



## CLR Review

Independent Evaluation Group

### Completion and Learning Review Review

#### Mozambique

#### FY17-FY21 Country Partnership Framework

February 10, 2022

#### Ratings

	CLR Rating	CLRR (IEG) Rating
<b>Development Outcome:</b>	Moderately Satisfactory	Moderately Satisfactory
<b>WBG Performance:</b>	Good	Good

#### I. Executive Summary

i. This review of the World Bank Group's (WBG) Completion and Learning Review (CLR) for Mozambique covers the period of the Country Partnership Framework (CPF), FY17-FY21.

ii. **The objectives – broadly, promoting diversified growth and enhanced productivity, investing in human capital, and enhancing sustainability and resilience – were aligned with the country's major development challenges** identified in the Systematic Country Diagnostic (SCD) and government strategies. The WBG-supported program implemented during the CPF period was aligned with the WBG's twin corporate goals. Focus area II (investing in human capital) directly addressed issues of poverty and shared prosperity, such as enhancing the skills base, improving health service delivery, and improving access to water and sanitation. In addition, focus area III (enhancing sustainability and resilience) contributed to mitigate the impact of natural disasters, which affect mostly the poor and vulnerable, and promoted inclusive urbanization and decentralization. On gender—a cross-cutting theme—five indicators out of 26 in the results framework at PLR stage contained gender disaggregation. Governance—which was a cross-cutting theme in the CPF and remains a significant unfinished task—was addressed under the program in a piece-meal way and will require a continued focused engagement by the WBG and the authorities. There were record levels of gender-based violence (GBV), sexual exploitation and abuse, and sexual harassment incidents/accidents during the CPF period, in addition to four fatalities, reflecting poor capacity of project implementation unit to assess and mitigate E&S risks.

CLR Reviewed by:	Peer Reviewed by:	CLR Review Coordinator
Juan José Fernández Ansola, Consultant, IEGEC  Rafael Dominguez, Consultant IEGEC	Eduardo Fernández Maldonado, Evaluation Officer, IEGHE	Jeff Chelsky, Manager, IEGEC  Xiaolun Sun, Acting CLRR Coordinator, IEGEC

iii. **IEG rates the CPF development outcome as Moderately Satisfactory.** Of the nine objectives, one was rated Achieved, five Mostly Achieved, two Partially Achieved, and one Not Achieved. In focus area I (promoting diversified growth and enhanced productivity), there was progress in fiscal risk management, developing a medium-term fiscal framework, and strengthening fiscal controls in mining and gas operations. The expansion of access to electricity and improvement of the reliability of electricity supply will contribute to enhance the standard of living of the population. Progress on public debt management was slow but tangible, with advances towards the end of the CPF period (see Box 1). Land tenure security increased, but it is too early to tell whether the substantial resources devoted by the WBG to objective 2 (about one third of new lending under the FY17-21 CPF) will lead to a sustained increase in agricultural incomes. There was modest progress in improving the environment for business, with some improvement in access to finance by SMEs although job creation was weak. Under focus area II (investing in human capital) primary education completion rates improved and the access to water and sanitation showed progress. However, health service delivery fell short of program targets. In focus area III (supporting recovery and resilience) WBG interventions were able to deliver emergency relief to areas and populations affected by natural disasters and supported the improvement of institutional capacity for disaster risk management. However, efforts fell short in promoting inclusive urbanization and decentralization, primarily because this objective went well beyond what WBG interventions could achieve.

iv. **IEG rates World Bank Group performance as Good.** This is a borderline Good rating for WBG performance because while the WBG delivered results in most objectives of the program and responded well to natural disasters and the COVID-19 pandemic, it overestimated local capacity to implement safeguards, made only modest progress on governance, and was unable to make headway on decentralization, an issue that is significant in the emergence of regional conflict. The program design was influenced at the outset by the discovery of government external debt equivalent to 10 percent of GDP not reported to the population, donors, and outside investors. The WBG sought to address the consequences of this by making governance a cross-cutting issue under the program and working with the IMF to provide advisory and other support focused on fiscal sustainability and debt management, as well as supporting concrete steps to improve transparency and accountability of debt. But governance—which remains a significant unfinished task—was addressed in a piece-meal way. And while the Bank was successful in supporting the establishment of a regulatory framework for managing the extractives sector and complying with transparency standards, the results of efforts to design and implement a fiscal rule for managing liquified natural gas revenue volatility were modest, and no fiscal rules or targets were officially adopted by the government. The WBG adjusted well to the changing environment. Mozambique was affected by significant natural disasters during the CPF period as well as the COVID-19 pandemic, and the WBG responded flexibly and effectively to emergencies through several interventions. On implementation, there was good coordination within WBG, especially in the electricity sector, where all three institutions had either joint, complementary, or sequenced interventions. The WBG had a sound emergency and conflict response, including through collaboration with other

partners. However, the PLR was prepared very late in the CPF period to have an impact on the second half of the CPF period and failed to amend significant weaknesses in the results framework. Moreover, critical work on gender-based violence fell short of expectations. WBG staff took appropriate remedial measures on gender-based violence once events took place under the WBG portfolio, but local capacity remains inadequate for an effective identification and mitigation of GBV-related issues in WBG interventions. Work on decentralization missed the opportunity to make significant headway on an issue that is critical to reduce fragility and conflict. Partners cooperated in several areas, including fiscal risks, debt management and governance, agriculture, and the emergency response. Risks for the WBG program were rated Substantial in the CPF, not always adequately identified, and mitigation efforts were generally inadequate, especially for political and governance risk and institutional capacity risk.

v. **WBG's involvement in Mozambique produced results that will improve the standard of living of the population, but there are significant risks to the sustainability of results:**

- a) ***Good response to emergencies and conflict put in place systems for the medium term.*** In the aftermath of the Idai and Kenneth cyclones and the COVID-19 pandemic, the WBG responded flexibly and effectively to emergencies through the COVID-19 DPO, rapid activation of CERCs, additional financing (AF) of IPFs to cover replenishment of CERCs, and the Emergency Resilient Recovery project. In addition, the emergency response to conflict was supported by five operations in the north of the country that built resilience among the population, restored relations between citizens and the State, and are expected to support recovery over the medium term. Cooperation with development partners also contributed to achieve objectives on fiscal risk, investment management, and debt, as well as in health and education. Partners also cooperated on agriculture and the emergency response.
- b) **Results in the energy sector will support more access to electricity and increased reliability of energy supply.** WBG collaboration was key in the electricity sector. The World Bank supported the electricity sector with projects in energy development and access and power efficiency and reliability. The Temane Regional Electricity project (FY19) is an example of complementary WBG products contributing to results—IDA-funded energy transmission, IDA guarantees for the Temane Thermal Power Plant, MIGA guarantees, and IFC debt financing for the thermal power plant—and supporting a project that is critical for the country and the region.
- c) **Yet, the sustainability of progress achieved with the support of the WBG is in question.** The discovery of large gas reserves led to an overoptimistic assessment of the country's future, including by the WBG. The outlook for the country's development now is dimmed by the debt scandal, the revelation of severe governance problems, and the increasing fragility manifested by conflict in the north (Cabo Delgado insurgency). Although gas reserves are plentiful, they are primarily located in the conflict area, and the very large investments required to

extract gas are unlikely to materialize if fragility is not reduced, conflict contained over the medium term, and governance issues addressed forcefully.

vi. **IEG broadly agrees with most of the CLR's lessons**, particularly: (i) Disaster Risk Management (DRM) and emergency response should continue given the country's vulnerabilities to shocks; (ii) the limited results in agriculture productivity and incomes despite the substantial WBG resources invested in the area requires a reevaluation of the approach to rural development; and (iii) strengthen the focus on capacity building by deepening interventions in institution and at the local level. However, IEG cautions about the recommendation of a return to DPO-lending because of the weak governance and the challenges in securing a sufficient level of ownership by the authorities under the present WBG program. A longer perspective on budget support in Mozambique—as analyzed in the upcoming Country Program Evaluation—indicates that the main targets of such support failed to deal with the difficult policy issues of decentralization, public debt management, and SOE oversight.

vii. **IEG suggests two additional lessons, benefiting also from background work already completed for the upcoming Country Program Evaluation:**

- Decentralization could contribute to reduce fragility and conflict. Conflict risks could have been mitigated by greater progress on decentralization—and more attention to neglected regions.
- The quality and impact of Bank support for public financial and debt management can be enhanced by improving early coordination and prioritization. The Bank provided significant support for upstream aspects of debt management—preparation of debt management strategies—with only late attention for downstream aspects—debt reporting and recording, cost and risk analysis, and debt processes and procedures. In addition, given synergies among borrowing and the quality of public investment, support for debt management needs to be accompanied by efforts to improve public investment management.

## **II. Strategic Focus**

### **Relevance of the CPF**

1. **Country Context.** Mozambique is a low-income country and an IDA borrower with a GNI per capita of US\$470 (average 2017-20, Atlas method, current US\$), significantly below the US\$1,467 average for the Africa region. Human capital development is modest, with a ranking of 0.4/1, on par with Burkina Faso and Uganda (0.38/1), but below Kenya (0.55/1) and Ghana (0.45/1). The poverty headcount was 46.1 percent of the population in 2014 (latest available), with most of the poor (85 percent) living in rural areas. The 2017 Census put over 50 percent of the population (70 percent of those in rural areas) as multidimensionally poor (SCD, 2021). Increased inequality in urban areas resulted in the Gini coefficient rising from 0.47 in the 2000s to 0.56 in 2014-15 (latest available), placing Mozambique among the countries with the most unequal income distribution in Sub-Saharan Africa. Regional disparities remain a source of

tension, with GDP per capita and basic infrastructure services significantly higher in the South (SCD, 2021).<sup>1</sup>

2. **Mozambique faces many opportunities from the discovery of some of the largest natural gas fields in the world.** However, political risk and Islamist insurgency in Cabo Delgado province, where most natural gas reserves are located, have hampered the needed foreign investment to develop the gas fields. Only one small field is expected to begin production in 2022. In addition to severe insecurity (the World Bank Group classified Mozambique as a medium-intensity conflict country in FY21),<sup>2</sup> it was revealed in April 2016 that sovereign debt of US\$1.4 billion (10 percent of GDP) had been hidden from the population, donors, and outside investors,<sup>3</sup> which increased Mozambique's actual external debt burden to 127 percent of GDP, and led the IMF, the World Bank, and bilateral donors to withhold budget support to the country, a move that contributed to a budget crisis and an overall deterioration of the macroeconomic framework and growth (CPE, 2022, forthcoming).<sup>4</sup> While Mozambique had grown at an 8 percent annual rate on average between 2011 and 2015, its growth rate came down to a 2 percent average annual rate during the WBG program, and GDP per capita contracted by 1 percent annually during the same period due to high population growth. Moreover, two cyclones (Idai and Kenneth) that hit Mozambique in 2019 and the COVID-19 pandemic in 2020 compounded the macroeconomic challenges and erased most of the social gains since 2000,<sup>5</sup> and worsened the prospects for human capital development (SCD, 2021).

3. **Government Strategy and the CPF.** The government expressed its plans in the April 2015 five-year development plan, which overlapped with the CPF period. The plan had five priorities: (a) consolidate national unity, peace, and sovereignty; (b) develop human and social capital; (c) promote employment and improve productivity and competitiveness; (d) develop economic and social infrastructure; and (e) ensure sustainable and transparent management of natural and environmental resources. Gender-based violence and governance and transparency—significant challenges in Mozambique—were a cross-cutting issues under the WBG program, and the CPF intended to mainstream governance across all focus areas, during project preparation, at the sector level, and at the country level.

---

<sup>1</sup> *Mozambique: 2021 Systematic Country Diagnostic: Coming Together for a Better Future*, World Bank Group, Washington D.C., 2021.

<sup>2</sup> Deaths from conflict increased after the start of the insurgency in Cabo Delgado in 2017. The Fragile States Index showed that fragility worsened during the WBG program period, as the index increased from 87/120 in 2015 to 91.7/120 in 2020.

<sup>3</sup> The debt consisted of non-concessional debt from the issuance of guarantees to state-controlled companies and direct borrowing from bilateral lenders.

<sup>4</sup> *The World Bank Group in Mozambique 2008-21*, Country Program Evaluation, IEG, Washington D.C, 2022, forthcoming.

<sup>5</sup> Idai (March 14-15, 2019) left more than 600 people dead and an estimated 1.85 million people in need of emergency support. Kenneth (April 24, 2019) caused 45 deaths and left nearly 400 thousand people in need of emergency support. An estimated one million people—out of a population of 31 million—slipped back into poverty in 2020 measured by the international poverty line of US\$1.90 per day on account of the COVID pandemic.

4. **The FY17-21 CPF aimed to support Mozambique to create more inclusive growth through employment promotion and improve productivity and competitiveness in a sustainable manner.** It contained three focus areas: (i) promoting diversified growth and enhanced productivity, (ii) investing in human capital, and (iii) enhancing sustainability and resilience. The CPF reflected the need to support macroeconomic stabilization and restore donor confidence—both seriously affected by the 2016 hidden debt scandal; expected to enhance the various aspects of human capital development; sought to address the significant infrastructure and human disruptions caused by natural disasters; and aimed to support the increase of agricultural incomes—a critical issue for a lagging sector in Mozambique—also intervening to promote land administration and user rights, thus addressing an area that is an important driver of conflict. The expansion of access to electricity and improvement of the reliability of electricity supply are areas to highlight in this program, and surely will contribute to enhance the standard of living of the population.

5. **Relevance of Design.** The WBG-supported strategy reflected the government’s vision expressed in the five-year development plan and the main development constraints identified in the SCD, which identified three priority areas for Mozambique’s development (growth, inclusiveness, and sustainability).<sup>6</sup> Program design incorporated lessons from the previous CPF and IEG’s CLR Review (April 12, 2017)<sup>7</sup> on streamlining the results matrix with a smaller number of more carefully selected objectives, the need for more realism in project design, and broadening the ambition of rural development (objective 2 in the current CPF). WBG made governance a cross-cutting issue in the program and worked with the IMF to provide advisory and other support on fiscal sustainability and debt management. These priorities were appropriate to restore Mozambique’s credibility in the wake of the hidden debt crisis and were necessary to create an environment where donors would continue contributing to the country’s progress. The WBG responded appropriately to the Idai and Kenneth cyclones and the COVID-19 pandemic with several lending operations through the IDA Immediate Response Mechanism. A Risk and Resilience Assessment in FY19-FY20 provided diagnostics of fragility and resilience in the country.

6. **IFC’s strategy during the CPF period consisted of support for Focus Area I** (diversify growth and enhance productivity), focusing on objectives 2 (agricultural incomes and land tenure security), 3 (business environment for job creation), and 4 (expand access and improved reliability of electricity supply). New long-term investment commitments addressed objective 4 (access to and reliability of electricity supply) and, to a much lesser extent, objective 2 (increasing agricultural incomes and land tenure security). MIGA supported the financial and energy sectors.

7. **The CPF was underpinned by a diverse set of instruments.** Policy lending supported the budget to strengthen fiscal sustainability and debt management and responded to

---

<sup>6</sup> (i) Growth: promote economic diversification and boost productivity; (ii) Inclusiveness: generate employment, facilitate urbanization, and expand access to quality services; and (iii) Sustainability: address risks to growth and poverty reduction.

<sup>7</sup> <https://documents1.worldbank.org/curated/en/310421494208948501/pdf/Mozambique-Country-Partnership-Framework-Completion-and-Learning-Review-for-the-Period-FY12-FY15-IEG-Review.pdf>

macroeconomic instability caused by the COVID pandemic. The CPF benefited from the WB's emergency Multi-Phase Programmatic Approach to pandemic response, which supported the acquisition, management, and deployment of COVID-19 vaccines and overall strengthening of pandemic preparedness, response, and health systems' capacity. IPFs were the main lending instrument to address poverty-related issues and most of the objectives under the WBG program, and Program-for-Results interventions were gradually introduced in the program for capacity building in health and disaster risk management. ASA informed lending interventions and helped in the restructuring of certain projects during the CPF. Trust-funded activities addressed education, climate change, and deforestation issues. The WBG responded flexibly to emergencies through the COVID-19 DPO, rapid activation of CERCs,<sup>8</sup> additional financing (AF) of IPFs to cover replenishment of CERCs, and the Emergency Resilient Recovery project. IFC committed investments and advisory services in agri-business, construction, transport, energy, the financial sectors, MSME development, and investment climate reforms and MIGA provided political risk insurance guarantees in the financial and energy sectors.

### Alignment

8. **The WBG-supported program implemented during the CPF period was broadly aligned with the WBG's twin corporate goals.** Focus area II (investing in human capital) directly addressed issues of poverty and shared prosperity, such as enhancing the skills base, improving health service delivery, and improving access to water and sanitation. In addition, focus area III (enhancing sustainability and resilience) contributed to mitigate the impact of natural disasters, which affect mostly the poor and vulnerable, and promoted inclusive urbanization and decentralization. The objective of expanding access and improving the reliability of electricity supply under Focus Area I also contributed to improve the standards of living of the poor and promoted shared prosperity.

### Results Framework

9. **The focus of the results framework was appropriate, but the framework contained several weaknesses that could have been addressed at the late-coming PLR stage but were not.** The results framework was more focused than under the FY12-16 CPF, with 11 objectives (rather than 16), which were further streamlined to 9 at the PLR stage. The framework reflected only partially the IFC contributions (with specific indicators). Some objectives were too broad in scope and disconnected from the results indicators. For instance, enhancing the skills base had as indicators the primary completion rate and primary school retention rate, which are a narrow measure of the skills base. Similar issues existed in health and access to water and sanitation. In addition, the indicators under objective 5 (enhancing the skills base) failed to capture key WBG interventions in secondary education. Other objectives (increasing agriculture incomes and land tenure, promoting inclusive urbanization and decentralization) were not measured in their various dimensions by the indicators. The baselines of a few indicators were from long before the start of the program or not dated, making it difficult to gauge achievement under the CPF program. Some indicators on improving the business environment for job creation were not

---

<sup>8</sup> Contingent Emergency Response Component (CERC). CERCs allow funds to be reallocated from existing projects to address emergency response needs.

directly relevant to a specific objective. The indicators under objective 2 failed to measure the increased agriculture incomes resulting from WBG interventions. The WBG contributions to financial inclusion were not reflected under the indicators of objective 3. On the positive side, gender impact was well captured with five indicators out of 26 in the results framework at PLR stage containing gender disaggregation.

### III. CPF Description and Performance Data

#### Advisory Services and Analytics

10. **The ASA program helped fill knowledge gaps identified in the SCD, was relevant for lending, project design, and capacity building, and contributed to dialogue on long-term development.** Aside from traditional WBG economic memoranda and country diagnostics, the ASA contributions can be classified as:

- *Filling knowledge gaps and capacity building:* ASA filled knowledge gaps on strengthening transparency, accountability, public finance management, and public investment management (PIM); debt management and performance assessment (2017 DeMPA); supporting the response to the hidden debt crisis; addressing SOE and public debt management; land tenure security; unlocking productivity in the agricultural and forestry sectors; developing enabling infrastructure; improving water and sanitation services linked to stunting; and human development indicators (HDI outcomes). The Public Investment, Risk and Debt Management TA program supported government efforts to develop fiscal risk and public investment management (PIM) systems, helping build capacity in the newly created fiscal risk unit at the Ministry of Economy and Finance.
- *Lending and project design:* Overall, there has been good integration of ASA with lending. ASA on education, urban, water and energy sectors supported the preparation and implementation of IPF operations and informed strategic program shifts in these areas. ASA recommended linking the Urban and DRM agendas to achieve higher development impact and to inform effective interventions in the water sector and provide implementation support for large-scale energy access.
- *Dialogue on longer-term development:* A poverty assessment helped dialogue in this area and provided policy options endorsed by the government, although unfortunately the latest available data is from 2014/15 which makes the assessment somewhat dated. A programmatic ASA provided operational support to teams working on gender-based violence risk management, diagnostics, and policy dialogue. Mechanisms for social risk management were given priority under the ASA program.

11. **IFC advisory projects concentrated on increasing agricultural incomes, enhancing access to finance, improving the business environment, and strengthening electricity supply.** IFC had a US\$4.8 million Advisory Services (AS) project carried over from the previous CPF period. This project was designed to enhance the development impact of an IFC forest plantation investment and to help reduce extreme poverty among households affected by the



project. This project remained relevant to CPF objective 2 (increasing agricultural incomes and land tenure security). New IFC AS focused on Objectives 3 and 4 (business environment and electricity). During the CPF period, IFC started implementation of 6 AS. Slightly more than half of the AS resources (US\$6.5 million) went to three projects aimed at helping expand MSME access to finance in line with Objective 3. Two other projects addressed investment climate-related issues. The remaining US\$2.6 million project supported Objective 4 by helping enhance the institutional capacity of the state-owned power utility company through strengthening its risk management functions.

**12. IEG validation of the project completion reports of two investment climate reform projects during the CPF period shows that they achieved their key objectives and were rated mostly successful in development effectiveness.** Actionable recommendations from one of the AS led to follow-on projects by the WB and USAID.

### **Lending and Investments**

**13. WB lending at the beginning of the program was spread across focus areas with an emphasis on water, education, transport and energy and mining.** At the start of the CPF period, IDA commitments on ongoing projects amounted to US\$1.9 billion, consisting of operations approved during FY07-FY16. About 48 percent of the funds were in focus area II (investing in human capital), 31 percent in focus area I (diversified growth and enhanced productivity), and the remaining 21 percent primarily for transport and emergency recovery.

**14. During the CPF period, the WB engagement expanded significantly,** with new IDA commitments totaling US\$2,854 million. This was nearly three times the amount projected in the CPF, with lending expanding very fast in the latter part of the program, particularly FY21. About a third of these commitments went to objective 2 on agriculture incomes and land tenure security, following the recommendations of the CLR for the FY12-FY15 CPF, and 20 percent of the commitments went to objective 8 on recovery and resilience. Lending was US\$500 million more than projected at the PLR stage (April 2020). As a result, by FY21 and including the COVID response, WB outstanding commitments were seventy percent higher than at the beginning of the program period, and about one third of the commitments were undertaken in FY21 alone. In addition to the COVID response project, its additional financing and a COVID DPO, this included projects in finance, urban resilience and land, education, , environment, and agriculture and food. Such a broad and significant expansion of the portfolio in one fiscal year taxed WBG staff and local project administrative capacity.

**15. Forty-eight trust-funded (TF) activities complemented the WB-supported program across the focus areas.** Out of a total of US\$644 million, the largest trust-funded activities were for improving learning and empowering girls in Mozambique, developing local communities, education, and for the Temane regional electricity project. The WBG portfolio administered 19 recipient-executed trust funds on behalf of development partners for a total of US\$213 million. The EU and the UK remain the major bilateral donors complementing IDA resources through co-financing in energy, social protection, and health projects.

**16. During the CPF period, fifteen operations that had disbursed a total of US\$1,238 million were closed and reviewed by IEG, most of which performed well.**

Performance at exit, measured by outcomes rated Moderately Satisfactory or higher<sup>9</sup> (75 percent, and 87 percent weighted by commitments), was better than that for the Africa region (75 percent of projects, and 76.2 percent weighted by commitments) but lower than for the World Bank (80.5 percent of projects, and 84.3 percent weighted by commitments). The average number of projects at risk during the program (17.7 percent) compared favorably with 22.1 percent for the Africa region and 21.1 percent for the World Bank as a whole.

**17. IFC long-term investment commitments carried over from the previous CPF period amounted to US\$128 million in six projects.** Nearly half of these commitments were in three projects in the agribusiness/food sector. Two projects with combined commitments of US\$48.5 million were in the manufacturing sector. One project with a net commitment of US\$18.5 million dated back to FY04. At the end of the CPF period on June 30, 2021, IFC had an outstanding portfolio of US\$116 million, up 22 percent from the start of the period.

**18. IFC made a total of US\$79.3 million in long-term investment commitments in three projects during the CPF period compared with plans for at least US\$200 million.** Two investments for 99 percent of the total went to two power plants.<sup>10</sup> The third project was a US\$1 million follow-on investment in support of an avocado farm (Westfalia). IFC also made a US\$22.7 million short-term investment commitment through the Global Trade Finance Program (GTFP). Beyond the CPF period—and with no impact on the ratings of this review—IFC made a US\$104 million long-term investment commitment in FY22 to support a 450MW combined cycle plant (CTT). IFC assistance for this project include a blended finance concessional debt which was a crucial but small part of the financing plan. MIGA also supported the CTT and CTRG projects.

**19. No project in Mozambique was evaluated under the XPSR framework during the CPF period.** The latest IFC Development Outcome DOTS ratings were from FY19 and showed that two of six companies (in the power and agribusiness sectors) had Mostly Successful Development Outcomes. The other four rated companies had Mostly Unsuccessful or Unsuccessful ratings.

**20. MIGA's new and existing guarantees addressed Focus Area 1, specifically Objectives 3 (Improving the Business Environment for Job Creation) and 4 (Expanding Access to and Improving the Reliability of Electricity).** During the CPF period, MIGA issued US\$150.7 million combined gross exposure in three transactions. Two guarantees went to the financial sector with a gross exposure of US\$118.3 million (in favor of ABSA/Barclays Mozambique and First Rand Bank) aimed at increasing access to finance. One guarantee for US\$32.4 million was issued to support an existing project in the energy sector (Gigawatt). At the end of the CPF period, MIGA had a total outstanding maximum exposure of US\$198.7 million, of which US\$63.2 million were issued in three transactions prior to the CPF period. These earlier guarantees were to support an energy (Gigawatt) project. Four guarantees in

---

<sup>9</sup> Overall outcome of nine projects rated were Moderately Satisfactory, and two projects were rated Satisfactory. Two projects were rated Unsatisfactory and one Moderately Unsatisfactory.

<sup>10</sup> US\$57.4 million supported a 175MW gas-fired plant (CTRG) and US\$20.9 million went to a 40.5MW solar plant (Mocuba Solar).

support of the manufacturing (Maputo Wood Chips) and financial (ProCredit) sectors totaling US\$11.6 million expired during the CPF period. In FY22, MIGA supported a 450MW combined cycle gas power plant (CTT) with a total gross exposure of US\$251.3 million. IFC also supported this project. In addition, MIGA issued a US\$149.8 million political risk insurance for CTRG, a project supported by IFC during the CPF period. Outstanding guarantees in year-end FY22 amounted to US\$652.6 million in gross exposure.

## IV. Development Outcome

### A. Overall Assessment and Rating

21. **IEG rates the CPF development outcome as Moderately Satisfactory.** Of the nine objectives one was rated Achieved, five Mostly Achieved, two Partially Achieved, and one Not Achieved. In focus area I (promoting diversified growth and enhanced productivity) there was progress in several areas, particularly in fiscal risk management, developing a medium-term fiscal framework, and strengthening fiscal controls in mining and gas operations. The expansion of access to electricity and improvement of the reliability of electricity supply are areas to highlight and will contribute to enhance the standard of living of the population. Progress on public debt management was slow but tangible, with advances towards the end of the CPF period (see Box 1). Land tenure security increased, but it is too early to tell whether the substantial resources devoted by the WBG to objective 2 (about one third of new lending under the FY17-21 CPF) will lead to a sustained increase in agricultural incomes. There was modest progress in improving the environment for business, with some improvement in access to finance by SMEs although job creation was weak. Under focus area II (investing in human capital) primary education completion rates and retention rates improved and access to water and sanitation showed progress. However, efforts on health service delivery fell short of program targets. In focus area III (supporting recovery and resilience) WBG interventions were able to deliver emergency relief to areas and populations affected by natural disasters and supported the improvement of institutional capacity for disaster risk management, areas that received about 20 percent of new financing under the CPF. However, efforts fell short in promoting inclusive urbanization and decentralization, primarily because this objective went well beyond what the WBG interventions could achieve. Decentralization is in the incipient stages.

22. **Cross-Cutting Themes: There was progress in improving governance although much work remains to be done and addressing gender-based violence was hampered by inadequate local capacity.** Governance—which remains a significant unfinished task—was addressed under the program in a piece-meal way. Under focus area I, there was progress in strengthening controls in mining and gas operations. While the Bank was successful in supporting the establishment of a regulatory framework for managing the extractives sector and complying with transparency standards, the results of efforts to design and implement a fiscal rule for managing liquified natural gas revenue volatility were modest to negligible, and no fiscal rules or targets were officially adopted by the government (CPE, 2022, forthcoming).<sup>11</sup>

---

<sup>11</sup> The WBG has agreed with the government to provide technical assistance for fiscal rule design.

According to WBG staff, the policy dialogue proposing the use of a sovereign wealth fund to manage revenues from the extractives sector has made progress.<sup>12</sup>

23. **The WBG aimed to implement gender-based violence (GBV) risk mitigation across its portfolio.** But efforts did not appropriately consider the inadequacy of client capacity for GBV risk mitigation in WBG projects. The Integrated Feed Roads project (FY18) was suspended for 60 days given the failure to comply with measures for social risk and GBV management. The suspension was lifted following the implementation of an action plan and environmental and social (E&S) audit of the project. The WBG portfolio shows record Gender Based Violence, Sexual Exploitation and Abuse, and Sexual Harassment incidents/accidents, in addition to four fatalities, reflecting project implementation units' poor capacity to assess and mitigate E&S risks. WBG staff took appropriate remedial measures, but local capacity remains inadequate for an effective identification and mitigation of GBV-related issues in WBG interventions.

Objectives	CLR Rating	CLRR (IEG Rating)
<b>Focus Area I: Promoting Diversified Growth and Enhanced Productivity</b>	<b>Moderately Satisfactory</b>	<b>Moderately Satisfactory</b>
Objective 1: Improving Economic Management	Mostly Achieved	Mostly Achieved
Objective 2: Increasing Agricultural Incomes and Land Tenure Security	Mostly Achieved	Partially Achieved
Objective 3: Improving the Business Environment for Job Creation	Partially Achieved	Partially Achieved
Objective 4: Expanding Access to and Improving Reliability of Electricity Supply	Achieved	Achieved
<b>Focus Area II: Investing in Human Capital</b>	<b>Moderately Satisfactory</b>	<b>Moderately Satisfactory</b>
Objective 5: Enhancing the Skills Base	Mostly Achieved	Mostly Achieved
Objective 6: Improving Health Service Delivery	Mostly Achieved	Mostly Achieved
Objective 7: Improving Access to Water and Sanitation	Mostly Achieved	Mostly Achieved
<b>Focus Area III: Enhancing Sustainability and Resilience</b>	<b>Moderately Satisfactory</b>	<b>Moderately Unsatisfactory</b>
Objective 8: Supporting Recovery and Resilience	Mostly Achieved	Mostly Achieved
Objective 9: Promoting Inclusive Urbanization and Decentralization	Partially Achieved	Not Achieved

## B. Assessment by Focus Area/Objective

### **Focus Area I: Promoting Diversified Growth and Enhanced Productivity**

<sup>12</sup> WBG staff report that they expect that a Sovereign Wealth Fund Law will be adopted in 2023.

24. **Focus area I** aimed to improve economic management, increase agricultural incomes and land tenure security, improve the business environment for job creation, and expand access to and improve the reliability of supply.

25. **Objective 1: Improve Economic Management.** WBG interventions focused on public financial and debt management, risk assessment, disaster risk management and resilience, and technical assistance on mining and gas, including environmental and social aspects. The main WBG contributions were through the Mining and Gas Technical Assistance project (MAGTAP) (2013-2022), which helped the government prepare and approve laws and regulations for the mining and hydrocarbon sectors; the Public Financial Management for Results (FY14) which aimed to improve the transparency and efficiency of expenditures for the storage, distribution, and availability of medicines, and for more transparent and accountable management of Complete Primary Schools; the Debt Management and Performance Assessment (FY17); and a debt management, fiscal risk, and public investment management TA (FY18). The fiscal issues TA was designed against the backdrop of Mozambique's hidden debt revelations in 2016. There was a trust-funded activity on disaster risk management and resilience to strengthen the program to finance and prepare for disaster response and to increase the climate resilience of vulnerable education infrastructure in risk prone areas.

26. The assessment of performance on each of the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Strengthen fiscal risk management, as measured through the annual Fiscal Risk Statement produced by the Fiscal Risk Unit	0 (2015)	4 statements (2020)	3 Tax Risk Reports (by 2020) (2019, 2020, 2021) (see Box 1 for details)	Mostly Achieved
Mining and gas operations subject to fiscal controls in line with the established fiscal regime	0 (2015)	5 (2020)	17 mining and gas operations established and subject to fiscal controls per year, in line with standards	Achieved
Enhance accountability for results in sector ministries and provinces through adoption of results agreements between the MoF and line ministries/provincial directorates	Agreements in place with 2 ministries (2015)	Agreements sustained and extended to 2 more ministries and selected provincial directorates	CLR indicates that two ministries (Health and Education) adopted and sustained results agreements. IEG could not verify.	Not verified
Increase Mozambican score on the Statistical Capacity Indicator for source data	60 (2015)	75 (2020)	64.4 (2020)	Partially Achieved

27. **Mostly Achieved.** The acute need to improve economic management was illustrated by the hidden debt revelations in 2016. WBG interventions concentrated on strengthening fiscal management, with an emphasis on risk management, developing a credible medium-term macroeconomic fiscal framework, and establishing proper public sector controls. Overall, there was progress in fiscal risk management and strengthening fiscal controls in mining and gas operations—areas that were at the center of the hidden debt crisis. Progress on public debt management was slow but tangible, with advances towards the end of the CPF period (see Box 1). Progress was limited on strengthening Mozambique’s statistical capacity and in enhancing the accountability for results in sector ministries and provinces. Accountability in the areas of health and education (primary schools) was enhanced through a WBG intervention. A trust-funded activity is helping finance and prepare for disaster response and to increase the climate resilience of vulnerable education infrastructure in risk-prone areas.

28. **Objective 2: Increase Agriculture Incomes and Land Tenure Security.** WBG interventions focused on irrigation development, agriculture productivity, sustainable agriculture, and developing the agrifood system. IFC played a significant role under this objective. The main WBG contributions were through the Integrated Growth Poles Project (FY13) to improve the performance of enterprises and smallholders in the Zambezi Valley and Nacala Corridor, focusing on identified high growth potential zones (growth poles) and the Sustainable Irrigation Development project (FY11) which aimed to increase agricultural production and raise farm productivity in new or improved irrigation schemes in the Provinces of Sofala, Manica and Zambezia. The Agriculture and Natural Resources Landscape Management Project (FY16) with the objective to integrate rural households into sustainable agriculture and forest-based value chains in the project area and to provide immediate and effective response crisis or emergency. The Smallholder Irrigated Agriculture and market Access (FY18) which aimed to improve smallholder agriculture productivity and market access in the project areas developed with irrigation and provide immediate and effective response to an eligible crisis or emergency. The Regional Agricultural Productivity Program for Southern Africa Project (FY13) aiming to increase the availability of improved agricultural technologies in participating countries. In addition, there was ASA for land use planning and technologies for climate-smart agriculture. IFC support for this objective was largely by way of its US\$30.4 million investment and US\$4.8 million advisory projects from the previous CPF period in a forest plantation (Portucel), and US\$4.6 million investment in an avocado farm and processing (Westfalia Mozambique). These projects were expected to help improve the income of the rural communities in and around the project areas.

29. The assessment of performance on each of the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Increase number of households marketing part of their production in Zambezia and Nampula	1,021,788 (2014)	15,000 additional households of which	11,930 rural households (1,835 female farm households) and 10,081 smallholder farm households (2020)	Partially Achieved

		9,000 women (2020)		
Number of farmers reached through agribusiness and forestry investments	1700 IFC 1300 WB 400 (2014)	41,505 (2020) IFC 23,505 WB 18,000, of which 9,000 women	27,714 (2020) <sup>13</sup> About 3,400 women in WB projects. IEG not able to verify women beneficiaries in IFC activities.	Partially Achieved
Number of households covered by formalized land user rights	4.1 percent (2012)	8.2 percent (2020)	10.8 percent IEG unable to verify	Not verified

30. ***Partially Achieved.*** As noted by the forthcoming Mozambique Country Program Evaluation (2022), it may be too early to tell whether the substantial resources devoted by the WBG to this objective (about one third of new lending under the FY17-21 CPF) will lead to a sustained increase in agricultural incomes, and there were significant shortfalls in female targets under the objective. WBG interventions contributed to increase land tenure security. However, although the WBG invested significant funds to increase farm incomes, indicators failed to capture such increase. Based on the indicators, the number of households marketing their production increased but fell short of target. The number of households covered by formalized land user rights increased by nearly 11 percent according to WBG staff, but IEG was unable to verify this information on the Ministry of Land and Environment website. IFC's projects fell short of meeting its target on farmers reached because one project mostly benefited larger farms, resulting in less farmers involved. The other project encountered operational issues that prevented it from achieving its objectives.

31. **Objective 3: Improve the Business Environment for Job Creation.** WB interventions focused on financial inclusion, with contributions to the objective from IFC and MIGA. The Financial Inclusion and Stability project (FY19) and the Financial Inclusion Support Framework (FY20) sought to increase financial inclusion among underserved groups and MSMEs. The Integrated Growth Poles Project (FY13) had a component which aimed at linking MSMEs to emerging supply chains and increasing agro-processing activities in the Zambezi Valley. IFC supported this objective largely through investment commitments and advisory projects in the financial and agribusiness sectors. Its contributions to this objective were through its existing long-term investment commitment in SME banking (BCI), short term finance project (GTFP Nedbank), and advisory services to promote SME banking (BCI), movable assets collateral reform (STCR) and digital payments (Mpesa). With respect to the jobs indicator, IFC contributions came from US\$60.1 million new and existing investment commitments in 3 projects in the agribusiness/food processing sector (Portucel, Westfalia, and Mecer Group). MIGA also supported this objective with political risk insurance in favor of two commercial

---

<sup>13</sup> While IFC projects met more than half of its target on the number of farmers reached, the World Bank projects met less than 20 percent of their target.

banks (ABSA/Barclays Mozambique and FirstRand Bank Mozambique) with total gross exposure of US\$118.2 million.

32. The assessment of performance on each of the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Number of MSME loans supported by the private sector clients	1,206 (2014)	4,918 (2020)	4,983 (2021)	Achieved
Volume of SME loans supported by private sector clients	US\$169, 9 million (2014)	US\$371,7 million (2020)	US\$193 million (2021)	Partially Achieved
Number of jobs supported by IFC clients	1,350 (2014)	6,000 (2020)	1,197 (2020)	Not Achieved

33. **Partially Achieved.** Although the objective concerns business environment and job creation, WBG interventions focused on access to credit by MSMEs. There was some improvement in access to finance by SMEs although job creation was weak. The volume of loans met half of the target, but the indicator on number of jobs supported by IFC clients was not met. The MSME loan indicators were relevant, especially given that access to finance is the second top business environment obstacle based on the latest (2018) WB's Enterprise Survey<sup>14</sup>. The indicators captured only IFC interventions—which could not be independently verified by IEG—and the WB's significant contribution on financial inclusion is not reflected in the indicators. According to the latest ISR of the Financial Inclusion and Stability project (May 2022), four outcome indicators showed progress: the number of individuals receiving digital payments in urban and rural areas; the number of mobile money agents; the number of MSMEs and small entrepreneurs receiving loans guaranteed by movable assets; and the size of the deposit guarantee fund. However, there was either no information reported on some project indicators, or they show insufficient progress.

34. **Objective 4: Expand Access to and Improve the Reliability of Electricity Supply.** WBG interventions focused on electricity transmission upgrade, energy development, efficiency and reliability, and electricity access. The Transmission Upgrade Project (FY08) had been designed initially as a regional interconnector (with Malawi) but had to be restructured into a much more modest, though locally significant, substation upgrade following Malawi's withdrawal. The Energy Development and Access project (FY10) aimed to increase access to electricity and modern energy services in peri-urban and rural areas in a sustainable and affordable manner. The Power Efficiency and Reliability Improvement project (FY18) aims to improve the operational capacity of the electricity network in the project areas and the operational efficiency of the electricity company. The World Bank supported government preparation of a short-term investment program to address critical investments to increase the reliability of energy supply. On ASA, the SE4All TA (FY18)—a Bank-executed Trust-Funded Activity--supported knowledge

<sup>14</sup> <https://www.enterprisesurveys.org/en/data/exploreeconomies/2018/mozambique#1>



exchange of international best practices and in-depth sector analytics and informed the design of WB lending operations and leveraged resources for the sector. IFC's support for this objective was through a US\$78.3 million long-term investment commitment for two power generation projects comprising a 175MW gas-fired plant (CTRG) and a 40.5 MW solar plant (Mocuba Solar).

35. The assessment of performance on each of the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Average interruption frequency per year (System Average Interruption Frequency Index – SAIFI)	52 interruptions per delivery point per year (2014)	30 interruptions per delivery point per year (2020)	30 interruptions per delivery point per year – SAIFI (2020)	Achieved
Percentage of households with access to electricity	25.2% (2014)	33% (2020)	34% (2020)	Achieved

36. **Achieved.** WBG interventions helped achieve the objective to improve access to and the reliability of electricity supply. Interruptions per delivery point per year were reduced by over 40 percent to 30. The percentage of households with access to electricity increased from 25 percent of the population (before the beginning of the program period) to 34 percent in 2020.

37. **IEG rates the outcome of WBG support under Focus Area I as Moderately Satisfactory** based on the assessment of objectives 1-4 above.

## **Focus Area II: Investing in Human Capital**

38. Focus area II aimed to enhance the skills base, improve health service delivery, and improve access to water and sanitation.

39. **Objective 5: Enhance the skills base.** WBG interventions focused on access to education, particularly primary education. The Education Sector Support project (FY12) aimed at improving access to and, quality and equity of education. The Eastern and Southern Africa Higher Education Centers of Excellence (FY16) to strengthen selected Eastern and Southern African higher education institutions to deliver quality postgraduate education and build collaborative research capacity in the regional priority areas. The Higher Education Science and Technology (FY10) to increase the number and raise the quality of graduates at the undergraduate and graduate levels and strengthen the national research capacities to produce research outputs of relevance to the country's strategic economic sectors. The Improvement of Skills Development Project (FY20) aimed to increase access to quality education and training at technical and vocational education and higher education levels in priority areas, but it is too early to assess its results. ASA emphasized developing a strategy to expand secondary education, strengthening the dialogue on teacher's policies, the impact of scaled-up early childhood development activities, financing of education (PER of education sector), and early literacy interventions.

40. The assessment of performance on each of the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Primary Completion Rate	43.7% (2015)	46% (2020) Girls: 42.5%	58.1% (2020) Girls: 50.2%	Achieved
Parity Index of the Retention Rate until Grade 3—between highest and lowest-rating provinces	0.61 (2014)	0.56 (2020)	CLR: indicator temporarily achieved in 2019 but then slipped back in 2020. Latest available data is 0.51 (2019)	Partially Achieved

41. **Mostly Achieved.** Substantial WBG interventions helped enhance the skills base. According to the indicators, the primary completion rate increased significantly during the program period. According to the Parity Index of Retention Rate until grade 3, the differences between the highest and lowest rating provinces remain significant and did not show the improvement envisaged under the program, in part affected by the COVID-19-related school closures and conflict in the north of the country. The indicators did not capture a significant share of the WBG's contributions, which were in higher education. Although not reflected in the indicators, the higher education project according to IEG's ICRR delivered more undergraduate and graduate students than anticipated, the intended number of research publications with relevance for economic growth and supporting policy formulation, and a Technical and Vocational Education and Training-Higher Education Institutions synchronized system, both producing a larger number of graduates and many from enhanced programs. With respect to quality of education, although there is no concrete evidence of achieved outcomes, the CNAQ<sup>15</sup> introduced quality assurance mechanisms to sustain the process of upgrading quality enhancement in major Higher Education Institutions.

42. **Objective 6: Improving Health Service Delivery.** WBG interventions focused on how to provide good health services at a reasonable cost for the country. The Health Service Delivery Project (FY09) aimed to reduce child and maternal mortality, the burden of malaria, the prevalence of tuberculosis, and inequity in the access to health services. The Public Financial Management (PFM) for Results Program Project (FY14) helped improve the transparency and efficiency of expenditures for the storage, distribution, and availability of medicines. The objectives of Southern Africa Tuberculosis and Health Systems Support Project for Africa (FY16) were to improve coverage and quality of Tuberculosis (TB) control and occupational lung disease services in targeted geographic areas of the participating countries; and strengthen regional capacity to manage the burden of TB and occupational diseases. The Primary Health Care Strengthening Program Project—supported by trust-funded activities—helped improve the utilization and quality of reproductive, maternal, child, and adolescent health and nutrition services, particularly in underserved areas. ASA helped improve value-for-money and supported policy dialogue.

43. The assessment of performance on each of the indicators is as follows:

---

<sup>15</sup> National Council for Evaluation of Higher Education.

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Coverage of institutional deliveries (births in health institutions)	70.3% (2015)	78% (2020)	85% (2020)	Achieved
Modern contraceptive prevalence rate	25.3% (2015)	35% (2020)	29.7% (2020)	Partially Achieved
Rate of stunting among children under five years	43% (2015)	35% (2020)	37.8% (2020)	Partially Achieved

44. **Partially Achieved.** WBG interventions helped improve health service delivery, but results fell short of targets. Although the coverage of institutional deliveries increased substantially, both the modern contraceptive prevalence rate and the rate of stunting among children under five years did not reach the program targets.

45. **Objective 7: Improving Access to Water and Sanitation.** WBG interventions focused primarily on urban sanitation. The National Water Resources Development Project (FY12) plus its additional financing strengthened the development and management of national water resources and increased the yield of the Corumana dam to augment water supply for the greater Maputo metropolitan area. The Greater Maputo Water Supply Expansion Project (FY14) increased access to clean water for residents in the Greater Maputo area. The Second Water Services and Institutional Support Project (FY16) aimed to increase water service coverage in key cities, strengthen the institutional and regulatory capacity for water supply services in the Northern, Central and Southern regions, and respond promptly and effectively to an Eligible Crisis or Emergency. The Urban Sanitation Project (FY19) increased access to safely managed sanitation services and strengthened municipal sanitation service delivery capacity in selected cities. ASA provided analysis of piped water delivery equity and supported the water supply company.

46. The assessment of performance on each of the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Percentage of urban population access to improved water supply services	81% (2015)	85% (2020) Girls only: 42.5%	CLR: 83.5% (2020)	Mostly Achieved
Percentage of urban population with improved access to sanitation services	42% (2015)	50% (2020)	61.3% (2020)	Achieved

47. **Mostly Achieved.** Substantial WBG interventions helped improve access to water and sanitation. According to the indicators, the percentage of the urban population with access to improved water supply and sanitation services increased significantly.

48. IEG rates the outcome of WBG support under Focus Area II as Moderately Satisfactory based on the assessment of objectives 5-7 above.

### **Focus Area III: Supporting Recovery and Resilience**

49. Focus area III aimed to support recovery and resilience and promote inclusive urbanization and decentralization.

50. **Objective 8: Supporting Recovery and Resilience.** To reflect activities in the post-Idai and Kenneth cyclones, the objective was added at the PLR stage and was the main adjustment to the results framework. The Northern and Central Regions Emergency Resilient Recovery Project (FY16) restored the functionality of critical infrastructure in a resilient manner in the disaster-affected provinces and improved the government's capacity to respond promptly and effectively to an eligible crisis or emergency. The Social Protection Project (FY13) and its additional financings provided temporary income support to extremely poor households and put in place the building blocks of a social safety net system. Moreover, it supported the country during cyclone and flood emergencies. The Disaster Risk Management and Resilience Program Project (FY18) strengthened the government program to finance and prepare for disaster response and to increase the climate resilience of vulnerable education infrastructure in risk prone areas. The Climate Resilience: Transforming Hydro-Meteorological Services Project (FY13) strengthened hydrological and meteorological information services to deliver reliable and timely climate information to local communities and to support economic development. ASA focused on urban safety nets, social inclusion and social risk management, and poverty assessment.

51. The assessment of performance on each of the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Population affected by cyclones Idai and Kenneth receiving emergency support through cash transfers or public works programs	0 (no year)	125,000 (no year)	125,000 direct beneficiaries of cash transfers (2020)	Achieved
Share of damaged infrastructure restored or replaced to resilient standards	0 (no year)	20% (no year)	Infrastructure restored but not to the extent expected under the program	Partially Achieved
Disaster Risk Management Operational	No (2014)	Yes (2020)	Yes (2020)	Achieved
Early Warning Systems operational for the Limpopo and Zambezi River Basin	No (2014)	Yes (2020)	Yes (2020)	Achieved
Percentage of poor households covered by safety net programs	14% (2015)	24% (2020) At least 55% women	23% (2020)	Mostly Achieved

52. **Mostly Achieved.** WBG interventions delivered services to support recovery and resilience. The WBG delivered emergency relief to areas and populations affected by natural

disasters and supported the improvement of institutional capacity for disaster risk management. This objective was the recipient of about 20 percent of the new financing under the CPF. Populations affected by the cyclones received support, infrastructure was restored although not to the extent expected under the program, emergency preparedness and response has been strengthened through a DRM fund, early warning systems in Zambezi and Limpopo River basins are in operation, and poor households are covered by safety net programs but by less than targeted by the WBG program

53. **Objective 9: Promoting Inclusive Urbanization and Decentralization.** WBG interventions focused primarily on enhancing cities and municipalities capacity to generate own revenues, land management, and provision of basis services. The Cities and Climate Change project (FY12) strengthened institutional capacity for local revenue enhancement and land use management in targeted municipalities, and enhanced climate resilience in the coastal cities of Beira and Maputo. The Second Maputo Municipal Development Program Project (FY11) increased the coverage and quality of Maputo Municipality's services to its citizens by continuing to strengthen its institutional and financial capacities. ASA focused on an urbanization review of Greater Maputo, urban poverty review, and intergovernmental finances.

54. The assessment of performance on each of the indicators is as follows:

Indicator	Baseline (Year)	Target (Year)	IEG Validated Result (Year)	IEG Rating
Accumulated increase in municipal and district own revenue	0% (2015)	60% (2020)	Municipal revenues: 209% (2020) IEG was unable to verify the actual for districts.	Partially Achieved
Accumulated increase in decentralized sector expenditures in provision of basic services	0% (2015)	60% (2020)	CLR: 214% (2020) IEG unable to verify	Not Verified

55. **Not Achieved.** WBG interventions were focused on developing specific capacities in cities and municipalities and were partially successful. Municipalities were able to develop own revenues, but there was no real progress in inclusive urbanization and in the decentralization of expenditures to the district level according to the forthcoming 2022 CPE.<sup>16</sup> The formula for intergovernmental fiscal transfers was not developed. The World Bank conducted dialogue with the authorities on this issue but there were no concrete results. By and large, fiscal transfers remain unpredictable. The broad objective of inclusive urbanization and decentralization went well beyond what WBG interventions could achieve. The original idea of the CPF was to develop own revenues at the district level, but important reforms to collect own revenue at the district level were not implemented and the progress reported in the indicator is just at the municipal level. Districts are not autonomous entities in Mozambique and were

<sup>16</sup> The 2018 constitutional reform approved two new levels of local government: provinces and districts. Provinces elected their governments for the first time in 2019, but this move was countered by the central government, who appointed Secretaries of State to sit alongside the Governor. This heightened tensions and was seen as a “recentralization” move.

expected by the WBG to become autonomous to implement the decentralization that the WBG had in mind under the program.<sup>17</sup> But districts will elect their own authorities only in 2024.

56. IEG rates the outcome of WBG support under Focus Area III as Moderately Unsatisfactory based on the assessment of objectives 8-9 above.

## V. WBG Performance

### Learning and Adaptation

57. **There was evidence of modest learning from ASA.** The government approved new regulations to strengthen the management of public debt and guarantees in December 2017, following the 2017 DeMPA (see Box 1), and increased its capacity to analyze debt sustainability and create a medium-term debt strategy.

58. **The WBG adjusted to the changing environment.** The WBG responded flexibly to emergencies through the COVID-19 DPO, rapid activation of CERCs, additional financing (AF) of IPFs to cover replenishment of CERCs, and the Emergency Resilient Recovery project. At PLR stage—which came close to the last year of the program and thus did not have the impact on the program intended for PLRs—the results framework became more focused and compact on all aspects of the program referred to recovery and resiliency.

### Risk Identification and Mitigation

59. **Risks to the achievement of Development Objectives in the WBG program—all of which materialized—were rated Substantial in the CPF, not always adequately identified, and mitigation efforts were inadequate, especially for political and governance risk and institutional capacity risk.** Risks related to the following were foreseen: (i) political and

---

<sup>17</sup> According to the forthcoming 2022 CPE, there are two challenges for an effective decentralization. First, subnational entities lack the capacity to perform basic government functions such as public financial management and revenue collection and administration. Second, intergovernmental fiscal transfers were inequitable across provinces, with some provinces (e.g., Nampula and Zambezia) receiving lower fiscal transfers per capita than the rest of the country. To address these challenges, the Bank focused on establishing a policy framework for decentralization and intergovernmental fiscal transfers and building subnational capacity through support for basic government revenue and expenditure functions. While the WB made tangible progress towards increasing capacity, little was achieved on establishing a policy framework for decentralization and intergovernmental fiscal transfers. On the latter, the Bank remained engaged through analytical and advisory services (*Policy Note on Intergovernmental Fiscal Transfers, FY18*). In 2018, a constitutional change brought a new round of decentralization reforms, which were seen by the government, Bank, and development partners as key to the restoration of peace and stability in country. This work led to a new government request for Bank support. The Bank responded with the National Urban Development and Decentralization Project (FY20), which provides a mix of technical assistance and capacity building support to develop a legal and regulatory framework, clarify the roles and competencies of the different government levels for better local service delivery, and establish a coherent intergovernmental fiscal transfers system through more transparent, needs-based, and predictable transfers. According to Bank staff, the project is making “satisfactory” progress to the achievement of its objectives.

governance, (ii) macroeconomic; (iii) fiduciary; (iv) environmental and social; and (v) institutional capacity for implementation and sustainability.

- **Political and governance (substantial):** The CPF anticipated political and social conflict between FRELIMO<sup>18</sup> and RENAMO<sup>19</sup>. Mitigation measures were project specific and weak: “the WBG will put emphasis on designing projects that take into account or address governance constraints and political economy dynamics” (CPF FY17-21, p. 39). There are two drivers of conflict in Mozambique: weak governance and incomplete decentralization. The government did a little on the former, but the CPF lacked a strong strategic engagement on decentralization, a thorny issue. *Materialized:* The intensifying conflict in the north of the country resulted in growing fragility that neither the government nor the WBG was able to mitigate. The Cabo Delgado insurgency took the government and the WBG by surprise. In retrospect, this could have been mitigated by progress on decentralization, but that agenda did not have traction or interest from the authorities.
- **Macroeconomic (high):** The economic outlook was poor following a significant deterioration due to the hidden debt revelations. Mitigation was to be achieved through expected resumption of the IMF program and continued WBG support. *Materialized:* Partially mitigated by IMF and WBG financial support—nevertheless the adverse impact on GDP growth was severe during the CPF period.
- **Fiduciary (substantial):** Due to country risk, capacity issues in the country, and decentralized nature of some projects, fiduciary risks were substantial. Relevant government institutions in the Bank-financed operations were expected to provide additional training on Bank procedures (safeguards, procurement, FM, STEP), and reduce processing times of transactions by the Bank and government institutions. *Materialized:* Mitigation was only partly effective due to continued poor client administrative capacity.
- **Environmental and social (substantial):** Limited institutional capacity and weak capacity for identification of environmental and social risks, and enforcement of the respective regulations, posed significant risks to project sustainability. Significant mitigation—although the natural disasters could not be anticipated—of the impacts of climate-risk related events took place through the provision of emergency recovery and rehabilitation funding. Social risks were to be mitigated through local capacity development. *Materialized:* Natural disasters which were impossible to anticipate were mitigated by WBG effective emergency support. On social risks, the GBV-related events revealed poor identification of risks, and a very weak administrative capacity in the WBG project implementation units, which were not

---

<sup>18</sup> FRELIMO-Liberation Front of Mozambique-is a political party. It is the dominant part and has won a majority of the seats in congress in every election since the country's first multi-party elections in 1994.

<sup>19</sup> RENAMO-Mozambican National Resistance-is a political party and militant group. The party was founded with the active sponsorship of the Rhodesian Central Intelligence Organization (CIO) in May 1977 from anti-communist dissidents opposed to the ruling FRELIMO party.

sufficiently mitigated by the training of local staff (see Safeguards and Fiduciary Issues section).

- **Institutional capacity (substantial):** fiduciary staffing uncertainty in key technical areas; limited experience in implementing complex infrastructure projects involving multiple stakeholders as well as the legal and institutional complexities related to sanitation service provision; excessive burden on the PIU for some projects such as in the energy sector as well as gaps in capacity of some regulatory bodies; high levels of collaboration expected of institutions in, for example, the areas of DRM. The mitigation would be training through ASA activities. *Materialized:* Local administrative capacity of projects remains an issue not fully mitigated by WBG training.

### **WBG Collaboration**

60. **WBG collaboration was good in infrastructure, especially in the electricity sector.** The World Bank supported the electricity sector with projects in energy development and access and power efficiency and reliability. IFC and MIGA collaborated closely on two energy projects.<sup>20</sup> The Bank supported the transmission line for this power plant. In addition, IFC supported a 40.5 MW solar photovoltaic plant (Mocuba Solar) in FY17. The Temane Regional Electricity project (FY19) is an example of complementary WBG products contributing to results—IDA funded energy transmission, while IDA and MIGA provided guarantees and IFC offered commercial and blended finance concessional debt financing for the thermal power plant—and supporting a project that is critical for the country and the region. MIGA also supported a 100MW natural gas-fired plant (Gigawatt) project in FY15 that is currently active.

### **Partnerships and Development Partner Coordination**

61. **Coordination with development partners was significant.** Development partners channeled funds through the World Bank's systems and operations (for example, mainly through Multi-Donor Trust Fund - MDTFs and Single Donor Trust Fund - SDTFs), especially global funds—Global Financing Facilities (GFFs) and Pilot Programs for Climate Resilience (PPCRs)—and bilateral contributions in education, health, energy, water, DRM, public financial management, environment, and social protection. The EU and the UK were the major bilateral donors complementing IDA resources through co-financing in energy, social protection, and health sectors. The UK funded key work on public financial and debt management in the aftermath of the hidden debt scandal through the Support to Strengthen Public Investment, Risk and Debt Management (FY17) ASA. During the CPF period, the WBG partnered with the UN, the EU, and the African Development Bank to support the response to the crisis in the north of the country. This collaboration underpinned the development of a multi-sector strategy for the northern provinces of Nampula, Niassa, and Cabo Delgado that outlines needed efforts

---

<sup>20</sup> In Central Termica de Ressano Garcia, IFC provided a US\$57.4 million long-term finance in FY18 while MIGA supported this project with a US\$149.8 million political risk insurance in FY22. In Central Térmica De Temane, IFC made a long-term investment commitment of US\$104 million, complementing MIGA's US\$251.3 million support.



toward conflict mitigation, peacebuilding, strengthened resilience, and sustainable recovery in the north of the country. The WB worked with the IMF to provide advice on issues of fiscal sustainability and debt management.

### **Safeguards and Fiduciary Issues**

62. **Although environmental and social (E&S) standards implementation were well-rated in the CLR, safeguards compliance was challenging in practice, particularly on GBV-related issues.** Despite strong Bank efforts to mitigate noncompliance, address risks and apply remedial measures, poor local capacity resulted in severe gender-based violence (GBV), sexual exploitation and abuse (SEA), and sexual harassment (SH) incidents/accidents and four fatalities. IEG reviewed and validated sixteen closed projects during the CPF in energy & extractives; social, urban, rural, and resilience; water; health, nutrition & population; transport; education; governance; finance, competitiveness & innovation; environment; natural resources & the blue economy; urban, resilience and land. The CLR and individual project reviews note generally satisfactory safeguards compliance with adequate attention to the E&S requirements. However, many implementation difficulties occurred, stemming from PIU's poor capacity to assess and mitigate E&S risks. The portfolio shows record GBV, SEA, and SH incidents/accidents, in addition to four fatalities. Throughout the portfolio, Bank staff took adequate remedial actions to address the various shortcomings, mitigate risk and address noncompliance in challenging environments. These included, disbursement suspension, close monitoring of all environmental and social aspects, request for environmental and resettlement audit, broad capacity building, frequent supervision missions, and continued follow-up on outstanding post-completion issues. Local capacity remains poor to assess and mitigate GBV-related issues in the WBG portfolio. No Inspection Panel cases were registered during the CPF implementation period.

63. **During the period FY17 to FY21, INT reviewed 13 complaints with significant allegations related to Mozambique.** One investigation, which had elements of corruption, was completed as substantiated under the Transport and Information and Communication Technology (ICT) Global Practice (GP).

### **Overall Assessment and Rating**

64. **IEG rates World Bank Group performance as Good.** This is a borderline Good rating of WBG performance because while the WBG delivered results in most objectives of the program and responded well to natural disasters and the COVID-19 pandemic, it overestimated local capacity to implement safeguards, made only modest progress on governance, and was unable to make headway in decentralization, an issue that is significant in the emergence of regional conflict. The instances of poor performance due to weak local capacity –e.g, safeguards— suggest that more effort should have been made in building local capacity.

### **Design**

65. **On design, a diverse set of interventions was generally sufficient to achieve expected objectives, except for objective 9 on urbanization and decentralization.** The program design was influenced at the outset by the discovery of government external debt equivalent to

10 percent of GDP not reported to the population, donors, and outside investors. As a result, the WBG made governance a cross-cutting issue under the program and worked with the IMF to provide advisory support and possible policy-based lending focused on fiscal sustainability and debt management, as well as supporting concrete steps towards transparency and accountability of hidden debts. These priorities in program design were appropriate to build Mozambique's credibility and create an environment where donors would continue contributing to the country's progress. The design of the emergency response (cyclones, COVID) was also appropriate, focusing on recovery and on developing resiliency to future emergencies. The focus of the results framework was appropriate, but the framework contained several weaknesses that could have been addressed at late-coming PLR stage but were not. The ASA program design appropriately aimed to fill knowledge gaps identified in the SCD, support lending, project design, and capacity building, and contribute to dialogue on long-term development. WBG collaboration was good in infrastructure, especially in the electricity sector. Risks for the WBG program were rated Substantial in the CPF, but specific risks were not always adequately identified (e.g., GBV-related risks). The Cabo Delgado insurgency took the government and the WBG by surprise, and both probably could have anticipated considering that the discovery of gas deposits in a lagging and neglected province could be a setting for violent conflict. In retrospect, this could have been mitigated by progress on decentralization, but that agenda did not have traction or interest from the authorities. Mitigation efforts were inadequate more broadly, but especially for political and governance risk and institutional capacity risk.

### Implementation

66. **On implementation, there was good coordination within WBG—with the energy sector showing how the three institutions can complement each other well—and there was a sound WBG emergency and conflict response, but critical work on governance and gender-based violence fell short of program expectations.** The WB, IFC, and MIGA cooperated effectively, producing positive results in the development of infrastructure. The emergency response to the Idai and Kenneth cyclones and the COVID-19 pandemic showed an effective WBG. The emergency response to conflict in the north of the country helped build resilience among the population, restored relations between citizens and the State, and are expected to support recovery over the medium term. Cooperation with development partners contributed to achieving objectives on fiscal risk, investment management, and debt, as well as in health and education. Partners also cooperated on agriculture and the emergency response. Although environmental and social (E&S) standards implementation were well-rated in the CLR, safeguards compliance was challenging. There was a high number of Gender Based Violence, Sexual Exploitation and Abuse, and Sexual Harassment incidents/accidents, in addition to four fatalities. Bank staff took adequate remedial actions to address the shortcomings, mitigate risk and address noncompliance in challenging environments. Local capacity remains inadequate in this area. Governance—which remains a significant unfinished task—was addressed under the program in a piece-meal way, and will require a dedicated effort by the authorities, especially on decentralization which made very little progress under the CPF. Decentralization could make a difference on addressing fragility and conflict.

## VI. Assessment of CLR

67. The CLR provided adequate evidence of WBG contributions to country outcomes. As a minor criticism, in some cases, the CLR could have provided more evidence of progress towards broader program objectives by focusing on the achievement of such objectives rather than on the achievement of indicators and WBG contributions.

68. The lessons section contains a thoughtful reflection on what are the main issues coming out of this CLR and the implementation of the FY17-21 CPF.

## VII. Lessons

69. **IEG broadly agrees with most of the CLR's lessons**, particularly: (i) Disaster Risk Management (DRM) and emergency response should continue given the country's vulnerabilities to shocks; (ii) the limited results in agriculture productivity and incomes despite the substantial WBG resources invested in the area requires a reevaluation of the approach to rural development; and (iii) strengthen the focus on capacity building by deepening interventions in institution and at the local level. However, IEG cautions about the recommendation of a return to DPO-lending because of the weak governance and the challenges in securing a sufficient level of ownership by the authorities under the present WBG program. A longer perspective on budget support in Mozambique—as analyzed in the upcoming Country Program Evaluation—indicates that the main targets of such support failed to deal with the difficult policy issues of decentralization, public debt management, and SOE oversight.

70. **IEG suggests two additional lessons, benefiting also from background work already completed for the upcoming Country Program Evaluation:**

71. Decentralization could contribute to reduce fragility and conflict. Conflict risks could have been mitigated by greater progress on decentralization—and more attention to neglected regions.

72. The quality and impact of Bank support for public financial and debt management can be enhanced by improving early coordination and prioritization. The Bank provided significant support for upstream aspects of debt management—preparation of debt management strategies—with only late attention for downstream aspects—debt reporting and recording, cost and risk analysis, and debt processes and procedures. In addition, given synergies among borrowing and the quality of public investment, support for debt management needs to be accompanied by efforts to improve public investment management.

Box 1: Achievements in SOE Governance, monitoring fiscal risks, debt transparency, and limits on non-concessional finance, and management of public debt and guarantees (forthcoming 2022 CPE)

**Improved fiscal risk monitoring albeit with shortcomings.** The publication of fiscal risks statements was resumed in 2018, with a revamped report prepared annually to inform budget preparation. The practice still had shortcomings, meeting only basic standards with respect to including an assessment of the overall financial performance or quasi-fiscal activities of the public enterprise sector.

**Improved regulations for management of public debt and guarantees.** The government approved new regulations to strengthen the management of public debt and guarantees in December 2017 and increased its capacity to analyze debt sustainability and create a medium-term debt strategy.

**Slow but tangible progress towards increased debt transparency.** With the resumption of budget support, the Bank included a prior action to increase debt transparency by requiring the mandatory annual publication of annual reports with coverage of State-Owned Enterprises (SOEs) and Liquefied Natural Gas (LNG) debt. This prior action, which was one of three performance and policy actions (PPAs) under IDA's Sustainable Development Finance Policy (SDFP), was found by IEG to be relevant for addressing shortcomings in transparency, a key driver of debt distress in Mozambique (IEG 2021).<sup>21</sup> This requirement was incorporated into the 2021 Public Financial Management Act, which now mandates the publication of annual debt reports covering SOEs.

**Imposing limits on non-concessional finance.** Towards the end of the CPF, the WB used a performance and policy action (PPA) under IDA's SDFP imposing the adoption of a zero no concessional borrowing limit on external public and publicly guaranteed debt for FY21.

**Improved SOE governance.** Against the backdrop of the hidden debt revelations in 2016, SOE governance became a government priority and tangible progress was achieved. In response to government demand, Bank launched an analytical and advisory program to strengthen public investment, debt, and fiscal risk management in August 2016. With support from this program, the government approved a new legal framework for SOEs in 2018 (law) and 2019 (regulations), which strengthened oversight, corporate governance, and performance management. It also tightened control over SOE borrowing by requiring a more stringent approval process. With the resumption of budget support in 2020, the Bank further advanced SOE transparency with the inclusion of prior actions requiring: (i) the mandatory annual publication of the financial statements of the national hydrocarbons company (ENH); and (ii) the publication of a credit risk assessment framework for SOEs from 2019 onwards. The latter, which was also a PPA under IDA's SDFP, has been incorporated into the 2021 new Public Financial Management Act, which now mandates the publication of annual fiscal risk statements that contain SOE credit risk reports.

---

<sup>21</sup> Independent Evaluation Group (IEG). 2021. The International Development Association's Sustainable Development Finance Policy: An Early-Stage Evaluation. Washington, DC: World Bank Group.

## **Annexes**

**Annex 1: Summary of Achievements of CPF Objectives**

**Annex 2: Comments on Lending Portfolio**

**Annex 3: Comments on ASA Portfolio**

**Annex 4: Comments on Trust Funded Portfolio**

**Annex 5: IEG Project Ratings**

**Annex 6: Portfolio Status for Mozambique and Comparators, FY17-21**

**Annex 7: Comments on IFC Investments**

**Annex 8: Comments on IFC Advisory Services**

**Annex 9: Comments on MIGA Guarantees**

**Annex 10: Economic and Social Indicators for Mozambique FY17-21**

**Annex Table 1: Summary of Achievements of CPF Objectives**

CPF FY17-FY21	Actual Results	IEG Comments
<b>Focus Area 1: Promoting Diversified Growth and Enhanced Productivity</b>		
<b>Objective 1: Improving Economic Management</b>		
<b>Indicator 1:</b> Strengthened fiscal risk management, as measured through annual Fiscal Risk Statement produced by Fiscal Risk Unit <b>Baseline</b> 2015: 0 <b>Target</b> 2020: 4 statements	<b>Mostly Achieved</b> By 2020, 3 Tax Risk Reports were produced by the Fiscal Risk Unit (2016, 2019, 2020). Additional reports cover 2021 and 2022). Source: <a href="#">MOF (Physical Risk Reports). Tax Risk Report 2023, 2022, 2021, 2020, 2019, 2016</a>	Public Financial Management for Results (P124615, FY14); Debt Management, Fiscal Sustainability, Fiscal Risk Management, and Public Investment Management AA; (P165175, FY18); National Risk Assessment of Mozambique AA (P171306, FY21); CMC: Mozambique Debt Management Reform Plan (P165175, FY18); Mozambique Disaster Risk Management and Resilience Program TF A9637(P166437, FY29); Mozambique Economic Update AA (P156495, FY19); Mozambique Country Economic Memorandum (P168754, FY21)
<b>Indicator 2:</b> Mining and gas operations subject to fiscal controls in line with the established fiscal regime in Mozambique <b>Baseline:</b> 0 (2015) <b>Target:</b> 5 (2020)	<b>Achieved</b> 2020: 17 Mining and gas operations established and subject to fiscal controls per year in line with standards Source: <a href="#">P129847 - Sequence No : 14 page# 3</a>  <b>Additional Evidence</b> 2021: 20 Mining and gas operations established and subject to annual cost and fiscal audits in compliance with the established fiscal regime Source: <a href="#">P129847 - Sequence No : 16 Page 3</a>	Mining and Gas Technical Assistance (MAGTAP) (P129847, FY13); Institutional capacity and environmental and social aspects of mining and gas in Mozambique TA (P129847, FY13); Mozambique Economic Update AA (P156495, FY19); Mozambique Country Economic Memorandum (P168754, FY21); Debt Management, Fiscal Sustainability, Fiscal Risk Management, and Public Investment Management AA; (P165175, FY18)
<b>Indicator 3:</b> Enhanced accountability for results in sector ministries and provinces through adoption of results agreements between the MoF and line ministries/provincial directorates  <b>Baseline</b> 2015: Agreements in place with 2 ministries <b>Target</b> 2020: Agreements sustained and extended to 2 more ministries and selected provincial directorates	<b>Not Verified</b> IEG was only able to verify enhanced accountability mechanisms for education and not for health.  By 2019, an integrated planning and monitoring system built on greater accountability was established in to avoid inequities in the service delivery of educational services; (i) capacity building aimed at increasing the knowledge of provincial and district level officials in strategic planning and budgeting of education; (ii) initiation of the process of design of procurement plans at the provincial level and in selected districts; (iii) upgrading of the	

	existing Education Management Information System (EMIS). Source: <a href="#">P125127 ICR</a> , Page 12.	
<b>Indicator 4:</b> Mozambican score on the Statistical Capacity Indicator for source data has increased <b>Baseline</b> 2015: 60 <b>Target</b> 2020: 75	<b>Partially Achieved</b> 2020: 64.40. The score for Statistical Capacity Index (SCI) dropped from 2019. Source: <a href="#">P162621 - Sequence No : 06, Page #3</a> 2019: 74.40 Source: <a href="#">P162621 - Sequence No : 05</a>  <u>Additional Evidence:</u> 2021: 62.20 Source: <a href="#">P162621 - Sequence No : 08</a> , page #3	National Statistics and Data for Development (P162621, FY18)
<b>Objective 2: Increasing Agriculture Incomes and Land Tenure Security</b>		
<b>Indicator 5:</b> Increase in number of households marketing part of their production in Zambezia and Nampula <b>Baseline</b> 2014: 1,021,788 households <b>Target</b> 2020: 15,000 additional households Of which women: 9,000	<b>Partially Achieved</b> By 2020, 11,930 rural households (of which 1,835 were female farm households), and 10,081 smallholder farm households were integrated into sustainable agriculture and forest-based value chains in the targeted landscape.  This indicator refers to the number of rural households able to market their sustainable agriculture and forest-based outputs year after year. However, female household beneficiaries was only 1,835. Source: <a href="#">P149620 - Sequence No : 10</a> , Page 3.  In addition, 49.5% of women in small and medium sized farms have access to extension services Source: <a href="#">Integrated Agricultural Survey, IAI 2020</a> .	Sustainable Irrigation Development (PROIRRI) FY11 (P107598); Agriculture and Natural Resources Landscape Management FY16 (P149620) Smallholder Irrigated Agriculture and Market Access (IRRIGA I) FY18 (P164431)
<b>Indicator 6:</b> Number of farmers reached through agribusiness and forestry investments <b>Baseline</b> 2014: 1,700 IFC: 1,300 World Bank: 400 <b>Target</b> 2020: 41,505 IFC: 23,505 World Bank: 18,000 Of which, women, 9,000	<b>Partially Achieved</b> <b>WBG:</b> 10,760 reached by 2020 alone. 160 farmers reached with agricultural assets or services (source: <a href="#">P164431 - Sequence No : 05 Page #4</a> ); <a href="#">10,600 lead farmers (of which 30% are Female, 3180)</a> (source: <a href="#">P094183 ICR Annex 6, Page #51</a> ).  <b>2021 Total:</b> 3,700 farmers (activities are ongoing); 1,405 farmers (431 are women) (Source: <a href="#">P164431 - Sequence No : 07, Page #4</a> ); 2,295 (Source: <a href="#">P164551 - Sequence No : 07 Page #4</a> ).	MZ PROIRRI Sustainable Irrigation Development (P107598, FY11); Smallholder Irrigated Agriculture and Market Access (IRRIGA I) (P164431, FY18); Agricultural Productivity Program for Southern Africa (APPSA) (P094183, FY13); AFR RI Agricultural Productivity Program for Southern Africa (APPSA) (P094183, FY13); Mozambique IRRIGA 1 (P164431, FY18); Sustenta AF (P168940, FY20); Sustainable Rural Economy Program (P174002, FY21); Technical Support to Mozambique's Agri-Food System Strategy (P168732, FY19); Technology Support to Climate-Smart Agriculture - A case Study of Zambezi River Basin in Mozambique (P162436, FY20); Group Interventions for Agricultural

	<p><a href="#">IFC: Total is 16,954 farmers reached. 334 farmers reached by 2020 (Westfalia FM, # 42280 DOTS; 16,196 farmers by 2020 (Portucel Moz, 2013, #598347, DOTS); 424 farmers by 2018 (Merec Grp Expn, # 31153, DOTS).</a></p> <p>IEG was not able to verify the number of women beneficiaries in the IFC activities.</p>	Transformation in Mozambique (P154165, FY21); MZ Tracking Agri Sector Prog Implementation (P150070, FY17); Land Use planning for Enhanced resilience AA (MG/MZ) (P160760, FY20); Westfalia Moz II (42280, FY20); IFC - Portucel Mozambique – Investment & Advisory (#32522 – 2020 and # 598347 - 2013); Westfalia Mozambique (#34183 - 2020).
<p><b>Indicator 7:</b> Number of households covered by formalized land user rights</p> <p><b>Baseline</b> 2012: 4.1 percent</p> <p><b>Target</b> 2020: 8.2 percent</p>	<p><b>Not Verified</b></p> <p>Per the CLR, the number of households covered increased from 4.1 percent to 10.8 percent</p> <p>Between 2012 and 2020, the number of households covered by formalized land user rights increased from 99,505 to 529,929. (Source: Ministry of Land and Environment). I.e., households covered by formalized land use rights increased from 2.4% to 10.8% (assuming that one household is 4 persons).</p> <p>IEG was not able to verify</p>	
<b>Objective 3: Improving the Business Environment for Job Creation</b>		
<p><b>Indicator 8:</b> Number of MSME loans supported by private sector clients</p> <p><b>Baseline</b> 2014: 1,206</p> <p><b>Target</b> 2020: 4,918</p>	<p><b>Achieved</b></p> <p>By 2021, the number of MSME loans supported by private sector clients is 4,983 SME loans outstanding.</p> <p><a href="#">Source: IFC #603275 supervisory report, page 4.</a></p>	Mozambique: Financial Inclusion (P166107, FY19); Mozambique Financial Inclusion Support Framework (FISF) Country Support Program (CSP) (P149938, FY20); Mozambique Country Economic Memorandum (P168754, FY21)
<p><b>Indicator 9:</b> Volume of MSME loans supported by private sector clients.</p> <p><b>Baseline</b> 2014: US\$169,900,000</p> <p><b>Target</b> 2020: US\$371,700,000</p>	<p><b>Partially Achieved</b></p> <p>By 2021, the total volume of loans was \$193,247,151.</p> <p>Source: IFC #603275 supervisory report, page #4</p>	
<p><b>Indicator 10:</b> Number of jobs supported by IFC clients</p> <p><b>Baseline</b> 2014: 1350</p> <p><b>Target</b> 2020: 6000</p>	<p><b>Not Achieved</b></p> <p>The number of jobs supported by IFC: 1197 (2020)</p>	
<b>Objective 4: Expand Access and Improved Reliability of Electricity</b>		
<p><b>Indicator 11:</b> Average interruption frequency per year (System Average Interruption Frequency Index - SAIFI)</p> <p><b>Baseline</b> 2014: 52 interruptions per delivery point per year</p>	<p><b>Achieved</b></p> <p>2020: 30 (System average interruption frequency index)</p> <p>Source: <a href="#">DB 2020 page #20</a></p>	Mozambique Transmission Upgrade Project FY08 (P084404, FY08); MZ-Energy Development (APL-2) FY10 (P108444, FY10); Power Efficiency and Reliability Improvement Project (PERIP) FY18 (P158249, FY18); SE4ALL TA for Mozambique (P145918, FY18)



<p><b>Target 2020:</b> 30 interruptions per delivery point per year</p>		
<p><b>Indicator 12:</b> Percentage households with access to electricity</p> <p><b>Baseline 2014:</b> 25.2 percent</p> <p><b>Target 2020:</b> 33 percent</p>	<p><b>Achieved</b></p> <p>2020: 34% grid connected electrification rate by the end of 2020</p> <p>Source: <a href="#">GET.invest country bulletin (European programme) page 2; 30.6% of the population has access to electricity for 2020</a></p> <p>Source: <a href="#">WBG Open Data</a></p> <p><b>Additional Evidence</b></p> <p>2021: 40% of the population in (36% on grid and 4% off grid) has access to electricity.</p> <p>Source: <a href="#">COUNTRY PRIORITY PLAN (AFDB), executive summary</a></p>	<p>Mozambique Transmission Upgrade Project (P084404, FY08); MZ-Energy Development and Access Project (APL-2) (P108444, FY10); Mozambique Energy for All Project (ProEnergia - P165453, FY18) Power Efficiency and Reliability Improvement Project (PERIP) (P158249, FY18)</p> <p>Mozambique Energy for All (ProEnergia) (P165453, FY18) Temane Regional Energy Project (P160427, TF 97013 FY11 &amp; TF B0464 FY19)</p> <p>Facilitating Financial Strengthening of the Power Sector in Mozambique AA (P169016, FY21)</p>
<p><b>Focus Area 2: Investing in Human Capital</b></p>		
<p><b>Objective 5: Enhancing the Skills Base</b></p>		
<p><b>Indicator 13:</b> Primary Completion Rate</p> <p><b>Baseline 2015:</b> 43.7 percent (MINEDH)</p> <p>For girls only: 41.3 percent</p> <p><b>Target 2020:</b> 46 percent</p> <p>For girls only: 42.5 percent</p>	<p><b>Achieved</b></p> <p>2020: 58.1% (total)</p> <p>Girls: 50.2%</p> <p>Source: <a href="#">WBG Data</a></p>	<p>PLR revised the target indicator 13 for girls from 46% to reflect slow pace toward target for girls.</p> <p>MZ-Education Sector Support Program (P125127, FY11) captures indicator 14's Parity Index of the Retention Rate until Grade 3 but for 2019. IEG is unable to validate the value for 2020.</p>
<p><b>Indicator 14:</b> Parity Index of the Retention Rate until Grade 3 between highest and lowest provinces</p> <p><b>Baseline 2014:</b> 0.61</p> <p><b>Target 2020:</b> 0.56</p>	<p><b>Partially Achieved</b></p> <p>Per the CLR, indicator temporarily achieved in 2019, but then slipped back in 2020.</p> <p>Latest data available is before the target year; 2019: 0.51%</p> <p>Source: <a href="#">P172657 - Sequence No : 01 Page #3</a></p>	<p>MZ-AFto Education Sector Support Project (P124729, FY12); AF to Education Sector Support Project (P151185, FY16); Eastern and Southern Africa Higher Education Centers of Excellence (P151847, FY16); Expansion of secondary education AA (P152902, FY17); Strengthening the Dialogue on Teachers' Policies in Mozambique (P168765, FY20); MZ-Impact Evaluation of Scaled-up Early Childhood Development Activities (P132355, FY20); Financing of Education (P154236, FY17); MZ Impact Evaluation of Various Early Literacy Interventions (Provinha) AA (P133460, FY18)</p>
<p><b>Objective 6: Improving Health Service Delivery</b></p>		
<p><b>Indicator 15:</b> Coverage of institutional deliveries</p> <p><b>Baseline 2015:</b> 70.3 percent</p> <p><b>Target 2020:</b> 78 percent</p>	<p><b>Achieved</b></p> <p>The coverage of institutional deliveries remained the same between 2019 and 2020, at 85%.</p> <p>Source: Annual Balance Report of the Health Sector, Ministry of Health. Page 64</p>	<p>Health Service Delivery Project FY09 (P099930, FY09); Public Financial Management for Results (P124615, FY14); AFR RI-Southern Africa Tuberculosis and Health Systems Support Project (P155658, FY16); Improving value-for-money in Mozambique's health sector AA (P161900, FY18); Intensifying Health Policy Dialogue for Reforms and Donor Coordination (P167424, FY21); Mozambique Primary Health Care Strengthening Program (P163541, TF A6152 2018, TF A9398 2019, TF B4481 2021, TF B3368 2021)</p>
<p><b>Indicator 16:</b> Modern contraceptive prevalence rate</p> <p><b>Baseline 2015:</b> 25.3 percent</p> <p><b>Target 2020:</b> 35 percent</p>	<p><b>Partially Achieved</b></p> <p>2020: 29.7% Modern contraceptive prevalence rate (mCP) for all women. In 2019, the rate was 28.7%.</p> <p>Source: <a href="#">Track20 Project, FP Indicators</a>. Implemented by Avenir Health, Track20 monitors progress</p>	

	towards achieving the goals of the global FP2020 initiative.	
<b>Indicator 17:</b> Rate of stunting among children under five years <b>Baseline</b> 2015: 43 percent <b>Target</b> 2020: 35 percent	<b>Partially Achieved</b> <b>2020:</b> 37.8% Source: <a href="#">UNICEF, WHO, World Bank estimates</a> . Country prevalence table	
<b>Objective 7: Improving Access to Water and Sanitation</b>		
<b>Indicator 18:</b> Percentage of urban population with access to improved water supply services <b>Baseline</b> 2015: 81 percent <b>Target</b> 2020: 85 percent	<b>Mostly Achieved</b> <b>2019/ 2020:</b> Most households in the urban area, 83.5%, consume water from safe sources against 41.4% in rural areas. Source: 2019/2020 family budget survey, national institute of statistics. Table 7.5.  SPI: Per capita water production in major cities was achieved with 71 liters/person/day reported by FIPAG for 2020.  <u>Additional evidence:</u> By 2020, the total number of direct beneficiaries in urban areas provided with access to Improved Water Sources was 401,608; 260,670, source: <a href="#">P125120 - Sequence No : 16</a> . Page 2) and 140,938 (source <a href="#">P149377 - Sequence No : 11</a> , Page 2).	Mozambique Urban Sanitation Project (P161777, FY19); MZ - AF - WASIS-II (P165463, FY19); MZ-PROIRRI Sustainable Irrigation Devt (P107598, FY11); MZ-Water Resources Dev I SIL (P107350, FY12); MZ:Greater Maputo Water Supply Expansion (P125120, FY14); Water Resources Dev I Flood Response AF (P146098, FY14); Water Service & Institutional Support II (P149377, FY16); Mozambique WASH Poverty Diagnostic AA (P154579, FY17); Equity analysis of piped water delivery AA (P156563, FY17); Operations support AA (P158188, FY17); Support to AIAS and related entities AA (P158190, FY17);
<b>Indicator 19:</b> Percentage of urban population with improved access to sanitation services <b>Baseline</b> 2015: 42 percent <b>Target</b> 2020: 50 percent	<b>Achieved</b> <b>2020:</b> 61.3 % of urban population served with at least basic sanitation; increased from 31.1 % in 2001 to 61.3 % in 2020 growing at an average annual rate of 3.64%. Source: <a href="#">Knoema Corporation</a>	
<b>Focus Area 3: Supporting Recovery and Resilience</b>		
<b>Objective 8: Supporting Recovery and Resilience</b>		
<b>Indicator 20:</b> Population affected by Cyclones Idai and Kenneth receiving emergency support through cash transfers or public works programs <b>Baseline:</b> 0 <b>Target:</b> 125,000	<b>Achieved</b> <b>2020:</b> 125,000 direct project beneficiaries of direct cash transfers Source: <a href="#">P129524 - Sequence No : 15 Page #2</a>	In the PLR, the Focus Area was renamed to reflect post-IDAI and Kenneth emphasis on recovery as well as resilience.  Emergency Resilient Recovery Project (P156559, FY16); Social Protection Project (P129524, FY13); Social Protection AF (CRW) (P161351, FY17) 2nd AF for the Social Protection Project and support for Cyclone and Flood Emergencies (P170327, FY20). Per the country team, IFC did not have any activities supporting the impact of Ida.
<b>Indicator 21:</b> Share of damaged infrastructure restored or replaced to resilient standards. <b>Baseline:</b> 0 <b>Target:</b> 20%	<b>Partially Achieved</b> Essential infrastructure recovered (more resilient) in the aftermath of natural events under the ERRP (FY17-21), but by much less than required for full recovery.	
<b>Indicator 22:</b> Disaster Risk Management Fund operational	<b>Achieved</b>	Mozambique DRM and Resilience Program (P166437, FY18);

<p><b>Baseline:</b> No (2014)  Current: established by decree in 2017  <b>Target:</b> Yes (2020)</p>	<p><b>2020:</b> Operationalization and recurrent capitalization of the Disaster Management Fund Achieved and verified by the Administrative Tribunal  <a href="#">P166437 - Sequence No. : 04</a>, page #1</p> <p>The law establishing the legal framework for Disaster management<sup>12</sup> was adopted in 2014 (2014 DRM Law) but was repealed in 2020 by the Law on Disaster Risk Reduction and Management (Law 10/2020) (2020 DRM Law)  Source: <a href="#">International Federation of Red Cross and Red Crescent Societies, Geneva, 2021, Page #5 and #6</a></p>	
<p><b>Indicator 23:</b> Early Warning Systems operational for the Limpopo and Zambezi River Basin  <b>Baseline</b> 2014: No  <b>Target</b> 2020: Yes</p>	<p><b>Achieved</b>  By 2019, several activities were achieved in order to strengthen hydrological and meteorological information services to deliver reliable and timely climate information to local communities; (i) The National Directorate of Water Resources Management (DNGRH) and the Regional Water Authorities (ARAs) adopted standards for hydrological data, (ii) 80 hydrological monitoring stations were reporting real time information, (iii) Hydrological models and frameworks were developed for generating flood forecasts for the Zambezi and Limpopo Basins, and the Hydraulic Engineering Center's River Analysis System (HEC-RAS) for Limpopo and Zambezi was installed and operational, and (v) 26 Automated Weather Stations (AWS) and one maritime AWS were upgraded as targeted. Three automated weather observing systems were installed at the airports of Beira, Nampula and Lichinga.  Source: <a href="#">P131049 ICRR Page #6</a>.</p>	<p>Hydromet Project (P131049, TF 1403 FY13);  DRM and Resilience Program (P166437, FY18)</p>
<p><b>Indicator 24:</b> Percentage of poor households covered by safety nets programs (including productive inclusion interventions)  <b>Baseline</b> 2015: 14 percent  <b>Target</b> 2020: 24 percent, and at least 55 percent of beneficiaries are women</p>	<p><b>Mostly Achieved</b>  23 percent of poor HH covered (2020).</p>	<p>Social Protection Project (P129524, TF B112 2020 TF B4885 2021);  Social Protection AF (CRW) (P161351, FY17)  2nd AF for the Social Protection Project and support for Cyclone and Flood Emergencies (P170327,FY20);  Urban Safety Nets in Mozambique (P156601,FY17);GBV, Social Inclusion, and</p>

		Social Risk Management (P171332, FY21); Mozambique Poverty Assessment AA (P162550, FY18)
<b>Objective 9: Promoting Inclusive Urbanization and Decentralization</b>		
<b>Indicator 25:</b> Accumulated increase in municipal and district own revenue <b>Baseline</b> 2015: 0 percent <b>Target</b> 2020: 60 percent	<b>Partially Achieved</b> <b>2020:</b> 209 percent annual increase in aggregate municipal own-source revenue, significantly above the operation target of 100 percent. IEG was unable to verify the actual for districts. Source: <a href="#">ICRR P123201 Page #7</a>	Cities and Climate Change (P123201) PFM PforR (P124615, FY12) Maputo Municipal Development Program II (P115217, FY11) ASA; Urbanization Review Greater Maputo Urban Poverty Reduction and Inclusive Growth Intergovernmental Finances AA (P156532, FY17)
<b>Indicator 26:</b> Accumulated increase in decentralized sector expenditures in provision of basic services <b>Baseline</b> 2015: 0 percent <b>Target</b> 2020: 60 percent	<b>Not Verified</b> Per the CLR, the indicator increased 214 percent (from 2 billion Mts to 3.4 billion Mts) (2020).	

## Annex 2: Comments on Lending Portfolio

IEG's review found no differences in lending portfolio data vs. what is presented in the CLR.

## Annex 3: Comments on ASA Portfolio

IEG's review found no differences in lending portfolio data vs. what is presented in the CLR.

## Annex 4: Comments on Trust Fund Portfolio

IEG's review found the following trust-funded activities that are not included in the CLR.

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount (US\$, Million)
P160427	Temane Regional Electricity Project	TF 97013	2011	2024	5,000,000
		TF B0464	2019	2024	10,000,000
P129413	MZ - FCPF REDD+ READINESS PREPARATION SUPPORT	TF 11206	2012	2017	3,800,000
		TF A2210	2016	2017	250,000
		TF A1726	2016	2019	5,000,000
P131049	Climate Resilience: Transforming Hydro-Meteorological Services	TF 14031	2013	2020	15,000,000
P131195	Mozambique Climate Change Technical Assistance Project	TF 12431	2013	2017	2,000,000
P107598	MZ PROIRRI Sustainable Irrigation Development	TF 10214	2013	2019	14,250,000
P083325	Mozambique -Roads and Bridges Management and Maintenance Program - Phase II	TF 15923	2014	2019	6,500,000
		TF 15898	2014	2018	9,250,000
P129847	Mozambique Mining and Gas Technical Assistance Project	TF 16113	2014	2021	8,664,911
		TF A8583	2019	2021	1,022,424
P130795	Mozambique Tourism Institutional Capacity Strengthening	TF 14715	2014	2017	748,720
P132551	Mozambique - Maputo Peri-urban Sanitation	TF 13234	2014	2018	1,775,950
P147835	Social Accountability Knowledge, Skills, Action and Networking	TF 15860	2014	2019	700,000
P149629	Enhancing Spatial Data for Flood Risk Management Project	TF 17384	2014	2017	4,902,095
		TF 17383	2014	2017	4,053,129
P123201	Cities and Climate Change	TF 16486	2015	2021	6,500,000
		TF 16580	2015	2021	9,250,000
P125127	MZ-Education Sector Support Program	TF A0429	2016	2020	57,900,000
P132029	AFCC2/RI-South West Indian Ocean Fisheries Governance and Shared Growth Project 1	TF 19022	2015	2022	7,000,000
P132597	Mozambique GEF Conservation Areas for Biodiversity and Development Project	TF 18239	2015	2020	6,319,635

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount (US\$, Million)
P149536	Building Gender-Sensitive SPL Systems	TF 17054	2015	2017	900,000
P149992	Mozambique - Artisanal Fisheries and Climate Change	TF 17403	2015	2019	3,177,746
P164354	Mozambique - Malawi Regional Interconnector Project	TF 18537	2015	2024	5,000,000
		TF B0941	2020	2023	8,000,000
P154513	Aquaculture and Climate Change Project (AquaCC)	TF 19339	2016	2018	1,158,465
P157598	Training and Education for Tribunal Administrativo	TF A2144	2016	2019	500,000
P160033	Mozambique Forest Investment Project	TF A4201	2017	2022	13,200,000
		TF A4295	2017	2022	10,000,000
		TF A4296	2017	2022	8,800,000
P161241	Dedicated Grant Mechanism for Local Communities	TF A6007	2018	2023	4,500,000
P163541	Mozambique Primary Health Care Strengthening Program	TF A6152	2018	2024	25,000,000
		TF A9398	2019	2024	44,950,000
		TF B4481	2021	2024	3,000,000
		TF B3368	2021	2024	7,000,000
P129524	MZ-Social Protection project	TF B1121	2020	2022	10,000,000
		TF B4885	2021	2022	26,200,000
P164524	MZ Zambezia Emissions Reductions Payment	TF B2270	2019	2026	2,500,000
		TF B2269	2019	2026	47,500,000
P165453	Mozambique Energy For All (ProEnergia)	TF A9837	2019	2024	37,200,000
P166437	Mozambique Disaster Risk Management and Resilience Program	TF A9637	2019	2022	6,000,000
P166802	Mozambique Conservation Areas for Biodiversity and Development - Phase 2	TF B4664	2021	2022	2,500,000
P172657	Improving Learning and Empowering Girls in Mozambique	TF B5326	2021	2026	139,000,000
P172777	Conservation Areas for Biodiversity and Development	TF B4075	2021	2025	23,115,776
P173178	Managing Public Resources for Service Delivery	TF B7454	2022	2023	7,000,000
P173640	Social Protection and Economic Resilience Project	TF B7218	2022	2022	13,000,000
P175884	COVID-19 Strategic Preparedness and Response Project	TF B5668	2021	2024	15,000,000

## Annex 5: IEG Project Ratings

### IEG Project Ratings for Mozambique FY17-21

Exit FY	Proj ID	Project name	Total Evaluated (\$M) *	IEG Outcome	IEG Risk to DO
2017	P084404	MZ- Transmission Upgrade	13.0	MODERATELY SATISFACTORY	MODERATE
2017	P108444	MZ-Energy Dev. & Access Project (APL-2)	69.3	MODERATELY SATISFACTORY	#
2017	P115217	MZ-Maputo Municipal Development Prog II	48.9	MODERATELY SATISFACTORY	SUBSTANTIAL
2017	P149629	Mozambique Lidar Surveys Limp. & Zambeze	0.0	UNSATISFACTORY	MODERATE
2017	P154422	Mozambique PRSC XI	69.6	UNSATISFACTORY	HIGH
2018	P099930	MZ-Health Service Delivery SIL (FY09)	75.9	MODERATELY SATISFACTORY	#
2019	P083325	MZ-APL2 Roads & Bridges	242.0	MODERATELY SATISFACTORY	#
2019	P107598	MZ-PROIRRI Sustainable Irrigation Devt	55.1	MODERATELY UNSATISFACTORY	#
2019	P111592	MZ Higher Educ Science & Techn. (FY10)	79.7	MODERATELY SATISFACTORY	#
2019	P124615	MZ- PFM for Results Program	46.6	SATISFACTORY	#
2020	P107350	MZ-Water Resources Dev I SIL	86.9	MODERATELY SATISFACTORY	#
2020	P125127	MZ-Education Sector Support Program	217.3	SATISFACTORY	#
2020	P127303	MZ: Integrated Growth Poles Project	90.1	MODERATELY SATISFACTORY	#
2020	P131049	MZ-Hydro-Met PPCR	0.0	MODERATELY SATISFACTORY	#
2020	P131965	MozBio Program - Phase 1	36.8	MODERATELY UNSATISFACTORY	#
2021	P123201	MZ- Cities & Climate Change	106.9	SATISFACTORY	#
<b>Total</b>			<b>1,238.2</b>		

Note: IEG Risk to DO rating was dropped in July 2017 following the reform of the simplified ICRs but a narrative evaluation for Risk to Development Outcome was kept.

Source: Business Intelligence (BI) as of April 14, 2022

### IEG Project Ratings for Mozambique and Comparators, FY17-21

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Mozambique	1,238.2	16.0	87.0	75.0	9.9	50.0
AFR	27,232.6	372.0	76.2	75.0	17.2	24.3
World	109,890.8	1,083.0	84.3	80.5	42.9	40.4

Source: Business Intelligence (BI) as of 4/14/22; \*IEG Calculation

Note: AFR = AFR/AFW/AFE

### Annex 6: Portfolio Status for Mozambique and Comparators, FY17-21

Fiscal year	2017	2018	2019	2020	2021	Avg FY17-21
<b>Cote D'Ivoire</b>						
# Proj	17	19	23	22	29	22
# Proj At Risk	7	3		3	2	4
% Proj At Risk	41.18	15.79	-	13.64		17.7

Fiscal year	2017	2018	2019	2020	2021	Avg FY17-21
<b>Cote D'Ivoire</b>						
Net Comm Amt	1,602.5	1,930.9	2,160.0	2,216.3	3,134.8	2,208.9
Comm At Risk	650.0	328.0		315.0	95.0	347.0
% Commit at Risk	40.6	17.0		14.2	3.0	18.7
<b>AFR</b>						
# Proj	502	534	574	636	670	583
# Proj At Risk	135	129	133	114	123	127
% Proj At Risk	26.9	24.2	23.2	17.9	18.4	22.1
Net Comm Amt	61,022.2	70,673.9	77,737.5	88,232.5	97,613.3	79,055.9
Comm At Risk	19,934.3	19,902.5	22,582.2	19,322.5	14,265.3	19,201.3
% Commit at Risk	32.7	28.2	29.0	21.9	14.6	25.3
<b>World</b>						
# Proj	1,459	1,496	1,570	1,723	1,763	1,602.2
# Proj At Risk	344	348	346	311	331	336
% Proj At Risk	23.6	23.3	22.0	18.0	18.8	21.1
Net Comm Amt	212,502.9	229,955.6	243,812.2	262,930.6	279,167.9	245,673.8
Comm At Risk	50,837.9	48,148.8	51,949.5	47,640.5	42,668.7	48,249.1
% Commit at Risk	23.9	20.9	21.3	18.1	15.3	19.9

Source: Business Intelligence (BI) as of 4/14/2022

Note: Only IBRD and IDA Agreement Type are included

Note: AFR = AFR/AFW/AFE

## Annex 7: Comments on IFC Investments

IEG's review found no differences in IFC Investments vs. what is presented in the CLR.

## Annex 8: Comments on IFC Advisory Services

IEG's review found no differences in Advisory Services vs. what is presented in the CLR.

## Annex 9: Comments on MIGA Guarantees

IEG's review found no differences in MIGA guarantees vs. what is presented in the CLR.



**Annex 10: Economic and Social Indicators for Mozambique FY17-21**

Series Name						Mozambique	AFR	World
	2017	2018	2019	2020	2021	Average 2017-2021		
<b>Growth and Inflation</b>								
GDP growth (annual %)	3.7	3.4	2.3	-1.2	..	2.1	1.0	1.5
GDP per capita growth (annual %)	0.8	0.5	-0.6	-4.0	..	-0.9	-1.6	0.4
GNI per capita, PPP (current international \$)	1,250.0	1,290.0	1,310.0	1,250.0	..	1,275.0	3,656.1	16,900.9
GNI per capita, Atlas method (current US\$)	470.0	460.0	490.0	460.0	..	470.0	1,469.6	11,058.6
Inflation, consumer prices (annual %)	15.1	3.9	2.8	3.1	..	6.2	5.1	2.2
<b>Composition of GDP (%)</b>								
Agriculture, forestry, and fishing, value added (% of GDP)	25.0	24.6	24.2	25.6	..	24.9	12.9	4.1
Industry (including construction), value added (% of GDP)	24.0	25.3	23.7	21.8	..	23.7	26.5	26.6
Services, value added (% of GDP)	40.9	40.0	41.0	41.5	..	40.9	52.5	64.5
Gross fixed capital formation (% of GDP)	33.2	50.0	45.8	..	..	43.0	22.1	26.3
Gross domestic savings (% of GDP)	10.6	12.6	12.1	..	..	11.8	19.6	27.1
<b>External Accounts</b>								
Exports of goods and services (% of GDP)	38.6	44.9	40.8	..	..	41.4	24.0	28.1
Imports of goods and services (% of GDP)	61.1	82.3	75.1	..	..	72.9	26.9	27.4
Current account balance (% of GDP)	-19.6	-27.7	-19.6	-25.8	..	-23.2		
External debt stocks (% of GNI)	123.4	128.4	133.3	154.4	..	134.9		
Total debt service (% of GNI)	3.5	3.8	5.7	11.5	..	6.1	5.2	
Total reserves in months of imports	4.6	3.7	4.6	5.5	..	4.6	5.6	11.6
<b>Fiscal Accounts <sup>1</sup></b>								
General government revenue (% of GDP)	27.1	25.8	29.7	28.1	28.2	27.8	16.6	
General government total expenditure (% of GDP)	29.1	31.3	29.8	33.2	35.6	31.8	21.5	
General government net lending/borrowing (% of GDP)	1.0	-1.2	3.1	-2.0	-2.9	-0.4	-4.9	
General government gross debt (% of GDP)	99.6	107.1	105.4	128.5	133.6	114.8	51.3	
<b>Health</b>								
Life expectancy at birth, total (years)	59.3	60.2	60.9	..	..	60.1	63.6	72.6
Immunization, DPT (% of children ages 12-23 months)	88.0	88.0	88.0	..	..	88.0	76.7	85.7

Series Name						Mozambique	AFR	World
	2017	2018	2019	2020	2021	Average 2017-2021		
People using at least basic sanitation services (% of population)	32.4	34.0	35.6	37.2	..	34.8	30.5	76.5
People using at least basic drinking water services (% of population)	56.0	58.4	60.9	63.4	..	59.7	58.3	89.5
Mortality rate, infant (per 1,000 live births)	57.5	56.0	54.3	52.8	..	55.2	44.2	28.5
<b>Education</b>								
School enrollment, preprimary (% gross)	..	..	..	..	..			60.3
School enrollment, primary (% gross)	107.8	112.6	116.4	118.4	..	113.8		102.4
School enrollment, secondary (% gross)	35.4	..	..	..	..	35.4		75.9
School enrollment, tertiary (% gross)								
<b>Population</b>								
Population, total	28,649,007.0	29,496,009.0	30,366,043.0	31,255,435.0	32,163,000.0	30,385,898.8	660,287,316	7,679,674,405
Population growth (annual %)	2.9	2.9	2.9	2.9	..	2.9	3	1
Urban population (% of total population)	35.5	36.0	36.5	37.1	37.6	36.5	36	56
Rural population (% of total population)	64.5	64.0	63.5	62.9	62.4	63.5	64	44
<b>Poverty</b>								
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population)	..	..	..	..	..			8.9
Poverty headcount ratio at national poverty lines (% of population)	..	..	..	..	..			
Gini index (World Bank estimate)	..	..	..	..	..			

Source: Data from database: World Development Indicators 4/14/2022

International Monetary Fund, World Economic Outlook Database, October 2021