Early Warning System

WB-P171664

Economic Linkages for Diversification

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Quick Facts

Countries	Mozambique
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2021-03-30
Borrower	Government of Mozambique
Sectors	Industry and Trade, Mining
Investment Type(s)	Grant
Investment Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 100.00 million

Project Description

According to bank documents, the project objective is to strengthen economic linkages to the extractives sector for MSMEs in targeted areas.

The project has three components:

1. **Increasing economic linkages through a regional focus.** Component 1 aims to drive economic linkages to extractives through a spatial approach. The support covers
backward linkages but also linkage opportunities associated with the consumption from staff in the large companies. This component will have a strong regional focus with the objective of diversifying the local economy. The component will apply MFD principles in its development and implementation. The project will seek to leverage various sources of finance, expertise, and solutions from extractive companies' in pursuing these opportunities. The component will also coordinate closely with the upcoming IFC shared-value platform for extractives in Mozambique, as well as other World Bank projects in preparation on infrastructure and community development, which follow a complementary approach.
    i. Sub-component 1.1: Upgrading firms' capabilities and access to finance. This subcomponent aims to support diversification through helping MSMEs developing linkages with
    megaprojects.
    ii. Sub-component 1.2: Infrastructure. The project will implement needed last mile infrastructure to improve opportunities for linkages and wider economic development in the targeted areas.
    iii. Subcomponent 1.3: Regional development capacity to maximize impact. This sub-component aims to increase the regional development agencies' capacity to promote linkages and help implement/develop further spatial planning investments.
2. **Enabling linkages through national level's market access, coordination and reforms.** This component seeks to enhance national market access, reforms and capacity to leverage further diversifying investment. It aims to support markets and finance platforms to help generate linkages across sectors and locations. It includes the design, implementation, monitoring, and information sharing of appropriate policies to maximize benefits from investment, including policies for more conducive business environment. A key objective of this component is to improve the government's capacity at the national level to plan and coordinate and to respond to the emerging needs. To do so effectively, this component will facilitate ongoing and upcoming initiatives to develop regular stakeholder engagement and capacity support for stakeholder coordination committees.
    i. Sub-component 2.1: Digital platforms to connect to markets. The subcomponent will support the development of a centralized database of local suppliers and procurement opportunities to bridge information asymmetries.
    ii. Subcomponent 2.2: Physical platforms of reforms, coordination and capacity building. This subcomponent will support (i) investment policy reforms, (ii) coordination between stakeholders and (iii) capacity building in national agencies.
3. **Project Management.** The component will provide the necessary technical, advisory, and financial support for the adequate implementation, management, and coordination of project activities. This component will also include activities to ensure that monitoring and evaluation systems for project and sector-wide analysis are upgraded and sustained. Finally, it will include the support to the design and monitoring of safeguards issues related to project implementation, and a robust citizen engagement and communications program for project and social inclusiveness.

Investment Description

- World Bank (WB)

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Bank Documents

- Concept Project Information Document (PID) - Economic Linkages for Diversification - P171664 [Original Source]