



Mozambique - Financial Sector DPO II (P151861)

AFRICA | Mozambique | Finance & Markets Global Practice |
IBRD/IDA | Development Policy Lending | FY 2016 | Seq No: 1 | ARCHIVED on 26-Feb-2016 | ISR22218 |

Implementing Agencies:

Key Dates

Key Project Dates

Bank Approval Date:29-Sep-2015

Effectiveness Date:15-Dec-2015

Planned Mid Term Review Date:--

Actual Mid-Term Review Date:--

Original Closing Date:30-Jun-2016

Revised Closing Date:30-Jun-2016

Program Development Objectives

Program Development Objective (from Program Document)

The proposed operation will support the Republic of Mozambique in reinforcing financial stability, increasing access to finance by households and firms, and enhancing the development of long-term financial markets.

Overall Ratings

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

Implementation Status and Key Decisions

The DPO Reform Program is on track with the second in the series approved in September 2015. It is important that the reform momentum continues in order to deepen the reforms in the areas of banking supervision, financial inclusion, and long term capital markets as well as the insurance and pensions sectors. The third DPO in the series is planned for 2017 though the preparations for the reforms included are ongoing.





Risks

Systematic Operations Risk-rating Tool

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

Results

Results Indicators

▶ Percentage of banks classifying their NPLs according to the new regulation (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	70.00	85.00
Date	31-Dec-2013	--	15-Dec-2015	31-Dec-2017



► Percentage of banks implementing the new risk management guidelines (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	78.00	85.00
Date	31-Dec-2013	--	15-Dec-2015	31-Dec-2017

Comments

The four largest banks representing 78% of assets have implemented the risk management guidelines while others are in process.

► Percentage of deposit accounts covered by the Deposit Guarantee Fund (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	80.00
Date	31-Dec-2013	--	15-Dec-2015	31-Dec-2017

► Percentage of banks disclosing to consumers the effective cost of banking services (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	0.00	80.00
Date	31-Dec-2013	--	15-Dec-2015	31-Dec-2017

► Criminalization of terrorism financing (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	Y	Y
Date	31-Dec-2013	--	15-Dec-2015	31-Dec-2017



► Number of emoney accounts (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	135000.00	--	3200000.00	150000.00
Date	31-Dec-2013	--	15-Dec-2015	--

► Percentage of the population with access to formal financial services (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	12.70	--	24.00	25.00
Date	30-Nov-2009	--	31-Dec-2014	31-Dec-2017

► Call for service providers to apply for a private credit bureau licent or operate the bureau on behalf of the BdM (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	31-Dec-2013	--	31-Dec-2015	31-Dec-2017

► Number of days to clear a check (Days, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4.00	--	4.00	2.50
Date	31-Dec-2013	--	31-Dec-2015	31-Dec-2017



► Percentage of transactions settled through the RTGS (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00	--	23.00	70.00
Date	31-Dec-2013	--	31-Dec-2015	31-Dec-2017

► Number of short and medium term bonds issued and reopened in the domestic market through competitiveness auctions (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	6.00	5.00
Date	31-Dec-2013	--	31-Dec-2015	31-Dec-2017

Comments

6 bond auctions in 2015 with 2 re-openings.

► Level of dematerialization and immobilization of all medium and long term debt securities listed in the CSD (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	31-Dec-2013	--	31-Dec-2015	31-Dec-2017

Overall Comments

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P151861	IDA-57290	Effective	XDR	18.00	18.00	0.00	18.00	0.00	100%

Key Dates (by loan)



Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P151861	IDA-57290	Effective	29-Sep-2015	22-Oct-2015	15-Dec-2015	30-Jun-2016	30-Jun-2016

Tranches

Restructuring History

There has been no restructuring to date.

Related Operations

There are no related projects.
