting AT staff to develop training modules, training of trainers, and implementation at provincial and district level. SPEED+ will also support AT to disseminate information about the importance of registration and paying taxes using local community radio broadcast messages, pamphlets, leaflets and theater in local languages.

1.4   Promote private sector participation in the agriculture sector

Greater private sector participation in the agricultural sector in Mozambique can help the sector flourish and achieve its potential. The private sector consists of a broad array of entities that range from farmer organizations, cooperatives and SMEs to the largest international corporations. SPEED+ will work with MASA, ICM and BMM, as well as MIC (in the development of a National Trade Policy – see Section 2.5) to develop strategies and policies that enhance market forces and increased private sector participation in the agriculture sector.

1.4.1 Reform of Mozambique Institute of Cereals (ICM)

The Mozambique Institute of Cereals (ICM) is an independent institute under the Ministry of Industry and Trade (MIC). 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. ICM owns 155 warehouses with a storage capacity of 230 thousand tons, and the Mozambique Commodity Exchange (BMM) has 5 operational grain storage silos currently providing storage capacity of 35 thousand tons across Sofala, Niassa, Cabo Delgado and Nampula provinces. ICM is particularly interested in ensuring successful management of both warehouses and BMM managed silos through public private partnerships, and in leveraging BMMs warehouse receipts program.

1.4.1a Develop strategic and operational plan for ICM

As part of the restructuring process ICM has identified the need to develop a five-year Strategic and Operational Plan (SOP), and has established an SOP Task Force. 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 ICMs renewed role will be to focus on developing private sector management of its grain storage facilities. The SOP will provide guidance for reviewing ICM's existing infrastructure, including their silo management partnership with BMM, and exploring 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. SPEED+ will engage consultants to support the SOP Task Force to develop a plan which is clear, actionable, adequately resourced, and which ensures accountability.

1.4.1b Implementation of ICM strategic and operational plan

Following the approval of ICM's strategic and operational plan, SPEED+ will provide on-going technical support to build capacity for ICM to effectively implement the plan. Technical assistance may focus on management capacity, communications strategy, advocacy for supporting policy or regulation, utilization of the warehouse receipt program, or other issues identified in the SOP and necessary for its implementation. SPEED+ will also facilitate coordination with Southern Africa Trade and Investment Hub to identify and leverage activities that can support more efficient agricultural trade for Mozambique, such as aligning the SATIH's warehouse receipts pilot activity with private sector warehouse owners and banks together with ICM and BMM's desired WRS activities.

1.4.2 Identify strategies for the Mozambique Commodity Exchange (BMM)

Closely linked to SPEED+ work with ICM is identifying a viable strategy for Mozambique's Commodity Exchange (BMM). Agricultural trade in Mozambique is limited by the high costs of finding trading partners, transporting goods, determining the quality of goods traded, negotiating prices, enforcing contracts, and coping with price volatility. For BMM to function efficiently,

multiple buyers and sellers would trade commodity-linked contracts through BMM, which would reduce transaction costs by facilitating price discovery and managing risk.

However, there are numerous binding constraints in Mozambique that prohibit the BMM from operating successfully. Mozambique's small market size, weak transport and storage infrastructure, an underdeveloped financial sector, lack of a supportive legal and regulatory framework, and unpredictable government market interventions all impact BMM's ability to operate effectively. This has led BMM to attempt to monopolize all commodity trade through government intervention. However, trading through a commodity exchange requires the adoption and enforcement of grades and standards; credible, enforceable and tradable contracts; adequate storage facilities; and an open and efficient market environment. Where these conditions are in place, a commodity exchange has the potential to contribute to agriculture-led economic growth. However, Mozambique is currently not at the stage to have a functioning commodity exchange.

SPEED+ will work with ICM to put in place the building blocks for a functioning private sector driven commodity market in cereals (through private sector storage facilities and a warehouse receipts program). SPEED+ is also working with MIC on a National Trade Strategy, which can help identify policies that can promote increased commercialization. At the same time, the Minister of Industry and Commerce indicated there may be a window to provide input into a strategy for BMM. During the coming year, SPEED+ will consider contracting a high-level expert on commodity exchanges to provide a strategy to MIC on reforming or restructuring BMM, which, together with the reforms to ICM and the National Trade policy, can support the optimal overall role for BMM in national commodity trade. Ideally, SPEED+ activities will help establish the "building blocks" of clear rules for trade and delivery, so that BMM can effectively facilitate efficient large-scale commodity trading.

1.4.3 Mapping and assessment of the Agriculture Service Centers

The National Agricultural Mechanization Program (PNMA). aims to increase current levels of production by at least 7 percent per year through increases in plowed areas combined with technological packages that increase productivity and farmer incomes. PNMA is being implemented by the Agriculture Development Fund (FDA) through Agrarian Service Centers (CSA) located along six Development Corridors (Pemba-Lichinga, Nacala, Zambezi Valley, Beira, Limpopo and Maputo). CSAs are expected to provide mechanized soil preparation and sowing services, technical assistance, access to agricultural inputs and other key services to small and medium-sized farms. There are 123 CSAs, of which 98 are Public-Private Partnerships (PPPs) and 25 are public sector managed.

SPEED+ will engage a consultant team to conduct a baseline study that investigates the supply and demand for agrarian service centers and storage facilities. On the supply side, the study will assess the existing CSAs, and other similar service centers being established by number of other development, government and private sector actors. The study will also include the ICM/BMM warehouses and silos. The study will map and inventory the existing centers, warehouses and silos, assess the effectiveness of their management models, and recommend best practices in operations and management models for the service centers. The model proposed should take into consideration options for a public-private partnership approach and look at ways to expand the role of the centers to cover provision of inputs and technical assistance, and improve access to

credit services and to markets. On the demand side, the study will provide a national overview of demand for CSA and storage services based on agriculture production and demographic data. On both the supply and demand side, gender analysis will be an important part of the assessment to ensure equal access to services by men and women.

COMPONENT 2: AN IMPROVED TRADE AND INVESTMENT POLICY FRAMEWORK

SPEED+ will assist the GRM to establish business, trade, and investment policies which promote private sector-led broad-based economic growth. As requested by government counterparts, we will help to coordinate reforms across GRM ministries and strong private sector advocates in order to provide essential feedback loops on how citizens and companies are affected by proposed laws and regulations. This coordination will include efforts to improve the quality of problem identification and analysis of alternative policy options through broad stakeholder input. Similarly, we will work with counterparts, such as CTA and other business associations to build public and private capacity to implement and monitor the implementation of reforms. Activities under Component 2 are divided into Trade and Investment Policy activities and Business Enabling Environment activities.

Trade and Investment Policy Activities

Implementation of the Mozambique Trade Africa Partnership, which was launched in August 2015 with the signing of a MOU between the US Ambassador to Mozambique and the Minister of Industry and Commerce, will be a key framework for SPEED+ assistance. SPEED+ will support activities under Trade Africa in conjunction with United States Government (USG) Agencies through Work Plan actions for the implementation of the Trade Africa Partnership, some of which are addressed below for Year 2.

2.1 Support MIC to implement Trade Facilitation Agreement (TFA)

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. SPEED+ has provided support to the ratification of TFA and notification of the WTO which was completed early in 2017. SPEED+ also supported the establishment of the NTFC and its monthly meetings with focus on institutionalization. In this fiscal year, SPEED+ will continue to support MIC with implementation of the TFA. Our work will be done in coordination with the Southern Africa Trade and Investment Hub (SATIH) and the Enhanced Integrated Framework (EIF) National Implementation Unit. SPEED+ will also engage with the Donor Trade Sub-Committee to seek additional technical assistance for the implementation of the Category C.

2.1.1 *Support the operationalization of the National Trade Facilitation Committee (NTFC)*

In FY 2017, SPEED+ supported six 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 based on lesson learned at the First

International Forum on NTFC held in Geneva. Upon receiving the resulting decision on formalization from the MIC technical committee, SPEED+ collaborated with the MIC Legal Department to prepare an outline and technical inputs for the draft decree. SPEED+ will continue to support the institutionalization of the NTFC. This includes finalizing drafting and undertaking consultations with all relevant public institutions and private sector on a Prime Minister Decree to formalize and institutionalize the NTFC.   SPEED+ will also provide secretariat services to support the NTFC monthly meetings to oversee the implementation of the agreed roadmap to complete Category B and Category C reforms.

2.1.2 Develop a Trade Portal

Access to information about trade is essential for businesses. Development of a National Trade Portal, an online home for all trade-related information, laws, procedures, forms, processes, etc., is currently used by many countries as a model for meeting WTO TFA transparency requirements. SPEED+ has worked with the NTFC on the initial steps for the development of a National Trade Portal, including development of a detailed SOW. SPEED+ will continue to work with MIC and the AT to build consensus on the WTO commitment to develop the National Trade Portal. SPEED+ will support a study tour to a country that have already implemented a Trade Portal to build confidence in the NTFC to effectively manage the Trade Portal once developed. SPEED+ has been in touch with another USAID Project in Burma that has paid for the development of the Myanmar National Trade Portal to see if the underlying software can be transferred to Mozambique, which would significantly reduce the cost of developing the Trade Portal software. To ensure that the portal is sustainable, SPEED+ will work with the Tax Authority (AT) and MIC to improve communications capacity. The National Enquiry Point will be supported by the development of a National Trade Portal.

2.1.3 Shift from pre- to post-shipment inspection

The current contract between Government of Mozambique and Intertek was extended and both parties are in the process of initiating a contract through December 31, 2018. The contract reportedly contains provisions for Interek to provide capacity building training, the transfer the Intertek valuation database to Customs and provide a laboratory to enable the testing of imports as needed. This is in line with Customs interest to ensure a smooth transition from a pre- to post-shipment inspections well as to ensure compliance with WTO/TFA requirements. It also responds to private sector concern with PSI as it increases cost and time required for importing into Mozambique.

Last year, SPEED+ engaged one international and one Mozambican expert, Robert Keller and Fernando Anselmo, to work with Customs and the MIC in the development of a roadmap for the elimination of Pre-Shipment Inspection. Field work and consultations with key stakeholders was completed. In Year 2, SPEED+ will finalize this work and draft a detailed report including the analysis of the gaps in current capacity in terms of human and physical resources for the transition (roadmap), a detailed institutional change plan with proposed deadlines, institutional responsibilities and costs. SPEED+ will also conduct three workshops in Maputo, Beira and Nacala.

2.1.4   Improve the Authorized Economic Operators (AEO) scheme

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+ provided support to Customs towards strengthening Mozambique's AEO system. SPEED+ drafted a one-page overview about AEO, which was submitted to the AT. SPEED+ undertook a quick high-level analysis to better understand the reasons for a low level of participation in the program. The report, which aims to establish why so few companies have received an AEO license so far, and how this could be changed, and to develop a clear practical and feasible roadmap for increasing the number of AEOs in Mozambique, will be completed in the current year and shared with Customs. SPEED+ will work to implement the report recommendations in order to increase the number of AEOs in Mozambique.

SPEED+ will also continue its support to Customs to expand certification of AEO's in mutual recognition agreements with other countries and expanding cooperation with other competent AEO programs to ensure global supply chain security and to avoid duplication of efforts and costs for authorities and economic operators. SPEED+ will consider ways to support revisions to the existing legal framework to introduce additional safety and security (SAFE) measures to ensure that Mozambican AEOs are internationally recognized.

2.1.5   Reduce trade-related fees and charges

Article 6.1 of the TFA establishes the rules for the definition and application of fees and other charges related to import and export. It establishes that that Members must publish information about such fees and charges, including how they are applied, which authority is in charge, the reasons for such fees or charges, and when and how payment is to be made. Changes to fees or charges should be informed beforehand (before entry into force) and 'where practicable' the Member shall periodically review its fees and charges with a view to reducing them. The fees and charges include not only charges paid to the tax authority but also to other public authorities or private companies related to import, export or transit, such as for licenses, or for non-intrusive inspections (i.e., scanning), etc. SPEED+ will engage two trade experts to develop a WTO TFA Implementation Strategy for Mozambique for Fees and Charges. A detailed analysis of the costs to charges for import and export services provided by government authorities and private companies will be undertaken; and depending on the result of such analysis, recommendations for possible renegotiation of contracts may be necessary. A comparative study with other countries in the Southern and Eastern Africa region will also be undertaken as part of the review.

2.1.6   Assess the efficiency of Terminal Km4

International road terminals (dry ports) are being established to help facilitate trade, and it is expected that these services result in greater efficiency in procedures and controls governing the movement of goods across national boundaries, while safeguarding legitimate regulatory objectives. These services play an important part in ensuring the efficient transit of goods; they should reduce the charges or associated costs and maximize efficiency in moving goods across borders. Unfortunately, the country's experience in implementing international road terminals has not been positive. The increase in costs resulting from slow services provided, high fees applied the mandatory use of the terminals negatively impacts business competitiveness in foreign trade (export/import). SPEED+ will support CTA in undertaking a factual-based assessment of the

costs inherent to trade facilitation services in the Ressano Garcia Road Terminal (TIRO/Km4) and compare it with the Lebombo Terminal (Km7) in South Africa.

2.1.7 Establishment of a National Enquiry Point for Trade Facilitation

The WTO TFA establishes the need for an enquiry point where traders can request information on customs procedures. These enquiry points should reply within a 'reasonable' time frame and should not charge more than the cost of providing the information. Currently, there is AT helpdesk but it only replies to requests for information directly related to matters falling under the responsibility of the Customs. There is a MIC helpdesk for the private sector but it is neither very functional nor specifically related to trade facilitation issues. SPEED+ will work with the NTFC to identify actions that can be supported by SPEED+ for the creation of a national enquiry point for trade issues and rolling out capacity to respond to trade-related questions to the country's one-stop shops (Balcão de Atendimento Único – BaU). This will also include studying the structures and procedures currently in place for consultations between border agencies and offering recommendations to streamline these, and to improve understanding by government officials at various levels on the importance of trade facilitation.

2.1.8 Review the legislation regarding expedited shipments

WTO TFA regulates the expedited delivery (or express delivery) and requires that WTO Members shall establish special procedures for these companies, at least for goods entering the country by air, provided that they comply with a set of criteria (including, for example, to provide specific infrastructure, submit the documentation in advance of the arrival of the shipment, assume responsibility for all fees and charges, provide expedited shipment from pick-up to delivery, provide security and control of the goods, and have a good record of compliance with customs and other related laws and regulations), and the criteria shall be published. Currently, there is no legal recognition of this type of operator, they are treated as postal services. Thus, it would be necessary to review the legislation in order to create a status similar to 'authorized operator'. SPEED+ work with SATIH to review the legislation, in consultation with the companies and establish the procedures. SPEED+ will work with SATIH to review the national legislation and identify gaps in terms of compliance with the requirements of the Agreement on Trade Facilitation (TFA) with respect to expedited shipments (TFA provision 7.8)

2.2 Develop trade facilitating activities relating to sanitary and phytosanitary (SPS) measures

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. SPEED+ carried out the baseline assessment and developed 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). The report was submitted to the SPS group.

SPEED+ will work with the SPS group to ensure effective operationalization of SPS National Notification Authority (NNA) and National Enquiry Point (NEP). This may include: providing full time technical and administrative advisor to support NNA and NEP; equipping the NNA and

the NEP with adequate office equipment, including a new PC, a new multifunction printer and an adequate internet connection; translating into Portuese the WTO Procedural Step-by-step Manual for SPS National Notification Authorities & SPS National Enquiry Points. SPEED+ will also create a SPS dedicated Webpage and develop TV spot campaign supporting SPS-raising awareness.

2.2.1 *Improve implementation of sanitary and phytosanitary measures*

Mozambique currently does not meet its World Trade Organization (WTO) and/or SADC SPS commitments. Technical capacity shortfalls are notorious in all three of the SPS components (food safety, animal health and plant protection). While much of the work to improve compliance will fall under SPEED+' Trade Component, issues specific to policy and regulation of plant protection will also be addressed within the Agriculture Component.

A National Phytosanitary Capacity Evaluation (PCE) was carried out in March 2016. The report found that, rather than improvements, major weaknesses remained including: (1) outdated and incomplete National Plant Protection Legislation; (2) lack of specialized units for surveillance and diagnostics; (3) inadequate capacity to conduct surveillance and monitor the spread and eradication of pests; (4) lack of Pest Risk Assessment/Analysis (PRA) and Early Warning System (EWS) units; inadequate capacity to carry out inspection and certification, resulting in weak control of borders; (6) lack of a consultation mechanism and strong linkage between government agencies and private sector.

2.2.1a Build capacity to respond to the entrance and rapid spread of new pests/diseases

During SPEED+' first year, several challenges highlighted limitations in Mozambique's capacity to respond to new pest and disease outbreaks that threaten Mozambique's ability to export to regional and global markets, and present risks to domestic food security and human health. These challenges included the outbreaks of Banana Bunch Top Virus (BBTV) and Panama disease in the banana crop, failure to adequately test for fruit fly on mango and other crops, and the risk of Fall Army Worm to the maize crop.

SPEED+ has engaged the SPS experts from SATIH in discussions about potential SPEED+ contributions to a systemic improvement in the MASA SPS regime. While technical experts from a variety of projects may focus on the scientific response to specific diseases and pests, SPEED+ will focus on ensuring strong engagement among private and public sectors; improved private sector advocacy; dissemination of information and awareness raising within public and private sector; and the collaborative (public/private) development of strategy for implementation of technical experts' recommendations, particularly on policy and regulation. For example, Fall Army Worm is a particular threat to maize commercialization, but has had limited attention from both public and private sector players. SPEED+ can support MASA and the Mozambique Institute of Cereals (ICM) to raise awareness and educate the cereals sector about this threat and potential solutions; garner increased engagement of concerned parties; advocate for adequate government resources; and provide monitoring and reporting assistance. Similar activities can be designed for other crop specific threats. Ultimately, the individual activities will contribute to the development of an improved model for public/private sector collaboration in monitoring and responding to disease and pest risks.

SPEED+ will coordinate closely between the Trade and Agriculture Components to ensure a seamless approach to upgrading the SPS regime in compliance with WTO and SADC requirements. SPEED + could use the example of new regulations that result from SPS determinations to demonstrate compliance with the WTO and SADC notification requirements. SPEED+ might also provide assistance to MASA to develop a National SPS Strategy in line with the Mozambique Strategic Plan for Agricultural Development (PEDSA 2010-2019) and SADC Regional SPS Strategies for Food Safety, Plant and Animal Health.

2.3 Develop trade facilitating activities relating to the Technical Barriers to Trade (TBT) framework

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. SPEED+ worked with 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. 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. SPEED+ supported ANSI to prepare their workshop entitled "Using the Mozambique National Quality Policy to Promote U.S. – Mozambique Trade and Investment".

SPEED+ will work with INNOQ to ensure effective operationalization of TBT National Notification Authority (NNA) and National Enquiry Point (NEP). This may include: providing full time technical and administrative advisor to support NNA and NEP; equipping the NNA and the NEP with adequate office equipment, including a new PC, a new multifunction printer and an adequate internet connection. SPEED+ will also support INNOQ to develop and implement a plan to disseminate published standards, support the operationalization of TBT national enquiry point, coordinate with ANSI on the implementation of the labeling law and other activities, and support INNOQ to assist SME's to meet megaprojects standard requirement, with a focus on oil and gas. SPEED+ will also continue to coordinate with ANSI to implement its Work Plan in Mozambique.

2.4 Support the implementation the 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. SPEED+ worked with MIC, the Export Promotion Institute (IPEX), the Confederation of Business Associations (CTA), AGOA beneficiary companies to develop an AGOA utilization strategy that also conforms to the existing Trade and Investment Framework Agreement (TIFA) and Trade Africa Memorandum of Understanding. SPEED+ will continue to support the approval, dissemination and implementation of the strategy during Year 2 and coordinate with SATIH on specific firm-level assistance that can be provided to companies with potential to export under AGOA.

2.5 Review the National Trade Policy and Strategy

Mozambique's Trade Policy and Strategy, the Commercial Policy and Strategy (PEC) was approved by the Council of Ministers through resolution number 25/98 on June 1, 1998 and officially published in Government Gazette on 07 July 1998. The new Trade Policy should be a tool used by MIC to guide Mozambique's overall approach to using Trade as a tool for economic development and job creation. SPEED+ engaged two trade policy experts, one international and one Mozambican expert, to work with the Ministry of Industry and Trade (MIC) in the design of a trade policy and strategy, which will guide MICs overall trade engagement for the upcoming 5 years. In Year 2, SPEED+ will finalize the drafting of the proposed Trade Policy and Strategy, ensure the its approval and implementation, including consultation workshops in the north, center and south.

2.6 Reduce import/export costs on the Nacala Corridor

Reducing the time and costs associated with exporting from the Port of Nacala would make exports from Mozambique and neighboring countries more competitive, encouraging more trade and investment. Currently, there are multiple constraints at the port and along the corridor that increase trade costs, including: inefficiencies along supply chains, fragmented production patterns, lack of logistics capacity (storage, distribution), poor transport infrastructure, and cumbersome customs/border procedures and policy / regulatory frameworks. Infrastructure constraints throughout the corridor are coupled with inefficient port operations, a lack of modern technology, which leads to low productivity, congestion (both entering the port due to the single entrance and inside the port due to storage limitations).

SPEED+ has secured the commitment of the Ministry of Transport and Communication (MTC) and Mozambique company Northern Development Corridor (CDN) to jointly conduct an analysis of ports, rail, roads and infrastructure along the corridor using the FastPath 2 (FP2) methodology. SPEED+ engaged a team of specialists to assess the current operations of, and bottlenecks along, the Nacala Corridor, and make proposals for improving the transport and logistics system along that Corridor. The team conducted a field work in Maputo, Nacala, Nampula, Lichinga, Cuamba, Lilongwe, Blantyre, and Chipata. In Year 2, SPEED+ will continue to support the MTC and the operator of Nacala Port, CDN to complete the analysis and show how reducing costs and increasing efficiency along the corridor can help generate increase in investment and jobs throughout the region. A reform roadmap will be developed in conjunction with stakeholders and SPEED+ may support the implementation of selected actions.

2.7 Improve Trade Across Borders indicator

SPEED+ will conduct a high-level analysis to identify and categorize reforms to improve Mozambique's ranking on the World Bank Doing Business Indicator Trade Across Borders. Many of these reforms will be identified in 2.1 (Trade Facilitation) and 2.6 (Nacala Corridor Assessment). SPEED+ will then provide an overview of the impacts implementation of the reforms would have on Mozambique's Doing Business Rankings. SPEED+ will also work with counterparts to support implementation of identified reforms.

2.8 Other activities

SPEED+ will remain flexible to respond to new issues expressed by government counterparts, private sector partners, or USAID to improve the trade and investment framework.

Business Enabling Environment Activities

Although the business-enabling environment has improved in recent years, cumbersome regulations and procedures still impose heavy costs on business. These include burdensome and opaque approval process, licenses, and special levies that impede market entry and raise the costs of doing business. Mozambique remains one of the world's most difficult places to do business and is not keeping pace with other countries in implementing business environment reforms, which resulted in Mozambique dropping in rank from 134 to 137 (out of 190 countries) in the World Bank's 2017 Doing Business Report. SPEED+ will work with MIC to target key reforms that will help Mozambique improve not only it's Doing Business ranking, but the overall business environment, which will attract new investment and spur economic growth.

2.9 Review and revise the Commercial Code

The Ministry of Industry and Commerce (MIC) in coordination with the Ministry of Justice (MJ) and Confederation of Business Association of Mozambique (CTA), has requested SPEED+' assistance to review and make recommendations for revisions to Mozambique's Commercial Code. The review will be completed in two phases. The first phase targets an immediate goal of improving Mozambique's score on two Doing Business indicators: Starting a Business and Protecting Minority Investors. SPEED+ will provide technical assistance and work closely with MIC and relevant stakeholders to identify necessary reforms, taking into account the recommendations made by the IFC in 2015, and the criteria used by the World Bank in developing the Doing Business report for Mozambique. In the second phase, SPEED+ will conduct a deeper, overall review of the commercial code to align with international best practice and the requirements of a modern commercial code that supports private sector competitiveness.

During Year 2, SPEED+ consultants will engage government entities (including the Ministry of Justice, Constitutional and Religious Affairs, the Ministry of Economy and Finance, the Ministry of the Interior, the Ministry of Science and Technology, the Mozambican Tax Authority, the Investment Promotion Center, the Office of the Accelerated Economic Development Zones, etc.), private sector representatives (Confederation of Economic Associations of Mozambique, the Commercial and Industrial Association of Mozambique, the Order of Accountants and Auditors of Mozambique, the Mozambican Bar Association, the Institute of Directors of Mozambique, the Center for Public Integrity, etc.), and cooperation partners (Private Sector Working Group). The study will include a review and comparison of global best practice in the areas where reform is required with particular attention to Mozambique's direct competitor countries.

The resulting recommendations for reforms to the Commercial Code will be presented in a detailed report of the work and presented in a workshop to Government and other stakeholders. Among the potential reforms, SPEED+ will identify and seek agreement with MIC and USAID on Commercial Code Reforms to be drafted, and prepare a legal draft of the revision of the Commercial Code.

2.10   Implement Food Fortification Law

Fortifying staple foods with vitamins and minerals is widely recognized as one of the most cost-effective and sustainable solutions to combating micronutrient deficiencies such as iron, folic acid, zinc, and vitamin A. The Government of Mozambique has completed the first phase of legally mandating the fortification of staple foods with the approval of the food fortification

legislation in 2016. The first foods that are slated for fortified are wheat, corn, sugar, salt and vegetable oil. The National Committee on Food Fortification in Mozambique (CONFAM) is the entity that is currently supporting its implementation. It's led by the Ministry of Industry and Commerce and includes relevant government agencies (INNOQ, INAE), members the private sector, civil society, UN agencies and donors.

USAID/Mozambique had been funding this activity through GAIN, however that activity is ending at the end of September 2017. Given that the implementation of this law is under MIC, INNOQ, and INAE, which are all SPEED+ partners, SPEED+ will provide support for implementation of the food fortification law. In 2015, SPEED undertook a review of the proposed legislation. The analysis found that the program appeared well conceived and had a high likelihood of success. However, concerns were raised in regard to the local Fortification Standards and how they would apply to imports. If the standards do not adhere to WHO and regional norms, they could be considered a barrier to imports.

Recently, there has been concerns regarding the alignment of the legislation with the existing standards set by the National Institute for Standards and Quality (INNOQ). There is also a general concern about the institutional arrangement due to some conflict of interest between CONFAM and MIC. SPEED+ will work with CONFAM members and other relevant stakeholders to develop a detailed work plan to support implementation of the law based on GAINs close out report. The work plan shall include activities towards aligning standards between INOQ and the new Law and working with stakeholders (including mills) to implement the regulations effectively. SPEED+ will also work on increasing the awareness of the private sector regarding the new legislation, building capacity of relevant GoM institutions toward the effective implementation of the regulation, and support of labeling requirements.

2.11   Improve the Doing Business Indicator *Dealing with Construction Permits*

SPEED+ will provide assistance to the Maputo Municipality (CMM) to implement the following World Bank recommendations to improve Mozambique's position on the Dealing with Construction Permits indicator. Specifically, in Year 2, SPEED+ will support the CMM:

- Update and improve the CMM website and ensure that all information concerning documentation required and fees to obtain building license are available.
- Disseminate information of the new *postura municipal.*
- Introduce a pre-application meeting at CMM to provide applicants with information about requirements.
- Update software financed by SPEED to allow applicants to apply for licenses online and track applications.
- Replicate the technology to at least one other municipality

2.12   Strengthening public participation in the legislative process

SPEED+ is supporting CTA and civil society with a communications campaign to raise awareness and support advocacy for the approval of the draft Law for Public Consultation in Legislative Processes in Mozambique. An important milestone was marked on August 3, 2017, when the Ministry of Justice formally received from CTA the draft Law for Public Consultation, which was developed with USAID support. To ensure that the approval process continues quickly

and smoothly, the communications campaign will increase awareness and understanding within Government and the general public of the relevance and importance of the proposed law. This will catalyze advocacy and engagement by the public and civil society organizations. Following approval of the Law, SPEED+ will support broad dissemination of the law, and help to monitor its implementation and evaluate the impact/results achieved. SPEED+ will engage a consultant to coordinate the communication/dissemination campaign through TV and radio debates, press releases for newspapers and newsletters, and use of social media.

2.13   International airport points of entry

Protectionist aviation policies severely constrain the development of tourism and other businesses, including those related to high-value added agriculture and just-in-time manufacturing. Protectionism pulls customers from the entire travel and tourism chain—from hotels, restaurants, and resorts, to car rentals, computer reservation systems, and entertainment, as well as beach and cultural attractions. Despite recent indications of liberalization of the air transport sector, the Mozambique Airports Company (AdM) recently proposed reducing the number of international airports (points of entry) from 9 to 3 (Maputo, Beira and Nacala). The Government has constituted a task force to analyze AdM's proposal. CTA/FEMOTUR (Mozambique Tourism Association) and IACM (National Aviation Civil Institute) are members of the task force, and have requested technical assistance from SPEED+ to analyze the impacts of the proposed airport closures. CTA/FEMOTUR and IACM will use the study findings to present clear and well-substantiated arguments to the task force. 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. The study will provide economic analysis of the cost/benefits of at least three scenarios: (1) the current status; (2) limiting international flight arrivals to 3 airports as outlined in the AdM proposal; and (3) a liberalized air transport sector, taking into account potential growth of investment and tourism in Mozambique.

2.14   Review and revision of minimum wage framework

In Year One, SPEED+ completed the draft of an evaluation and recommendation for reforms of the framework for setting minimum wage, considering international best practice, the government's goals for employment creation and Mozambique's current state of economic development. CTA has requested assistance to build on the report's recommendations, including discussing report recommendations with various stakeholders, including trade untions and government. SPEED+ will continue to ensure CTA's buy in and commitment to implementing recommendations resulting from further technical assistance. Following discussions and approval by USAID, SPEED+ may engage a national consultant to continue to customize the work to the Mozambique context, including a review of the process of negotiation and the rationale for the current sector based minimum wage structure, providing practical reforms which will be politically acceptable to employers, unions and government and which take account of labor productivity and employment creation. SPEED+ may also support the dissemination of the analysis and recommendations to government, private sector (CTA), trade unions, the Labor Consultative Council (CCT), and the general public through workshops, presentations and a Business Breakfast.

2.15   Promote public and private dialogue for a better business environment

2.15.1 Develop methodology for private sector matrix used in CMAN

CTA and the Government of Mozambique approved in 2015 a new model for technical-level Public-Private Dialogue, the Business Environment Monitoring Councils (CMAN). The CMAN are led by the Prime Minister with the participation of CTA and MIC. In preparation for the CMAN, MIC and CTA collaboratively identify, agree upon, and monitor implementation of key priorities for reform. The key priorities are summarized in the Private Sector Matrix which is used as the basis for the CMAN.

To date, there has been no clear methodology or criteria for identifying, evaluating and prioritizing issues to be included in the Private Sector Matrix. The Ministry of Industry and Trade (MIC) and the Government have been frustrated when presented with lengthy lists of issues without clear criteria for selection or prioritization. The methodology CTA recently used was to collect priorities from all the CTA sectoral working groups and include them all in the Private Sector Matrix, with equal weight. This led to a confusing mixture of very high level and very low level desired reforms with no prioritization. As a result, the most recent CMAN was postponed when CTA and MIC were not able to agree on the business environment improvement agenda to be proposed through the Private Sector Matrix. SEED+ will provide technical assistance to CTA to develop a standardized methodology for reviewing and updating the Matrix, including criteria and prioritization that can be clearly explained to government. This will include integration CTAs provincial offices (CEPs) to find out how they are currently involved in the priority setting, and to include the provincial level in the proposed methodology. The consultant will assist CTA to use this methodology to update the Private Sector Matrix in preparation for the next CMAN. SPEED+ and CTA will co-fund the next CMAN meeting.

2.15.2 Annual Private Sector Conference

CTA organizes the Annual Private Sector Conference (CASP) to define and reach consensus on the business environment agenda and strategy for the upcoming year with a broad array of stakeholders. The meeting is led by the President of the Republic of Mozambique, and attended by approximately 700 people including senior members from the Government, the private sector, the donor community, and civil society. SPEED+ will provide technical and logistical support to organize the event, working closely with CTA and its membership to develop the conference agenda, raise topics for discussions during the conference, and suggest profiles of relevant speakers. SPEED+ may sponsor one speaker on a relevant topic, and may also provide some financial and logistical support for the conference.

2.16   Legal and regulatory reform of the labor market

Employment regulations are necessary for the proper functioning of labor markets. They are needed to protect workers from arbitrary or unfair treatment and to ensure efficient contracting between employers and workers. Labor market regulations can help correct market imperfections, support social cohesion and encourage economic efficiency. The challenge for governments is to avoid the extremes of over- and under-regulation by balancing labor flexibility with worker protection.

2.16.1 Reform of the 2007 Labor Law and associated regulations

The 2007 Labor Law currently in effect has only limited potential to promote investment, competitiveness, and new employment. In certain cases, more recent implementing regulations have made the regulatory environment more restrictive, such as Decree no. 37/2016 and Decree no 108/2014 which create more onerous requirements for in-quota approval of foreign workers. New reforms that provide greater flexibility, particularly on hiring of foreign workers and cause for dismissal, can help promote more economic activity, reduce unemployment and move workers to the formal sector.

The Minister of Labor, Employment and Social Security (MITESS) stated earlier this year that the Labor Law will be reviewed and updated in late 2017. To help CTA prepare for well-informed and substantiated discussions with MITESS during the reform process, SPEED+ will develop a report that outlines key reforms that would have the greatest positive impact on job creation, economic growth, and poverty alleviation.   The objective is to achieve a more balanced, practical and effective Labor Law, which serves the interests of both employees and employers, and is appropriate for the current socio-economic reality of the country and responsive to the needs of the private sector.

2.16.2 Development of regulations for rural labor markets

MITESS has requested SPEED+ assistance with developing appropriate regulations governing rural labor markets. The regulation of rural and agricultural labor presents unique challenges including the seasonal yet very intensive (longer than normal workday) nature of much agricultural labor; the frequent requirement for workers to find employment far from their place of residence; the common use of young workers even during the school year; and the occupational health and safety risks of agricultural labor among other issues. In consultation with USAID, SPEED+ will develop a scope of work for technical assistance in developing consensus and drafting regulations appropriate to rural labor markets in Mozambique to discuss with USAID and MITESS.

2.17   Institutional support for MIC

Because (a) the MIC is a primary and important counterpart for work under Component 1 (ICM and BMM) as well as Component 2, (b) the SPEED+ dedicated Trade Facilitation Adviser (Caroline Ennis) completed her assignment in Mozambique in August 2017 and (c) due to limited human capacity, poor inter-ministerial coordination, and weak organizational structures, MIC has requested SPEED+ assistance to reestablish the Technical Unit for Trade (UTCOM) a MIC to provide support and advise on a variety of issues, including negotiating and meeting Tripartite, SADC and WTO commitments (TFA, SPS, TBT, etc.), implementing the National Trade and AGOA strategies, as well as advancing the business environment reform agenda (Commercial Code, Doing Business reforms, CMAN and CASP, etc.). SPEED+ will therefore consider working with MIC to reestablish UTCOM and place an embedded adviser at MIC to support implementation of SPEED+ activities with MIC. In the next year, SPEED+ will develop additional information (SOW, Budget, etc.) and discuss with USAID.

COMPONENT 3: AN IMPROVED POWER AND WATER POLICY FRAMEWORK

Water and power services are not keeping up with demand because of accelerating population and economic growth, which present binding constraints on economic and social development. More private investment can help solve the problem, but only if the right policy framework and related capacity of government decision makers are in place and regulatory capacity is enhanced. Activities for Component 3 are divided into two sub-components, one for power and one for water.

Power Sector Activities

Power is a basic service that drives economic activity, growth and productivity. Lack of access to reliable power is a binding constraint to broad-based growth in Mozambique. The Government of Mozambique (GRM) has liberalized parts of the power sector allowing private sector investors to participate in generation and transmission of electricity. Overarching power sector support will be a need for sustained public-private-civil cooperation in establishing policy and reforms which structurally transform these sectors and change behavior. Policies need to be crafted to encourage investment, reduce risk, limit transaction costs, and expand markets. SPEED+ will help facilitate the establishment of a regulatory environment which promotes increased generation and distribution, including new connections, of electricity. We will work closely with USAID, the GRM and other donors to identify specific reforms or transactions which are clearly linked to Power Africa's goals of fostering increased generation and/or connections and an improved policy environment. There are four principal areas to which we will provide support to help create an attractive energy investment environment: (1) on-grid; (2) off-grid; (3) independent regulator and (4) EdM.

3.1   On-grid legal framework and transaction support

Generation is widely recognized as a service that can be provided competitively by independent power producers (IPP). Any strategy to improve the capacity of supply and reach of the centrally managed grid must include independently produced power supply to the grid. In order for independent, grid-connected generation to attract overseas capital and flourish, the legal rights of private producers must be clear and consistent with international practices in the power sector. The procurement practices must be authorized by law, easy to understand, and transparent. However, the legal framework for IPPs is currently fraught with uncertainty. SPEED+ will work to help improve the legal framework and improve certainty and predictability in the legal framework in order to attract new investment in the power sector in Mozambique. SPEED+, through consultants David Waltenberg, Taciana Lopes and Gerusa Magalhes, will support this through the following sub-activities: updating of the Electricity and PPP Laws; implementation of REFIT; transaction and legal support for pilot IPPs; and training to MIREME.

3.1.1 Strengthen legal framework for power – the Electricity and PPP Laws

Power project proposals often fail to materialize due to weak legal or ambiguous frameworks vital to the long-term sustainability of the sector. The sector is governed through the 1997 Electricity Law, which defines the general policy for the organization of the power sector and the administration of the supply of electrical energy. The Act provides the legal framework for electrical energy generation, transmission, distribution and sales within Mozambique, as well as

its exportation and importation, and the granting of concessions for these activities. It also provides for mandatory third party nondiscriminatory access to the transmission system, and permits cross-border electricity trade, subject to the approval of the Government. The Act is now 20 years old and needs to be updated.

At the same time, there is no adequate certainty in the right of independent generators to sell power to EdM, to corporate purchasers, or to retail customers. Nor is there certainty in the applicability of the PPP law for the tender of IPP (Independent Power Producer) projects. Such matters must be legally clarified to attract private enterprise and low-cost capital.

SPEED+ will provide legal support to clarify the legal framework for on-grid IPPs that are not covered by the REFIT (see below). The REFIT is intended to cover renewable energy sourced generation less than ten megawatts in size and less than ten kilometers from the grid. There are larger renewable projects, conventional projects and cogeneration projects for which the clarification of legal rights and procurement practices is needed in order to attract developers and lower cost capital into the sector.

3.1.1a Build Consensus and Manage Reform Process of the Electricity Law

Last year, SPEED+ provided input on the major elements of the Electricity Law that could be updated. SPEED+ also worked with MIREME to develop a reform roadmap and establish 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. This year, SPEED+ will work to formalize the working group and continue to build consensus for reform among the various government stakeholders and the principles that will guide reform.

3.1.1b Develop Specific Recommendations for Reform

Once the working group has been established, SPEED+ will identify where there exist inconsistencies or inadequacies in the current Electricity Law and recommend fixes. At the same time, we will identify how the PPP law may conflict with the Electricity law and recommend a method of reconciliation. A particular concern is the ambiguity created between the Electricity Law and PPA Law as to whether generation projects must be selected via a competitive tender process or whether the direct award of a PPA is allowed. SPEED+ will support dialogue among stakeholders to reach consensus on the objectives of reform and thus priorities, and the principles that will guide reform; develop necessary documents (e.g., issue or white papers, presentations, etc.) as necessary to support this dialogue process. SPEED+ expects to support three regional public consultations in order to exchange information throughout the country.

3.1.1c Draft Legal Text

SPEED+ will, together with our government stakeholders, prepare new legislation that will implement such recommendations. And last, we will provide support to the applicable authority, which may be EdM or MIREME, to establish a predictable competitive procurement process for IPPs. This activity may extend into the SPEED+ Year 3 Work Plan if required.

3.1.1b Hold International Conference to Highlight Improved Legal Framework

After the draft regulations and laws to align energy laws, SPEED+ will support MIREME organize a workshop to present the process and results to interested investors.

3.1.2 Revision and implementation of REFIT

SPEED+ will provide technical assistance to MIREME to finalize the Renewable Energy Feed in Tariff (REFIT), which will help standardize procurement practices for grid-connected renewable generation under 10 MW. The REFIT was approved by the Council of Ministers in 2014, and USAID supported the development of draft implementing regulations, which have not yet been finalized. SPEED+ will:

3.1.2a Assist MIREME Finalize Implementing Regulations for REFIT

SPEED+ will assist MIREME in drafting of regulations to implement REFIT. USAID supported the development of implementing regulations, but such regulations have not passed. SPEED+ will review and revise as needed the draft implementing guidelines and assist MIREME prepare core project documents (e.g., model power purchase agreements and the site leases or licenses). We will primarily interface with MIREME for this work, but we will also work closely with EdM because EdM will be the power purchaser and interconnection gatekeeper.

3.1.2b Support MIREME in establishing a REFIT working group

Support MIREME to establish a working group of relevant stakeholders, including EdM and ARENE, to review different international REFITs and their experiences and work with them on analysis and stakeholder consultation on developing an appropriate tariff structure. At times, this working group will include and consult with other stakeholders such as business groups and other government agencies.

3.1.2c Work with KfW and MIREME to coordinate and harmonize REFIT given KfW's GET FiT (Global Energy Transfer Feed in Tariff) approach.

The GET FiT Program aims to fast-track the development of smaller renewable energy generation projects through a comprehensive set of tools, including tariff viability gap funding, targeted technical assistance, risk mitigation against off-taker risk, and renewable grid intervention support.

3.1.2d Identify and Promote a Pilot Project under REFIT

SPEED+ will identify and promote a pilot project under REFIT, such as biomass from a sugar mill, so that lessons learned can be incorporated into the regulations for REFIT and IPP procurement.

3.1.3 Transaction and legal support for IPPs

Reaching financial close, the final commitment of financing for a project by financiers, is a critical, difficult milestone to achieve due to finalizing the necessary agreements with the host government. Repeatedly, private sector stakeholders point to the length of time it takes to finalize agreements with the Mozambican government, which, in the end, limits investment in the sector. There is an enormous opportunity cost for developers, who place their own equity and resources

on the line, to operating in an environment where financial close takes significantly longer than in competing markets. As such, SPEED+ will work to ensure and accelerate financial close, from facilitating the project's bankability with financing and risk mitigation to providing technical and transaction support that ensures the project is planned and negotiated with best practices and developmental considerations. SPEED+ will work to shift the typical development paradigm to a transaction-centered approach that provides MIREME, the private sector, and donors with a focal point to galvanize collaboration around priority electricity IPP generation transactions, with a focus on those that involve private sector participation and finance, helping to quickly bring them to a close. Specifically, SPEED+ will:

3.1.3a Map, Consolidate and Assist Current IPP Projects

SPEED+ will map current projects with the Power Africa tracker and provide follow-up of ongoing priority projects, including the 30 MW Inhambane wind farm, providing ad hoc transactional support when needed. Currently EdM and MIREME have separate and different lists of projects. Once we have signed a non-disclosure agreement (NDA) with MIREME, we will combine the two lists and contact parties associated with the projects to learn their status. We will maintain a list of the projects, their status, and donor involvement. There are several independent projects currently under development by private developers that will secure a concession from MIREME and sell power under a power purchase agreement to EdM. These projects are not part of any general IPP procurement program, and SPEED+ support in Year 2 will be directed at those projects that are already in negotiation. SPEED+ will support MIREME, and EdM when appropriate, to advance negotiations so as to bring selected projects to financial close. Based on these experiences we will do an internal analysis and work with MIREME and EdM to capture lessons learned and best practices. SPEED+ will also provide training and capacity building to MIREME's legal department as needed to address barriers to investment and speed up deal flow (see 3.1.4).

3.1.3b Assist MIREME Develop Clear and Transparent Procurement Processes

The procurement practices of MIREME must be authorized by law, easy to understand, and transparent. SPEED+ will work with MIREME to develop procurement processes that are standardized, transparent and replicable to increase investor confidence, lower costs, and facilitate sustainable, longer-term investments. SPEED+ will support MIREME in drafting procurement and contract models such as a standard form of power purchase agreement (PPA) and ground lease/concession agreement, which will help increase certainty to investors, reduce transaction costs to the government and developers, and increase transparency. SPEED+ will provide technical assistance for the preparation of standard operating procedures (SOPs) and procurement guidelines, model request for proposals, timeframes, evaluation criteria and other standard documentation for IPP procurement. SPEED+ will integrate international best practices such as fair and competitive bidding, life-cycle cost analysis, and best-value determination. SPEED+ will work closely with EdM and/or MIREME, providing transactional support to implement the updated procurement process on the first 3-4 procurements to ensure counterparts are confident and can carry out future procurements quickly and efficiently. Throughout the year, SPEED+ will also support MIREME and EdM to conduct internal reviews and build on lessons learned to further refine processes and procedures or engage in capacity building as needed (see 1.4 Training for MIREME legal department).

3.1.3c Assist MIREME Develop Streamlined and Transparent Processes for Project Development

Overly complex procedures for mobilizing energy projects often hinder sector development. SPEED+ will work with MIREME to identify and clearly communicate the steps required to achieve essential project components such as land acquisition, feasibility studies, standards compliance, which will ultimately help the private sector to navigate and accelerate their project life cycles.

3.1.4 Training for MIREME Legal Department

To enable MIREME to better carry out their mandate in support of greater IPP participation in the energy sector, SPEED+ will develop a series of training modules aimed at building the capacity of MIREME on international procurements practices, such as fair and competitive bidding, life-cycle cost analysis, and best-value determination, to be delivered to MIREME's legal department, with other key stakeholders, such as ARENE and EdM, invited to attend. SPEED+ will design and deliver three training modules for MIREME. We expect the course to cover economic and financial principles pertinent to electricity investments, legal and regulatory principles pertinent to the energy strategy, and one covering technical concepts from basics of electricity to aspects of how different forms are generated to energy efficiency.

3.1.4a The financial and economic and technical courses

These courses will be high level, allowing participants to understand the general concepts, the financial models proposed by developers, and how their work influences the viability of different types of projects. This will include the impacts of tariffs, the concession fee, and how guarantees work.

3.1.4b The legal and regulatory course

This course will be in-depth, covering legislative principles applicable to concessions, licenses, ARENE, penalties, environmental protection, international approaches to implementing REFiT and resulting experiences, Public Private Partnership (PPP) law and regulations, the national grid code, and code of fiscal benefits. The training will cover the decree on the quality of electrical installations, EdM's statutes and mandates, and procurement law.

The training will include examples about real cases in Mozambique. Because the system benefits when everyone is working from a common understanding; we will invite other ministries to send staff and invite some lawyers from the bar association. The modules will be held in different weeks so that they do not excessively interfere with participants' performing their work duties and to keep them from being overwhelmed with new information. The technical class will be less than a day. The finance and economics class will be two days. The legal and regulatory class, because it will be so detailed and covering material that the MIREME legal department needs a deep understanding of, will be four days.

3.2   Off-grid legal framework and transaction support

SPEED+ will work with DFID to identify ways to support the Energy Africa Compact. Currently it is expected to include work that addresses reducing VAT and import duties on renewable energy and energy efficiency equipment.

3.2.1 Compact implementation – tax regime for renewable and energy efficiency equipment

DFID commissioned a study to analyze the costs and benefits of removal of Value Added Tax (VAT) and import duties on solar photovoltaic (PV) lanterns, solar home systems and improved cook stoves. We will discuss the impact of VAT and import duties on the cost of renewable energy and energy efficiency equipment in presentations at conferences and in training that we provide to energy stakeholders. We will talk with DFID and USAID about the potential to review the study and explain its ramifications and model to non-economists at MIREME or to extend the study to address additional questions or concerns. SPEED+ will also consult with a wide array of appropriate stakeholders such as the International Monetary Fund (IMF) and the Tax Authority about the possibility of implementing VAT and tariff exemptions given the current economic crisis.

3.3 Strengthen regulatory framework for power – support to ARENE

Creating and maintaining an effective enabling environment that promotes new investment into the power sector in Mozambique requires a strong and transparent regulatory framework that facilitates both private and public investment. Central to the regulatory framework is an independent Electricity Regulator. An independent sector regulator can strengthen the performance of the energy sector in Mozambique and establish a policy and institutional foundation that would preserve the options for later sector reforms. A sector regulator with clear mandates would also be a source of sector stability that will serve well the requirements necessary to attract investor commitment of capital over time. A strong regulator can help ensure service expansion, service quality, and reliability of electricity.

Earlier this year the Mozambican parliament approved a bill establishing the Energy Regulatory Authority (ARENE) to replace the National Electricity Council (CNELEC) which had served as an advisory board only. SPEED+ provided recommendations that were incorporated into the Law that helped improve the law. ARENE will approve electricity tariffs as well as propose new policies and legislation on energy matters. It is expected to promote competition in energy services. As a new regulatory institution, ARENE has considerable potential but would benefit from assistance in helping it to establish itself and train its staff in their new role. SPEED+ will provide technical assistance to ARENE to meet its mandate and create a strong energy sector in Mozambique.

3.3.1 Technical assistance to ARENE

SPEED+ has and will continue to coordinate with other donors to assure synergy in assistance to ARENE. Specifically, SPEED+ will work to:

3.3.1a Strengthen Organizational Capacity

SPEED+ has provided preliminary assistance in organizational capacity building such as the organizational structuring and position descriptions. ARENE needs to: (a) be autonomous, (b) have clear authority and capacity to fulfill its mandate, and (c) is held accountable for its decisions and actions. ARENE should also establish and maintain clear relationships and lines of accountability between key power sector institutions, including MIREME, other relevant Ministries and EDM. SPEED+ will continue to provide support to ARENE to be function as an independent regulator, such as developing guidelines and principles for decision-making

processes at ARENE, providing justification for ARENE to secure adequate funding from the State budget to ensure that the regulator can supplement staff capabilities with capable experts, developing job, and setting procedures to deal with (service providers or consumers) appeals.

3.3.1b Strengthen Technical Capacity

A strong and capacitated ARENE with broad authority over the electric industry will help instill confidence by investors and electric service providers or independent power producers to enter and do business in Mozambique. A neutral entity that will make decisions based on the public interest and on internationally accepted and transparent technical requirements will ensure a level playing field and fair and reasonable opportunities to do business. If there is a perception that the market structure does not provide these necessary ingredients, then the cost to enter and the barriers that may have to be overcome may be viewed as too great and the investors will go elsewhere. SPEED+ will work with ARENE to build the capacity to set key energy sector regulatory aspects such as pricing, land rights, offtake arrangements, and performance standards - which can reduce investor risk while contributing to other public policy objectives such as environmental protection and universal access. We will consider sending a few key commissioners from ARENE to a course on *Managing Power Sector Reform and Regulation* at the University of Cape Town in October 2017. The assistance will be temporary and meant to fill the gap while other donors, such as Norway, develop and set their technical assistance programs to ARENE.

3.3.1c ARENE Embedded Adviser

SPEED+ will consider the possibility of providing an embedded advisor to help ARENE become operational and high-level guidance based on international best practices and support, along with STTA, activities 3.3.1(a)(b). The Adviser will support ARENE on legal, economic, institutional strengthening and communications matters, including creating an informative website.

3.4   Strengthening of EdM

As the state owned electric utility, the financial and organizational health of EdM is paramount to improvements in the energy sector in Mozambique as a financially credible "off-taker" or buyer is required to purchase energy from IPPs under long term power purchase agreements (PPA). If EdM is insolvent, IPPs will not be able to raise financing backed by PPAs without government guarantees. For the short to mid-term, the government of Mozambique will be unable to issue financial guaranties. For this reason and many others, it is important to strengthen the finances of EdM. Numerous donors are working to build the capacity and financial viability of EdM. Important progress has been made, including the passage of a new tariff law. The Swedish International Development Cooperation Agency (SIDA) has been working to help EdM in the rehabilitating power plants. The World Bank is preparing large investments in transmission capacity and, based on recommendations from the USAID-funded Sector Reform and Utility Commercialization project, reducing commercial loss through improved metering. SPEED+ will continue to coordinate with other donors through the Energy Sector Working Group to ensure USAID's assistance is synergistic and not duplicative. Specifically, SPEED+ will work with EdM on: energy efficiency, the grid code and a possible adviser for the Temane transmission line.

3.4.1 Energy efficiency

Programs that increase the energy efficiency of power demand have the effect of making available for new customers (or the same customers adding new load) power not consumed due to higher efficiency. "Negawatts" produced by efficiency are just as useful as new megawatts, but they have the additional benefit of not producing any environmental harm that some other sources of generation have. There is an existing working group on energy efficiency within EdM that SPEED+ will support to identify and assist in the development of policies that can be successfully implemented within Mozambique. We will also make sure that our technical training includes the concepts of and importance of energy efficiency in reducing the capacity investment needed and decreasing risk to the economy. SPEED+ will look for opportunities to communicate about energy efficiency examples and practices in the country.

3.4.2 Grid Code: Regulation and procedures for implementation

IPPs must comply with the grid code in order to perform under their PPAs and engineering, procurement, and construction (EPC) contractors must supply grid code-compliant projects to IPPs. Lack of clarity as to whether a formal grid code exists and what it is increases uncertainty and increases the cost and duration of the project development cycle. We will provide support to EdM in their effort to finalize and publish the grid code and to install a transparent deliberative process (approved by ARENE) to revise the code when needed. The African Development Bank is willing to help finance finalization of the grid code. SPEED+ will work on a Terms of Reference for the African Development Bank to use in obtaining that assistance. In addition, our legal training for MIREME, EdM, and ARENE will cover concepts important to grid codes.

3.4.3 Technical assistance for Temane Transmission Project (TTP)

The Temane Transmission Project (TTP) is a 400 MW natural gas plant and transmission line and holds great importance for improving access to grid based electricity and earning revenue for EdM. TTP is a critical component to the realization of a 400 MW gas-fired Temane IPP generation plant as TPP will enable the power produced by Temane to be distributed through a 400kV single circuit AC transmission system running 560 km from Vilankulos to Maputo (via substations at Chibuto and Matalane) where it will (i) deliver power into the Maputo distribution system and (ii) connect to the existing transmission system provided by Motraco for export to South Africa. Temane will be an important anchor project for transmission expansion planned by the World Bank and Norwegian Trust Fund. To make this project viable, EdM has indicated a TTP Project Coordinator is necessary to lead the daily development process for the TTP and interact with the Temane generation IPP process. SPEED+ will work with EdM to explore the possibility of providing the TTP Project Coordinator for 2 years to support development of the transmission line. SPEED+ will work with EDM to identify a candidate and explore options to coordinate with and support the Southern Africa Energy Project (SAEP) to onboard the adviser.

3.4.4 Implement Decree 10/2016 to improve Doing Business Indicator Getting Electricity

Implementation of the Decree 10/2016 Regulation of Licenses for Electrical Installations, which simplifies procedures to reduce the time and cost to get connected to the electrical grid, as a way to improve Mozambique's position on the Doing Business Getting Electricity indicator. In Year One, SPEED+ worked with MIC, EDM and MIREME to develop a strategy to implement this reform. The strategy included a dissemination campaign and training activities. An external dissemination campaign targeting companies through the media and advertisements was

implemented in Year One. In Year Two, SPEED+ will work with EDM and DNE to evaluate the impact of this campaign. The evaluation will allow EDM/DNE and SPEED+ to access the impact of the campaign and to estimate the number of companies that have benefited from this activity.

SPEED+ will also support training sessions led by MIREME-DNE, targeting DNE and EDM staff, to improve their understanding of and capacity to implement Decree 10/2016. The training sessions on the Regulation of Licenses for Electrical Installations will be delivered through three regional one-day seminars, facilitated and presented by DNE and EDM staff. SPEED+ will finance the activity and assist with organization and logistics. The main objectives of the seminar will be to educate the participants about the regulation with a focus on the simplification of procedures and the revised calculation of fees under the new Decree. Improved understanding and capacity will help to standardize the procedures for licensing electrical installations for firms and contribute to improving the country's ranking on the Getting Electricity indicator.

Water Sector Activities

SPEED+ will prioritize water sector activities based on established frameworks, including USAID's Water and Development Strategy (2013–2018), Mozambique's National Strategy for Water and Urban Sanitation 2011–2025, and Mozambique's commitment to Sustainable Development Goal 6, universal and equitable access to safe and affordable drinking water by 2030. SPEED+ will provide support to National Directorate of Water and Sanitation (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.

3.5   Implementing the Decree 51/2015 for Licensing Private Water Providers

Private water providers (PWPs) are an essential component of the water supply network, particularly in urban areas, and often offer the only option for consumers. 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 licensing applications from PWPs. 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 and tariffs to govern privately supplied water systems.

3.5.1 Dissemination of the Decree 51/2015

There is limited understanding of the new regulatory framework among licensing authorities, PWPs and the general public, which poses a constraint to effectively rolling out licensing to existing PWPs and scaling up private investment in expanding access to clean and affordable water. To help build greater awareness of the new Decree, SPEED+ will support DNAAS and AFORAMO to implement a dissemination campaign, already approved by USAID, which will include:

1. 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 Beira for the Central Region. The Maputo seminar

will be held in October, and the Pemba and Beira seminars are expected for October/November; and

2. Informational material that includes (a) a clear and attractive format for publishing the text of the Decree, (b) a set of guidelines for the implementation of the Decree at district and municipal levels, including a summary of the roles and responsibilities of all GRM entities working in the water sector, and (c) a step-by-step guide to licensing procedures for public authorities and new or existing PWPs. The materials will be distributed to district and municipal authorities who will also make them publicly available. They will also be shared with AFORAMO and published on SPEED+, AFORAMO and DNAAS websites.

3.5.2 Technical standards for PWPs

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. SPEED+ will provide technical review and recommendations to DNAAS as they draft and finalize the technical and service standards for PWPs. SPEED+ will also provide assistance with participatory review processes with beneficiaries and PWPs/AFORAMO, presentations to Ministry and National Water Council, and final integration and harmonization of the standards for final approval.

3.5.3 Develop a tariff model for PWPs

DNAAS, AFORAMO and CRA have requested SPEED+ support to develop a tariff model to establish tariffs for PWPs. SPEED+ will engage consultants to develop a tariff model for the projection and calculation of PWP tariffs that enjoys broad stakeholder consensus built through extensive dialogue with AFORAMO and participatory consultation with public and private sector stakeholders. The tariff model will ensure cost recovery for operations and infrastructure development; service quality and equity for consumers; incentives for efficient use of water; return on investment and reasonable margin of profit; and stable and simple to understand costs to consumers. The tariff model will be accompanied by a set of implementation tools and training that enable CRA and AFORAMO to successfully complete an initial cycle of tariff adjustment. The consultants will also assist with the creation of a PWP Service Evaluation Report Model and a benchmarking system to manage inter-PWP competitiveness and encourage a virtuous cycle of improving efficiency and effectiveness. Following approval by DNAAS, CRA and MOPHRH, SPEED+ will assist with dissemination of the model to PWPs and potential investors. The study should start early September 2017, with results expected by mid-2018.

3.5.4 Build capacity of licensing authorities to implement Decree 51/2015

SPEED+ will assist DNAAS to create a training plan for district and municipal staff to carry out licensing and monitoring activities as required under Decree 51/2015, and to identify funding for implementation. This will include an evaluation and recommendation for the most efficient approach for selection and development of trainers (consultants or civil servants, national or provincial based). SPEED+ will develop a training manual and training modules. SPEED+ will facilitate a training of trainers and assist DNAAS to roll out the training to district and municipal

authorities nationwide, including on-line training modules. The training will include identification of required personnel and their roles and responsibilities for licensing and database management; procedures and 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. Training will be supported by the information material developed with SPEED+ support including the guidelines for implementation and step-by-step procedures for issuing licenses.

3.5.5 Map PWPs and develop database for licensing of PWPs

SPEED+ will assist DNAAS to complete an updated and accurate inventory and GIS mapping of the number and location of PWPs operating nationwide. Although prior inventories have been completed in 2010 and 2013, the data is outdated and incomplete. Prior inventories covered the Greater Maputo area only, and showed rapid on-going expansion of the number of PWPs. A current and complete inventory will provide DNAAS with vital information to inform PWP licensing decisions. It will also be important 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 to enable consistent maintenance and updating of information. USAID provided approval for this activity last year. The procurement process for contracting a survey firm was launched on August 15, 2017 and the work is scheduled to begin in early October 2017.

3.6 Promote private sector investment in water supply

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). To help attract more investment in private water systems, SPEED+ will support DNAAS and AFORAMO communicate opportunities to potential investors and upgrade their capacity to effectively manage PWPs.

3.6.1 Develop communication campaign

SPEED+ will assist DNAAS and AFORAMO to design a communication strategy and promotional campaign targeting increased investment by new and existing PWPs. Assistance will include budgeting for the promotional campaign, and identifying adequate funding for the roll out. SPEED+ intends to speak with Mozambican banks to see if a line of credit can be established for PWPs and explore the possibility of using USAID Development Credit Authority (DCA) to guarantee loans to PWPs. SPEED+ will also consider opening a challenge grant window to finance innovative approaches to securing new investment in PWPs throughout Mozambique.

3.6.2 Build capacity of PWPs in technical and financial management

As PWPs become regularized and are required to comply with technical and service standards, there will be new demands on PWPs to invest and upgrade existing services. The GRM is also committed to attracting new investment into the sector to expand service. The establishment of a predictable tariff model will provide the foundation for analyzing investments and enable the

private sector to calculate ROI and profit. The establishment of technical and service standards defines the technical capacities required of PWPs to maintain compliance. As standards and regulations are implemented, PWPs will require assistance to meet and comply with new regulations and expand their investment outlays. To ensure PWPs can comply with new standards and regulations, SPEED+ will support DNAAS and AFORAMO to develop and offer capacity building assistance to PWPs, on a co-funding basis. Following a training of trainers, it will be rolled out by AFORAMO, Provincial Directorates of Public Works and Housing (DPOPHRH), and Water Research Institute (IIA). The training will include modules on project finance for water system upgrades and expansion, financial management including software for automated billing, receipts, tracking of payments and expenses, cost control, etc. Technical modules will include repair and maintenance of water systems, water loss detection, and rapid response intervention systems. This activity is expected to be initiated in Quarter 3.

3.7   Promote public-private dialogue in water supply and sanitation

Only 25% of Mozambique's urban residents have access to piped water and 56% lack even the most basic sanitation facilities. Continued public-private dialogue is critical in the water supply and sanitation sector, particularly to discuss new tariffs, standards and regulations as they are developed for PWPs, but also for new areas, such as sanitation, that hold potential for more private sector participation.

3.7.1 Support dialogue on private sector participation in sanitation

SPEED+ will collaborate with DNAAS, AFORAMO and other donor programs working in water and sanitation to present three Business Breakfasts on cross-cutting issues impacting the sector, including one specifically targeting private sector engagement in sanitation. Sanitation is a crucial issue for the sustainability and protection of water sources, and therefore presents both business risks and opportunities for PWPs and other investors. PWPs have an important role to play in the promotion of sanitation standards as safe water will contribute to more customers. Other sanitation services, such as piped sewer systems, septic tanks, etc. are also a huge potential business opportunity for private sector investment in Mozambique. Using the same methodology we used to advance PWPs, SPEED+ will work closely with DNAAS and AFORAMO to explore the way forward for similar engagements in sanitation. As an initial step, SPEED+ will organize a workshop with DNAAS and AFORAMO to introduce the potential opportunity for private sector business opportunities in the sanitation sector. The workshop will target broad private sector participation including potential investors, financial institutions and other sources of capital, and public-sector representatives ready to promote the new legal and regulatory regime that supports private investment. Activities in Year 2 will result in a more detailed strategy and tasks for the engagement of the private sector in sanitation in Year 3.

3.7.2 Strengthen public-private sector working group on water supply and sanitation

SPEED+ will support the quarterly meetings of the water and sanitation working group to be initiated by DNAAS. The group will be composed of public and private sector stakeholders including DNAAS, CRA, AIAS, FIPAG, ARA, AFORAMO, SPEED+ and other interested donors. SPEED+ will present the DNAAS/SPEED+ Work Plan, strategy and activities for implementation of the Decree 51/2015 to the working group. This will enhance transparency and coordination across the GRM, donor community, and private sector. The working group will

monitor and evaluate the progress of the implementation of Decree 51/2015 and make recommendations for improvement as needed. The group will also discuss and coordinate support from donors for activities not already identified for funding by SPEED+ or GRM (through the Common Fund or PRONASAR). This may include discussion of the funding strategy for the DNAAS training and promotion activities discussed above. The working group will maintain consistent focus on lessons learned during implementation, and request review or revisions to the Decree or Technical Standards as needed.

COMPONENT 4: AN IMPROVED BIODIVERSITY CONSERVATION POLICY FRAMEWORK

Mozambique has a unique geography with rich biodiversity, making certain landscapes ideal for sustainable nature and wildlife-based tourism and conservation oriented businesses. The country´s biodiversity and conservation areas network have been generating income for the national economy and the local communities, albeit not at the expected levels, in large part due to limited participation of the private sector in overall wildlife management and development of associated businesses. Safari operators in Mozambique require more strategic support to improve the enabling environment for fair and competitive business that furthers conservation goals. Chief underlying conditions include a weak environmental policy and regulatory framework and poor law enforcement. Awareness is increasing on the need to protect emblematic species, and the recent revision of the conservation law strengthens efforts to combat wildlife poaching and trafficking. Still, far greater action and community engagement are required.

SPEED+ will focus on reforms to meet international management standards and commitments, as well as facilitate improvements in the enabling environment to conserve biodiversity through: (1) strengthening biodiversity conservation policies; (2) supporting implementation of regulations and policies, (3) promoting awareness of biodiversity and conservation activities; (4) supporting more effective governance and management of conservation areas, and (5) enhancing the business environment for Eco-tourism and wildlife-based tourism**.**

4.1   Strengthen biodiversity conservation policies

A major milestone to strengthening biodiversity policies to combat wildlife poaching and trafficking was passage of the Law of Protection, Conservation and Sustainable Use of Biological Diversity (Law No. 5/2017). While the law added important provisions on penalties, fines and prosecution of wildlife trafficking and poaching crimes, implementing regulations still need to be developed to fully implement the law.

SPEED+ will explore assisting ANAC to develop a standardized process for drafting new regulations, including stakeholder and public consultation, and the identification of appropriate sources of technical assistance as needed. SPEED+ technical assistance for the development of regulations for the Conservation Law 5/2017 (see below) will offer the opportunity to create and pilot test this standardized process.

4.1.1 Development of the General Regulations for Conservation Law 5/2017

Following the passage of Conservation Law 5/2017, ANAC must now finalize the General Regulation for the implementation/operationalization of the law. SPEED+ and ANAC are

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 and integrated various recommendations from biodiversity conservation partners focused on legal frameworks, models for conservation area management, and issues related to compensation and counterbalance (offsets for negative biodiversity impacts). SPEED+ consultants will continue to provide legal expertise and technical assistance through the point of submission of the General Regulation for approval by the Cabinet. This activity is expected to be complete by Quarter 1.

4.1.2   Development of specific regulations for Conservation Law 5/2017
In addition to the General Regulation, SPEED+ will provide technical assistance for (a) developing a standard and agreed upon process for the development of these regulations development and (b) the drafting of specific regulations in partnership with relevant organizations. SPEED+ will support AMOS and ANAC to prepare two priority regulations:

- *Hunting regulations for Elephant, Lion, Hippo and Crocodile:* these species require special attention because they are included in Annex 1 of the Convention for International Trade of Species of Fauna and Flora (CITES), and because Mozambique specifically has been banned from some hunting tourism markets (i.e., not allowing trophies from Mozambique to enter these countries, including the US) due to the lack of a clear regulatory framework for the management and hunting of these species.

- *Game farm regulation:* which defines procedures for wildlife management and breeding in captivity, domestic trade in wildlife for game farms, and transportation and hunting of captive populations.

SPEED+ may consider assisting ANAC with additional regulations including:

- *Professional hunter regulation:* which defines the training, registration, licensing, and code of conduct required for those conducting hunting safaris in Mozambique, as well as sanctions for violations.

- *Avifauna regulation:* Bird species are not addressed in depth in current or planned regulation, and given the increasing popularity of birdwatching as a form of nature based tourism, Mozambique must improve regulation for the protection and management of this population.

4.1.3   Evidence-based decision-making to combat wildlife trafficking
SPEED+ will support the GRM with economic and policy analysis on the costs and benefits of various policy options to combat wildlife trafficking. This may include support on monitoring and evaluation of donor support efforts on counter wildlife trafficking and impacts of those efforts. Other economic and policy analyses may also be completed, including, but not limited to:

4.1.3a Ivory and rhino horn stockpiles in Mozambique

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.) SPEED+, together with WCS, 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.

4.2 Support implementation of government policies and regulations

Implementation of biodiversity policies and regulations is key to combat wildlife poaching and trafficking. Law No. 5/2017 provides a potentially useful tool for government and other stakeholders, particularly by providing the enhanced ability of authorities to penalize and prosecute wildlife trafficking and poaching crimes. However, any legislation is only as good as its implementation. SPEED+ will support compliance and enforcement of the law through private sector and legal/judicial sector activities. SPEED+ will support activities designed to enhance implementation of Law 5/2017, such as support to AMOS and FEMOTUR as well as to the judiciary to effectively comply with and implement the new Law. Specifically, we will:

4.2.1 Strengthen ability of AMOS and FEMOTUR to comply with Law 5/2017

The Mozambique Association of Safari Operators (AMOS) and the Mozambican Federation of Tourism (FEMOTUR) play a critical role in conservation of wildlife resources, and can significantly contribute to the effective implementation of the Conservation Law through education and training of their membership and their customer base. SPEED+ will work with USAID and counterparts to develop a SOW for the activity that includes providing assistance in creating training materials and implementing training for AMOS and FEMOTUR, and their members, to improve understanding and ultimately compliance with the Conservation Law.

4.2.2 Develop training materials for the judiciary to implement Law 5/2017

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 improve their capacity through the creation of handbooks and training on the application of Conservation Law 5/2017. SPEED+ hired a relationship manager at the end of Year 1 to help coordinate with the GRM, and other partners, such as Wildlife Conservation Society (WCS), World Wildlife Fund (WWF) and United Nations Office on Drugs and Crime (UNODC) to advance this activity. In the current year, SPEED+ will work to seek consensus on developing training material and any related training to help improve the capacity of PGR prosecutors to successfully prosecute wildlife criminals, and the capacity of judges to interpret and enforce the law.

4.3 Strengthen Counter Wildlife Crime (CWC) Support

Illegal wildlife trafficking is one of the biggest biodiversity threats after habitat loss. Anti-poaching enforcement is inadequate and leads to increased organized crime. Therefore, it is urgent taking steps on the identification of policies to directly combat illegal trafficking by

solving issues related to access, ownership and promoting viable alternatives for the community. To provide CWC support, SPEED+ will undertake the following activities.

4.3.1 Support to establish a Wildlife Crime Unit (WCU)

ANAC is currently in the process of establishing a Wildlife Crime Unit (WCU). For the WCU to function as intended, various government agencies (Police, Customs, PGR, etc.) would need to second staff to the WCU, which would be operated under the command of ANAC. However, there currently is a lack of understanding, and subsequently support, for the secondment of staff to the WCU. SPEED+ will support ANAC and PGR to develop strategies to operationalize the WCU, including a possible White Paper outlining the process for a national WCU to be formed by the appropriate Ministries, support for workshops or other input that can help outline the existing problem and provide the justification for the WCU solution. The objective of this work is to help develop a shared understanding of the vision, mission and purpose of the WCU, a recommended organizational structure as well as the policy and legal frameworks and necessary to form the WCU. SPEED+ will also help outline immediate steps needed to build support, to develop the Standard Operating Procedures (SoP's) for the WCU, and to find the resources to staff, equip and resource the unit. SPEED+ will engage a core group from the relevant Ministries, including at least two full-day review meetings by the core group supporting the WCU, including Carlos Lopes Pereira (ANAC/MITADER), and representatives from PGR, SERNIC, Customs and the Police.

4.3.2 Institutional support to ANAC to tackle wildlife crime

ANAC is tasked with implementation of biodiversity policies and regulations combating wildlife poaching and trafficking under Law No. 5/2017. However, there is limited capacity at ANAC to address wildlife crime in a comprehensive manner. There is an urgent need to build ANAC's capacity to tackle wildlife crime. In close discussions with USAID, SPEED+ will consider support for 1-3 short term technical assistance appointments to help build ANAC capacity to combat this illicit trade. SPEED+ will work with WCS and other funding sources to identify cost-sharing opportunities.

4.3.3 Other CWC Support

As necessary, SPEED+ will provide CWC support as necessary, including support for a potential USG-MZ strategy to combat wildlife crime and support for CWC donor coordination.

4.4 Promote awareness of biodiversity and conservation activities

Improving networks and communication among stakeholders, including the private sector and civil society organizations involved in biodiversity conservation, is vital to supporting better-informed and more effective conservation practices in Mozambique. SPEED+ will work with our counterparts to use public-private dialogue, media campaigns, public debates, grants and awareness raising events to better explain strategic plans, policies, laws, and regulations related to biodiversity conservation and related matters to the greater Mozambican public. These initiatives will help to build a conservation constituency to improve biodiversity conservation and promote both natural resource management and economic security in Mozambique.

4.4.1 Disseminate Conservation Law 5/2017 and regulations

SPEED+ will support ANAC to develop a communications strategy for the dissemination of Conservation Law 5/2017, and the promotion of its vital importance to Mozambique's biodiversity resources, tourism industry, and environmental sustainability. Dissemination will target the public and private sector through public forums, business breakfasts, media campaigns, and posters/brochures. For example, SPEED+ will support the creation of a brochure compiling the Conservation Law, the Conservation Law General Regulation, and the hunting regulations as well as organizing workshops throughout the country. Information will also be placed on ANACs and SPEED+ websites.

4.4.2 Provide assistance to MITADER in promoting public dialogue on biodiversity and conservation

MITADER is the key institution for coordinating all biodiversity and conservation activity in Mozambique, and is the national representative of all environmental conventions ratified by Mozambique. MITADER, through its national and provincial departments, and district offices, via the District Services on Planning and Infrastructures (SDPI), oversees overall biodiversity and conversation activities in Mozambique. The National Administration of Conservation Areas (ANAC), under MITADERs jurisdiction, oversees management of conservation areas in Mozambique, including promoting biodiversity conservation initiatives, promoting the sustainable use of protected areas, and establishing partnerships for their development. In 2015, MITADER created its National Biodiversity Strategy and Action Plan (NBSAP) for 2015-2035. SPEED+ work with USAID and MITADER to build greater awareness of the NBSAB as well as specific issues contained in the NBSAP to identify concrete activities that help to build greater awareness of biodiversity and conservation efforts in Mozambique.

4.4.3 Facilitate scientific youth-oriented events related to biodiversity conservation

Mozambique's youth are a key constituency for protecting biodiversity for the future. SPEED+, together with partners such as Biofund, will support the empowerment of young engage youth in biodiversity and conservation science. One such activity is a special youth focused Conservation Science Conference, which 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.

4.5 Support effective co-management and governance of Conservation Areas

Governance processes and structures that guide conservation strategies in protected areas are crucial for effective management and improvement of conservation outcomes. Depending on the governance setup, rules can be imposed by the state, devised and enforced externally, they can be crafted by local communities, self-imposed and enforced internally or there can be a mixture of both approaches (e.g. joint governance or co-management). For Conservation Areas to be managed effectively, an effective framework is necessary that provides best practices based on the number and type of actors involved, responsibility, accountability, level of power sharing, and type of knowledge used in the decision-making. SPEED+ will work to strengthen these co-management frameworks for fully and non-fully protected conservation areas throughout Mozambique. Specifically, SPEED+ will:

4.5.1 Support effective management and governance of non-fully protected Conservation Areas (safari areas)

SPEED+ will engage USAID and ANAC in discussions to determine whether SPEED+ can play a role in supporting ANAC in developing more 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 conversation, 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. 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*. SPEED+ has reviewed the initial draft and provided inputs, and will consult further with USAID upon release of the complete final draft to discuss next steps for SPEED+.

4.5.2 Develop strategies for effective co-management and governance of fully protected Conservation Areas (National Parks and Reserves)

SPEED+ is working with Biofund, 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. Work on the co-management framework began last year and will continue to about May 2018, after which SPEED+ will work with ANAC to adopt and promote within conservation areas.

4.6 Enhance the business enabling environment for eco-tourism and wildlife-based tourism

SPEED+ will explore ways in which support to AMOS and the Conservation, Impact Mitigation and Biodiversity Offsets in Africa (COMBO) project can improve the enabling environment for the success of private sector eco-tourism and wildlife based activities, which are deeply dependent on conservation and the protection of biodiversity. These businesses are a critical constituency for conservation advocacy and play a vital role in the implementation of conservation practices. They build awareness and engagement among their customers in support of biodiversity protection. They also bring much needed income to local communities and thus enhance the commitment of the surrounding neighbors to the protection of conservation areas. To help advance eco-tourism and hunting sectors in Mozambique, potential SPEED+ activities under discussion with USAID include enhancing governance of AMOS and developing tools, such as a Red List of endangered species and mapping of Key Biodiversity Areas, to support decision making on conservation and development.

4.6.1 Strengthen governance of AMOS to deploy international best practices for hunting to safari operators

SPEED+ will discuss with USAID potential activities to strengthen the AMOS' understanding and implementation of international best practices and rules that govern eco-tourism, hunting, and other wildlife based tourism. SPEED+ may support AMOS to disseminate these best practices to its member companies, and work with AMOS to develop and offer training programs so that its members can comply with international best practice while earning hunting revenues that can be invested back into biodiversity conservation activities in Mozambique.

4.6.2 Develop tools to support conservation development decision-making

Several international organizations have taken leadership in developing tools for the identification, prioritization, and decision making around biodiversity conservation and policy change. These include the International Union for the Conservation of Nature (IUCN) Red List of Threatened Species and the mapping of Key Biodiversity Areas (KBA). If Mozambique is to conserve its full biodiversity under the Convention of Biological Diversity, these tools can provide vital information about which species are of global and/or national conservation concern. For the private sector, it is fundamental that those species of conservation concern are clearly identified and critical sites where these species occur are mapped to avoid, mitigate, or offset any negative impacts.

SPEED+ will engage USAID in discussions regarding potential support to the Conservation, Impact Mitigation and Biodiversity Offsets in Africa (COMBO) project in the customization and use of these tools and Frameworks in Mozambique. COMBO is a four-year project which, through 2019, will aim to reconcile economic development in Africa with conservation of biodiversity and ecosystems, with the ultimate goal of eliminating net loss of biodiversity. In support of the COMBO project SPEED+ may provide technical assistance to support decision making on conservation and development through the use of the IUCN Red List and KBA mapping.

4.6.2a Develop a Red List of threatened species in Mozambique

The International Union for the Conservation of Nature (IUCN) Red List of Threatened Species is a critical indicator of the health of the world's biodiversity. It is a powerful tool to inform and catalyze action for biodiversity conservation and policy change, critical to protecting the earth's natural resources[2]. The General Regulation of the Conservation Law includes a first approach to defining protected species, but additional technical expertise and documentation are required. SPEED+ will support the National Red List working group to define a Red List of Threatened Species for terrestrial and aquatic fauna and flora in Mozambique. SPEED+ will support the working group with a specialist who has coordinated similar work in another African country.

---

[2] It provides information about range, population size, habitat and ecology, use and/or trade, threats, and conservation actions that will help inform necessary conservation decisions. Less than 20% of Mozambique's endemic and near-endemic plant species have had their conservation status assessed under the global IUCN Red List System.

The specialist will help the group to analyze the lists, check the descriptions, ensure all the requisite data are recorded about species and their populations and locations, and give feedback on the criteria. The finalized Red List of species will complement the General Regulation of the Conservation Law, and should result in a Ministerial Diploma or equivalent legal document with the full protected species list.

4.6.2b Identify and map Key Biodiversity Areas (KBAs)

Key Biodiversity Areas (KBA) are "sites that contribute to the global persistence of biodiversity", including vital habitats for threatened plant and animal species in terrestrial, freshwater and marine ecosystems. KBA identification in Mozambique will be based on the Red List of Threatened Species described above. The KBA identification will be done according to IUCN's Global Standards, under which sites may be identified as KBAs if they are critical for the conservation of threatened biodiversity, geographically restricted biodiversity, ecological integrity, specific biological processes, or irreplaceable habitat. The KBA identification process will be a highly inclusive, consultative and bottom-up exercise including consultation with stakeholders at the national level (both non-governmental and governmental organizations). SPEED+ will ensure that the three relevant institutions from MITADER, namely the National Directorate for Environment (DINAB), the National Directorate for Spatial / Land Use Planning (DINOTER) and the National Administration of Protected Areas (ANAC), as well as the private sector, are engaged throughout the process. SPEED+ technical assistance will result in a Ministry report with the list and maps of KBAs, and guiding principles and recommendations for private sector activity in and around those areas. The report and maps of the KBAs will be made available using an existing online platform.

4.6.2c Conservation Tourism Development Strategy

USAID and SPEED+ had initial discussions with ANAC about possible support on assessing tourism opportunities within conservation areas. In Year 2, SPEED+ will continue these discussions with USAID and ANAC, and if agreed, develop a scope of work that details SPEED+ assistance to ANAC on developing a Conservation Tourism Development Strategy.

MANAGEMENT ACTIVITIES

SPEED+ has completed a successful first year, with an efficient start-up, establishment of financial, administrative and operational systems compliant with USAID and DAI policies and procedures, the hiring of an almost full complement of project staff, and the inception of multiple technical activities under all project components. In Year Two, SPEED+ will further strengthen management systems that support greater efficiency, transparency and coordination with USAID and DAI home office. Improvements will include:

- SPEED+ / USAID Annual Work Plan Review, to be held upon approval of the Work Plan and to include all USAID team leaders/focal points for the technical components. This review will support integration and synergies across the components, ensure transparency and buy-in, provide an opportunity for open discussion amongst all concerned parties, and establish a firm foundation for Year Two implementation.
- Short term technical assistance from Management Specialist Karen Campbell will focus on establishing more robust financial, administrative, and operations systems to

streamline SPEED+ processes for on-boarding consultants, managing budgets, ensuring publication and document tracking, monitoring Work Plan implementation, and efficient management of contractual obligations and approval processes.

- Improved trackers for coordination and monitoring will include the Consultant Tracker (SOW development and consultant on-boarding) and the Approval Tracker. These may be integrated into TAMIS or TeamWork. Additional trackers may be developed as part of Karen Campbell's consultancy.
- SPEED+ will continue to hold weekly meetings with USIAD as well as a weekly SPEED+ management meeting with Portfolio Managers and Coordinators, as well as separate weekly meetings with Portfolio Managers to track progress of work plan activities. Weekly bullet points of activities will be provided to USAID and help guide meetings with USAID and project staff.

Personnel

SPEED+ postponed the hiring the Trade and Business Environment Portfolio Coordinator in the first year, but as activities have ramped up, SPEED+ will identify one additional Portfolio Coordinator, one for Component 2 Trade and Investment. SPEED+ will conduct a competitive recruitment process and aim to fill the positions within the first quarter.

SPEED+ will replace the Portfolio Manager for Component 3 Power. DAI's Global Practice Specialist for Clean Energy, Gwen Anderson, will serve as Interim Portfolio Manager during the transition.

SPEED+ will also seek two interns, as an excellent way to provide students with practical work experience while supporting implementation of SPEED+ activities. SPEED+ will offer this opportunity to two interns, one year long internship for a Mozambican national and one three-month summer internship for an international Master's level student.

Integrating Gender

SPEED+ will continue to make gender integration a central pillar of planning, implementing and monitoring our policy and regulatory reform activities. Alima Hussein, the SPEED+ Portfolio Manager for Business Enabling Environment will serve as the focal point for gender issues. We will employ the following strategies for gender integration in the project during Year 2.

1. *Train project staff on gender integration.* This training was delayed from Year One, pending the completion of staff hiring and the inception phase of the project. Our Gender Specialist Gretchen Bloom will conduct training to SPEED+ staff on sex and gender terms, gender issues as they relate to policy reform and particularly to the SPEED+ components, and on USAID's Gender Equality and Female Empowerment Policy. Training staff will improve their gender awareness, ensuring greater integration of gender issues in their technical work. It will also underscore the importance SPEED+ places on gender integration.

2. *Utilize a Gender Checklist for technical activities.* In Year One, SPEED+ developed the gender checklist and used it to identify gender considerations for the Cashew Sector and Land Sector Reform Memos. In Year Two, Gretchen Bloom will review the standard checklist template, and using the completed Cashew and Land sector checklists as a basis

for discussion, engage the SPEED+ team to consider any necessary revisions to the current checklist. Following the approval of the Year Two Annual Work Plan, Gretchen Bloom will review the Work Plan and engage portfolio managers to complete a Gender Checklists for work plan activities. In some cases, an individual activity will call for a separate gender checklist. In other cases, a portfolio of activities that are part of an overall strategic reform effort may require only a single gender checklist (for example cashew). We will consolidate this information and seek USAID approval for this approach. During implementation, gender checklists will be completed by either the portfolio managers or the short-term consultants hired to bring technical leadership to SPEED+ efforts in specific reform areas. Gretchen Bloom will provide quality control for completed checklists, and assist Portfolio Managers to monitor the integration of gender considerations as indicated in the checklist.

3. ***Review project plans, studies, and reports for gender inclusion.*** Using the relevant completed Gender Checklist as a guide, portfolio managers will review all studies and reports to ensure gender issues are adequately addressed. Integrating gender into project documents serves to continually identify areas were project activities have the potential to improve upon or widen gender gaps, and take steps to address these gaps whenever it is within SPEED+'s capability to do so. Technical consultant exit reports will include a section on how gender issues were integrated into their work.

4. ***Build awareness of gender implications of policy reform activities.*** Using the relevant completed Gender Checklist as a guide, portfolio managers and/or technical consultants will raise the awareness of public and private stakeholders and the general public regarding the gender considerations and the opportunities for gender integration in specific policy reform efforts. This will be incorporated into the stakeholder consultation and dissemination activities that are part of all SPEED+ reform efforts. We will work to build awareness of the need to consider gender implications of policy reform activities with various counterparts, and, as requested, conduct more targeted gender awareness training for counterpart staff. This may be particularly relevant in the Year Two activities around Land Administration, Cashew Sector Reform and the Autonomous Tax.

5. ***Collect sex-disaggregated data and report on Gender M&E Indicators.*** In addition to the sex-disaggregated reporting on SPEED+ indicators, the project also reports on three Cross-Cutting Indicators from the Standard Foreign Assistance Master Indicator List: GNDR-2 (percentage of female participants in USG-assisted programs designed to increase access to productive economic resources; and GNDR-8 (number of persons trained with USG assistance to advance outcomes consistent with gender equality or female empowerment through their roles in public or private sector institutions or organizations). All details related to the data sources and collection for these gender indicators are articulated in the SPEED+ M&E System.

Environmental Monitoring and Mitigation

In Year One, SPEED+ drafted the Environmental Mitigation and Monitoring Plan (EMMP). In Year Two, SPEED+ expects to review the EMMP with USAID, revise as necessary, and receive USAID Mission Clearance for the document. SPEED+ Biodiversity Portfolio Manager Afonso

Madope will serve as the focal point for environment issues. In accordance with the EMMP, SPEED+ will:

(1) Assess which IIE category each SPEED+ Work Plan activity corresponds to, and seek USAID concurrence.

(2) Assign the related determination to the activity (categorical exclusion, negative determination or deferral) in the online EMMP table.

   a. If the activity is a *Categorical Exclusion*, SPEED+ will note exclusion in the EMMP Table for concurrence by USAID;

   b. If the activity is a *Negative Determination with Conditions*, (i) SPEED+ will note the determination in the EMMP Table and (ii) write a short paragraph (first by PM, reviewed by SPEED+ EMMP Focal Point), both to be inserted in the EMMP Table for review by USAID. If requested by USAID, SPEED+ will complete and Environmental Review Form and any necessary checklists (such as for Power and Biodiversity activities). USAID will let SPEED+ know if analysis is sufficient by signing the appropriate forms, or if further environmental impact analysis is necessary. Once approved by USAID, the activity can proceed.

   c. If the activity is a *Deferral*, SPEED+ will note in the EMMP Table that the activity is a deferral and discuss the activity with USAID COR and MEO to see if the activity can be redesigned, cancelled entirely, or if a full Environmental Assessment is necessary.

(3) If additional environmental analysis is required, a full environmental assessment will be requested prior to the Work Plan activity proceeding.

COMMUNICATIONS

SPEED+ implements effective communications with a broad set of stakeholders, including Government counterparts, private sector businesses and business associations, national and international investors, donors and international institutions, and civil society and national and international NGOs. By sharing the project's mission, vision, activities and results it is possible to engage and mobilize decision makers, partners and beneficiaries to get involved and support needed policy reforms. This communication is also critical to increase the level of awareness and understanding about how USAID, through SPEED+, is contributing to policy reforms that improve the business enabling environment to accelerate economic growth, reduce poverty, and attract investment. SPEED+ uses three main communication mechanisms to achieve these goals: project communication materials, online communication tools, and media coverage. In addition, SPEED+ Business Breakfasts are used across all components to engage stakeholders and raise public awareness of important policy issues.

1. Project communications materials

SPEED+ will produce communications materials targeting different project audiences. Such materials will be produced following the USAID marking and branding guideline so that the beneficiaries understand that the support is "From the American People". These materials will be displayed in public events such as business breakfasts, conferences, workshops and trainings.

1.1 Update the project branding and marking guideline

SPEED+ will update its branding and marking plan to reflect current USAID and USAID Mozambique guidance, and ensure all communications materials are properly marked and branded. This will include working with project direct partners and grants implementers to ensure all supported activities are consistently and correctly branded.

1.2 Document Success Stories

SPEED+ will continue collecting success stories that reflect the project progress and results across all components. Success stories will be shared with USAID and formatted for inclusion in the various online newsletters of relevance (Frontline, Trade Africa, Power Africa, etc.).

1.3 Produce videos and photo database

We will endeavor to video relevant SPEED+ sponsored seminars and conferences to make available on the SPEED+ Website, project social media and public events. We will regularly photograph project activities and maintain a database of images for use by the project, USAID, and project partners for communication activities.

1.4. Produce Technical Briefs and Fact Sheets

SPEED+ will produce these succinct documents presenting basic facts on economic policy reforms and other issues relevant to project objectives. One overview document will be produced for each component, and kept updated over the course of the project. We will also maintain a regularly updated Project Fact Sheet.

2. Online communication tools

To ensure the public has access to SPEED+ information, the project uses three online communication tools: the SPEED+ website, Facebook and MailChimp newsletter campaigns.

2.1. SPEED+ project website

SPEED+ is in process of developing a new website structured to meet the project communications needs. The website will serve as source of public information and will disseminate ongoing economic policy reforms, activities, results, reports, and other content useful to decision makers, investors, business associations and citizens. Content from the existing SPEED website will be migrated to the new site.

2.2. Social media

Social media plays a key role in disseminating public information and galvanizing public engagement. SPEED+ will continue sharing project information, success stories and other content via Facebook and also through MailChimp campaigns, which allow targeting of specific audiences. We will ensure the content published via Facebook, MailChimp and the SPEED+ website are mutually linked, to promote the use of all avenues of information on business enabling environment issues. SPEED+ staff, consultants and stakeholders will continue developing blogs on current project activities and post to the SPEED+ website. When posting to Facebook, we will also tag USAID to ensure published content is displayed at USAID's Facebook page.

3. Traditional media

It is essential that SPEED+ reform efforts receive media coverage to increase the visibility and understanding of the project's activities within government and with the private sector, civil society and donors. SPEED+ will build strong relationships with the traditional media (newspaper, radio, television) identifying journalists who specialize in the project's areas of interest and inviting them—in coordination with USAID, the U.S. Embassy, and counterparts—to cover public activities under all project components. We will also use the traditional media for communication and dissemination activities within the technical components, through providing content, interviews, call in shows, or other methods.

For high-profile events SPEED+ will draft press releases for consideration and approval by USAID. All major events/report launches will have a press release that clearly states the main messages. Also, structured press briefings and/or opportunities to interview key players (such as consultants, or spokespersons representing Mozambican businesses) can be organized. For Business Breakfasts, SPEED+ will implement the approved Business Breakfast Standard Operation Procedure to ensure broad and accurate media coverage. This includes preparing the media package in advance for USAID review and approval, and following up the media to assist journalists with additional information and clarification so that published stories accurately reflect the project's mission and interests.

3.1 Develop a media clipping database

For documentation and media monitoring purposes, SPEED+ will develop a media database of all media coverage related to SPEED+ activities. The database will allow searching by topic, date, and other criteria of specific interest to the project. This database will help SPEED+ to assess the quantity and quality of media coverage on SPEED+ activities, including the perception of the project as portrayed through the media.

4. Business Breakfasts

Public and stakeholder consultation, awareness, education and engagement on important business environment topics are critical to establishing a sustainable and dynamic public/private dialogue that supports a continuous and responsive process of enabling environment improvement. In support of developing this culture of engagement and transparency, the SPEED+ team will present 12 Business Breakfast events in Year Two. Business Breakfast topics will be relevant to the USAID/SPEED+ agenda and allow for broad dissemination of the many assessments and analyses produced, while building enthusiasm, support and buy-in for implementation.

Stakeholder participants will be selected based on their interest in a specific topic but a core group of participants will be invited from the SPEED+ partners including business membership organizations and government counterparts. Business Breakfasts are often built into the scopes of work for technical assistance, but occasionally specific experts may be recruited to offer unique knowledge or perspective on the topic. The portfolio manager responsible for the business breakfast will document the outcomes and prepare a short briefing for colleagues and USAID on the discussions. Information on specific planned Business Breakfasts can be found within the Component Work Plans.

MONITORING, EVALUATION AND LEARNING

Data collection, analysis and feedback are a critical part of performance monitoring and tell partner staff, USAID, and other stakeholders whether the activity is achieving its objectives. Monitoring and evaluation serves as a dynamic vehicle for program self-assessment, enables team management to make decisions concerning program directions based on facts, establishes baseline information to be used in measuring program impact through both periodic reporting and mid-term and final program evaluation, and provides USAID with transparent and reliable data.

1. Managing Monitoring and Evaluation system

SPEED+ will ensure that the monitoring and evaluation system, comprising the Monitoring, Evaluation and Learning Plan, the data collection and validation procedures, and the data storage and analysis functions in TAMIS database are functioning well and that USAID data quality standards are being met.

1.1 Update ME&L Plan

The ME&L plan is a living document which should be updated as necessary throughout the life of the activity, and reported in a consistent manner to allow for easy tracking and progress over the life of SPEED+. USAID has provided some initial comments on potential changes to the performance measurement of the Biodiversity Component and Water and Power 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.

1.2 Refresher training on project indicators

It is critical that all component portfolio managers are fully aware of the relevant performance measurement and management requirements, and that they understand the indicator definitions, calculations, and standards for reporting. A training will be held in early November to introduce any new or revised indicators resulting from the annual revision of the ME&L plan, to provide a refresher on the existing indicators, and to review indicator results and data quality from Year One.

1.3 Data management on TAMIS including updating policy tracker

To ensure data meets USAID data quality standards, it is critical that the project has correctly maintained database. TAMIS will be the main repository of all project information and activity tracking. TAMIS will allow for efficient and effective data collection, analysis and storage. Technical staff will input data relevant to their component and the M&E Specialist will verify and clean whenever necessary. Data will be exported from TAMIS into excel for analysis as outlined in the Performance Indicator Reference Sheets.

The M&E Specialist will also continuously update the project policy tracker on TAMIS. The policy tracker is essential to keep track of the policy reform progress. Studies and reports will also be uploaded on TAMIS. Whenever possible data will be presented by Province to illustrate activity reach and progress.

1.4 Quarterly review of progress towards indicator targets

SPEED+ operates within a very dynamic environment with many high-profile stakeholders and issues competing for project resources. However, it is important to ensure that the activities align with the project's contractual obligations and the expected results stated in the ME&L plan. The M&E Specialist will conduct a quarterly review of progress towards indicator targets and the technical activity obligations of the project, and advise senior management of any concerns.

1.5 Conduct bi-annual strategy review

Collaborating, learning and adapting (CLA) are critical elements to good project management. In line with recent ADS 201 updates that include directives to incorporate CLA activities, SPEED+ will utilize a variety of mechanisms to ensure learning takes place as an iterative process within the activity and then feeds back into improved activity implementation.

By building a culture of openness, inquiry and constructive criticism, the SPEED+ team will be able to innovate while managing the risk of failure. Not all intervention will succeed as planned, but they will all inform future direction, and enable the activity to manage risk and replicate success. Bi-annual strategic reviews will help SPEED+ achieve this as well as learn what is working to scale up successful activities, improve activities that are producing some results, and address activities that are not producing the desired outcomes. As part of this process, the M&E Specialist will work closely with senior management to document lessons learned and suggestions for how the program could be improved.

2. Data collection and reporting

Consistent and timely data collection is fundamental to ensuring data quality, and providing accurate and timely information for project management and decision making.

2.1 Update standard operating procedures for data collection

The primary determinants of data quality are clear definitions of the required data that are well understood by all concerned, and a careful process for collecting and handling the data. The M&E Specialist will update the standard operating procedure for data collection and the data collection tools as needed to conform to the revised ME&L plan. Data for all indicators will be collected, stored and reported considering the requirements on PIRS. Within the standard operating procedures, the M&E Specialist has responsibility to continuously monitor the macro economic environment, collect Mozambique high level data and report against all context indicators. The M&E Specialist also collects data related to workshop participants, level of satisfaction and the level of knowledge gained.

2.2. Baseline data collection

Baseline data is still required for a number of indicators: four indicators related to time and cost to import and export along Nacala Corridor, and two related to the number of active private water providers and the number of people gaining access to safely managed drinking water. Data for these indicators will be collected through the upcoming Nacala corridor assessment and the mapping of private water providers, both scheduled for completion by December 2017. However, in other cases for specific reforms, the baseline data will be collected when the reform is selected as an area of focus, on a case by case basis.

2.3 Conduct studies to measure impact of implemented activities

Throughout the second year, special studies will be performed to examine the impact of policy reforms undertaken by SPEED+. These studies will employ qualitative and quantitative methods to measure changes that are occurring as a result of SPEED+ policy reform interventions.

3. Assessing data quality

Evidence-based performance management is only as good as the data that are collected, so it is vital that the performance data meet the USAID required five data quality standards (validity, integrity, precision, reliability and timeliness). SPEED+ is scheduled for a DQA by USAID in Year Two. In preparation, the M&E Specialist will conduct an internal DQA, including site visits, to identify strengths and weaknesses.

Appendix A. Work Plan Matrix

ACTIVITY	S	O	N	D	J	F	M	A	M	J	J	A
Component 1: Improving the Agricultural Policy Framework												
1.1 Policy & institutional reforms to increase competitiveness of agriculture value chains												
1.1.1 Policy and legal reform in the cashew value chain												
1.1.1a Economic analysis of Raw Cashew Nut (RCN) export tax	X	X										
1.1.1b Review and revision of the Cashew Law and Regulation	X	X	X	X								
1.1.1c Implementation of revised Cashew Law and Regulation					X	X	X	X	X	X	X	X
1.1.2 Institutional reform of INCAJU						X	X	X	X	X	X	X
1.1.3 Improve policy frameworks for select value chains					X	X	X	X	X	X	X	X
1.1.4 Coordination with FTF Inova					X	X	X	X	X	X	X	X
1.2 Improvements in Land Administration												
1.2.1 Support reform of the Land Law					X	X	X	X	X	X	X	X
1.2.2 Support reform of regulations for land administration					X	X	X	X	X	X	X	X
1.3 Tax Reform in Agriculture (Autonomous Tax)												
1.3.1 Revision of ISPC regulation	X	X	X	X								
1.3.2 Disseminate updated information about ISPC and Autonomous Tax					X	X	X	X	X	X	X	X
1.3.3 Increase tax registration in agriculture sector					X	X	X	X	X	X	X	X

1.4 Promote private sector participation in the agriculture sector

1.4.1 Reform of Mozambique Institute of Cereals (ICM)

  1.4.1a Develop strategic and operational plan for ICM

  1.4.1b Implementation of ICM strategic and operational plan

1.4.2 Identify strategies for the Mozambique Commodity Exchange (BMM)

1.4.3 Mapping and assessment of the Agriculture Service Centers

Component 2: An Improved Trade and Investment Policy Framework

TRADE AND INVESTMENT POLICY ACTIVITIES

2.1 Support MIC to implement Trade Facilitation Agreement (TFA)

2.1.1 Support the operationalization of the National Trade Facilitation Committee (NTFC)

2.1.2 Develop a trade portal

2.1.3 Shift from Pre- to Post-Shipment inspection

2.1.4 Improve the Authorized Economic Operators (AEO) scheme

2.1.5 Reduce trade-related fees and charges

2.1.6 Assess the efficiency of Terminal Km4

2.1.7 Establishment of a National Enquiry Point for Trade Facilitation

2.1.8 Review the legislation regarding expedited shipments

2.2 Develop trade facilitating activities relating to Sanitary and Phytosanitary (SPS) measures

2.2.1 Improve implementation of sanitary and phytosanitary measures

2.3 Develop trade facilitating activities relating to the Technical Barriers to Trade (TBT) framework

2.4 Support the implementation the AGOA Utilization Strategy

2.5 Review the National Trade Policy and Strategy

2.6 Reduce Import/Export Costs on the Nacala Corridor

2.7 Trade across borders indicator

2.8 Other Activities

Activity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
BUSINESS ENABLING ENVIRONMENT ACTIVITIES																
2.9 Review and revise Commercial Code	▓	▓	▓	▓	▓											
2.10 Implement Food Fortification Law			▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓			
2.11 Improve the Doing Business indicator Dealing with Construction Permits			▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓			
2.12 Strengthening Public Participation in the Legislative Process	▓	▓	▓	▓	▓											
2.13 International airport points of entry	▓	▓	▓													
2.14 Review and revision of minimum wage framework	▓	▓														
2.15 Promote public and private dialogue for a better business environment																
2.15.1 Develop methodology for private sector matrix used in CMAN	▓	▓	▓	▓												
2.15.2 Private Sector Annual Conference		▓														
2.16 Legal and Regulatory Reform of the Labor Market																
2.16.1 Reform of the 2007 Labor Law and associated regulations	▓	▓	▓	▓	▓	▓										
2.16.2 Development of regulations for rural labor markets				▓	▓	▓	▓	▓	▓							
2.17 Institutional Support for MIC	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓
Component 3: An Improved Power and Water Policy Framework	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓
Power Sector Activities																
3.1 On-grid Legal Framework and Transaction Support																
3.1.1 Strengthen Legal Framework for Power – the Electricity and PPP Laws																
3.1.1a Build consensus and manage reform process of Electricity Law	▓	▓	▓	▓	▓											
3.1.1b Develop Specific recommendations for reform	▓	▓														
3.1.1c Draft legal text			▓	▓												
3.1.1d Hold international conference to highlight improved legal framework					▓											
3.1.2 Revision and Implementation of REFIT																
3.1.2a Assist MIREME Finalize Implementing Regulations for REFIT	▓	▓	▓	▓	▓											
3.1.2b Support MIREME in establishing a REFIT working group	▓	▓														

3.1.2c Coordinate and harmonize REFIT and GET FiT

3.1.2d Pilot project under REFIT

3.1.3 Transaction and Legal Support for IPPs

3.1.3a Map, Consolidate and Assist Current IPP Projects

3.1.3b Assist MIREME Develop Clear and Transparent Procurement Processes

3.1.3d Assist MIREME Develop Processes for Project Development

3.1.4 Training for MIREME Legal Department

3.2 Off-Grid Legal Framework and Transaction Support

3.2.1 Compact Implementation – Tax regime for Renewable & Energy Efficiency Equipment

3.3 Strengthen Regulatory Framework for Power – Support to ARENE

3.3.1 Technical Assistance to ARENE

3.4 Strengthening of EdM

3.4.1 Energy Efficiency

3.4.2 Grid Code: Regulation and Procedures for Implementation

3.4.3 Technical Assistance for Temane Transmission Project (TTP)

3.4.4 Implement Decree 10/2016 to improve Doing Business indicator Getting Electricity

Water Sector Activities

3.5 Implementing the Decree 51/2015 for Licensing Private Water Providers

3.5.1 Dissemination of the Decree 51/2015 (3 regional seminars + informational materials)

3.5.2 Technical Standards for Private Water Systems

3.5.3 Develop a Tariff Model for PWPs

3.5.4 Build Capacity of Licensing Authorities to Implement Decree 51/2015

3.5.5 Map PWPs and Develop Database for Licensing of PWPs

3.6 Promote Private Sector Investment in Water Supply

3.6.1 Develop Communication campaign

Activity	Timeline
3.6.2 Build Capacity of PWPs in Technical and Financial Management	
3.7 Promote Public-Private Dialogue in Water Supply and Sanitation	
3.7.1 Support Dialogue on Private Sector Participation in Sanitation	
3.7.2 Public-Private Sector Work Group on Water Supply & Sanitation (quarterly meetings)	
Component 4: An Improved Biodiversity Conservation Policy Framework	
4.1 Strengthen Biodiversity Conservation Policies	
4.1.1 Development of the General Regulations for Conservation Law 5/2017	
4.1.2 Development of Specific Regulations for Conservation Law 5/2017	
4.1.3 Evidence-Based Decision-Making to Combat Wildlife Trafficking (ivory & horn stocks)	
4.2 Support Implementation of Government Policies and Regulations	
4.2.1 Strengthen Ability of AMOS and FEMOTUR to Comply with Law 5/2017	
4.2.2 Develop Training Materials for PGR and Supreme Court to Implement Law 5/2017	
4.2.3 White paper to establish a Wildlife Crime Unit (WCU)	
4.2.4 Institutional support to ANAC to tackle wildlife crime	
4.3 Promote Awareness of Biodiversity and Conservation Activities	
4.3.1 Disseminate Conservation Law 5/2017 and Regulations	
4.3.2 Provide Assistance to MITADER in Promoting Public Dialogue on Biodiversity and Conservation (quarterly Business Breakfast)	
4.3.3 Facilitate Scientific Youth-Oriented Events Related to Biodiversity Conservation	
4.4 Support Effective Co-Management and Governance of Conservation Areas	
4.4.1 Support Effective Management and Governance of Non-Fully Protected Conservation Areas (Safari areas)	
4.4.2 Develop Strategies for Effective Co-Management and Governance of Fully Protected Conservation Areas (National Parks and Reserves)	
4.5 Enhance the Business Enabling Environment for Eco-tourism & Wildlife-based Tourism	
4.5.1 Strengthen Governance of AMOS to Deploy International Best Practices for Hunting to	

Safari Operators	▓	▓	▓	▓	▓						
4.5.2 Develop Tools to Support Conservation Development Decision-Making											
4.5.2a Develop a Red List of Threatened Species in Mozambique							▓	▓	▓	▓	▓
4.5.2b Identify and map Key Biodiversity Areas (KBAs)							▓	▓	▓	▓	▓
4.5.2c Conservation Tourism Development Strategy							▓	▓	▓	▓	▓

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