



Tenth Poverty Reduction Support Credit (PRSC X) (P146537)

AFRICA | Mozambique | Economic Policy Global Practice |
IBRD/IDA | Development Policy Lending | FY 2015 | Seq No: 1 | ARCHIVED on 07-May-2015 | ISR19062 |

Implementing Agencies:

Key Dates

Key Project Dates

Board Approval date:05-Dec-2014

Effectiveness Date:19-Dec-2014

Planned Mid Term Review Date:--

Actual Mid-Term Review Date:--

Original Closing Date:31-Mar-2015

Revised Closing Date:31-Mar-2015

Program Development Objectives

Program Development Objective (from Program Document)

The objective of the PRSC series is to assist the Republic of Mozambique to: (i) improve business climate and to increase transparency in the management of extractive industries; (ii) strengthen social protection; and (iii) enhance public finance management.

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Moderately Satisfactory
Overall Implementation Progress (IP)	--	● Satisfactory
Overall Risk Rating	--	● Moderate

Implementation Status and Key Decisions

Implementation progress of the program of reforms supported by the current PRSC series (PRSC 9-11) is moderately satisfactory. The reforms supported by this series are likely to improve the business climate and also improve transparency in the management of extractive industries. The reforms will also contribute to strengthening social protection through an improvement in government systems to implement social protection programs. Public finance management will be enhanced, although progress in this area may be more mixed. While follow up on audits and debt and fiscal risks management is improving, the strengthening of systems for public investment management is advancing at a slower pace than anticipated. Government capacity to implement this wide range of reforms remains limited and major changes in the institutional set up of agencies leading key reforms may cause some delays. The World Bank will continue to support government efforts to implement these reforms.

**Risks****Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	--	● Substantial
Macroeconomic	--	--	● Moderate
Sector Strategies and Policies	--	--	● Moderate
Technical Design of Project or Program	--	--	● Moderate
Institutional Capacity for Implementation and Sustainability	--	--	● Substantial
Fiduciary	--	--	● Moderate
Environment and Social	--	--	● Low
Stakeholders	--	--	● Low
Other	--	--	--
Overall	--	--	● Moderate

Results**Results Indicators**

▶ Number of day needed to obtain a business license (Days, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	15.00	--	8.00	7.00
Date	31-Dec-2011	--	10-Nov-2014	31-Dec-2015

▶ Number of applied EITI principles and criteria. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	zero	--	Mozambique remains compliant with EITI using revised guidelines as per last report issued in late 2014	Mozambique remains a compliant member of EITI with further improvements in transparency and has published the



				reconciliation reports up to 2014 in the Government's public portal in line with the new and revised EITI guidelines.
Date	31-Dec-2011	--	31-Dec-2014	31-Dec-2015

► Coverage of the legal framework for managing mining activities. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Legislation in place does not set procedures for the collection of mining royalty payments.	--	--	Legislation provides clear authorization to issue a mining license, to undertake mining related activities, and regarding management of royalty payments. It mandates annual reporting and auditing of mining related fiscal revenues. Mining tax collection for 2014 fiscal year is enforced according to the new mining legislation.
Date	31-Dec-2011	--	--	31-Dec-2015

► Quality of coverage of the legal framework for managing Petroleum activities. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Legislation in place does not meet requirements with regards to transparency rules and management of royalty payments.	--	--	New legislation and regulations in Petroleum enforced. Legislation provides clear authorization to issue a Petroleum



				license, to undertake petroleum related activities, and regarding management of royalty payments. It mandates annual reporting and auditing of Petroleum related fiscal revenues.
Date	31-Dec-2011	--	--	31-Dec-2015

► The percentage of transfers to local districts for infrastructure development of local communities and assessment of the local development strategy. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Legislation in place sets basic principles for transferring funds to communities in which extractive industries operate, but there are no transfers to districts to finance development projects in communities in which the extractive industries operate.	--	Transfers from state budget to districts implemented as per budget and execution documents. Assessment conducted jointly by GoM and World Bank and assessment recommendations are being implemented in 2015	Transfer from the State Budget to districts has been implemented for 2013 and 2014 as evidenced in the annual execution reports, and an assessment of the transfer program has been completed for 2013 and 2014, which include recommendations on improvements to the transfer system.
Date	31-Dec-2011	--	--	31-Dec-2015



▶ Total number of direct public works program (PASP) beneficiaries. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	10000.00	20000.00
Date	31-Dec-2011	--	31-Dec-2013	31-Dec-2015

▶ Percentage of payments made to beneficiaries from PASP and PSSB within the month they are due. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	50.00
Date	31-Dec-2011	--	--	31-Dec-2015

▶ Percentage of recommendations implemented by the entities audited/inspected by the OCI's and IGF. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	33.00	40.00
Date	31-Dec-2011	--	31-Dec-2014	31-Dec-2015

▶ Percent of public investment that has been developed as projects, appraised and evaluated, following the guidelines adopted for project appraisal and evaluation. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	90.00
Date	31-Dec-2011	--	--	31-Dec-2015



▶ Quarterly and yearly debt reports published. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	The IT system to support the preparation of the database for public debt transactions for the analysis of debt sustainability is not fully functional and the debt reports only published on an annual basis.	--	Both quarterly public debt reports and annual internal debt plans are being prepared by government	Quarterly public debt reports are prepared for the 2013 and 2014 fiscal years and are published in the government's public portal; they include information on costs and risks of the debt portfolio. Annual public debt reports for 2013 and 2014 include the assessment of the progress in implementing the public debt borrowing plan.
Date	31-Dec-2011	--	--	31-Dec-2015

Overall Comments

Data on Financial Performance**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P146537	IDA-55600	Closed	XDR	37.30	37.30	0.00	37.30	0.00	100%
P146537	IDA-D0050	Closed	XDR	37.30	37.30	0.00	37.30	0.00	100%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P146537	IDA-55600	Closed	05-Dec-2014	09-Dec-2014	19-Dec-2014	31-Mar-2015	31-Mar-2015
P146537	IDA-D0050	Closed	05-Dec-2014	09-Dec-2014	19-Dec-2014	31-Mar-2015	31-Mar-2015

Tranches



Restructuring History

There has been no restructuring to date.

Related Operations

P131212-Ninth Poverty Reduction Support Credit (PRSC 9) ,P151610-PRSC XI
