

 Early Warning System

WB-P514896

Mozambique Program to Strengthen Public Expenditure Results



Quick Facts

Countries	Mozambique
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	B
Voting Date	2026-10-28
Borrower	Government of Mozambique - Ministry of Finance; Ministry of State Administration (MAEFP)
Sectors	Finance, Law and Government
Investment Type(s)	Grant
Investment Amount (USD)	\$ 150.00 million
Project Cost (USD)	\$ 217.00 million



Project Description

According to the Bank's website, the objective of this project is to enhance human resource management, wage bill sustainability, and strengthen public financial management for improved service delivery.

The Program will support the Government's Public Sector Reform Strategy currently being updated for the 2025-2034 period and the Public Financial Management Strategy, also being updated, with a 5-year program designed around three proposed Results Areas (RA) as follows:

Results Area 1 - Improved Human Resource Management and Payroll Control. This results area supports institutional coordination and capacity building; and HRM reforms to enhance the distribution and performance of civil servants - focusing on priority sectors.

Results Area 2 - Policy Reforms to Contain the Wage bill and Improve HR incentives. This results area focuses on revising the policy framework for career progression and allowances.

Results Area 3 - Strengthen public financial management. This results area seeks to improve expenditure efficiency, helping government utilize its fiscal space more effectively, including enhanced capacity for pay policy design, wage bill forecasting and management, as well as more productive and impactful investments.



Early Warning System Project Analysis

The Program's environmental risk is rated **Low**, as it finances institutional reforms rather than civil works, with no expected impacts from land disturbance, construction, pollution, or biodiversity; potential risks from large-scale digitalization (energy use, e-waste) and OHS during capacity building are considered low and manageable through ICT asset management and standard procedures, and the rating will be revisited at appraisal.

The social risk is rated **Moderate** given Mozambique's context of high poverty, inequality, governance fragility, and unrest, and indirect risks from reforms to pay policy, workforce distribution, biometric attendance, career management, and digital HR systems that may raise concerns of fairness, resistance to change, inequitable access (especially for women and underserved regions), digital exclusion, and data privacy; labor-related risks (working conditions, workload, contractual inconsistencies, SEA/SH, OHS during travel) for PIU staff, civil servants, and consultants are manageable under ESS2 with clear contracting, Codes of Conduct with SEA/SH provisions, worker GRM, targeted training, and strong communication, inclusive design, and robust grievance mechanisms aligned with ESF standards.



Investment Description

- World Bank (WB)

Total Project Cost: US\$ 217.00 million

IDA Grant: US\$ 150.00 million



Contact Information

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ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: <https://www.worldbank.org/en/access-to-information/request-submission>

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Bank Documents

- [Concept Environmental and Social Review Summary \(ESRS\) - Mozambique State Capacity Enhancement Progr](#)
- [Concept Program Information Document \(PID\)](#)
- [Official Documents- Corrigendum to correct the amount referred to in the first paragraph of the Lett](#)
- [Official Documents- Disbursement and Financial Information Letter for Grant E4700-MZ.pdf](#)
- [Official Documents- Letter Agreement for Grant E7400-MZ.pdf](#)