



Independent Evaluation of Budget Support in Mozambique

Final Report Volume II Annexes 2014

Evaluation jointly managed by the European Commission, the Ministry of Planning and Development of Mozambique, and the evaluation departments of Ireland, Germany, Belgium, Italy, Finland, the Netherlands and France



Consortium of

ADE, ITAD and COWI

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**The opinions expressed in this document represent the authors' point of view, which are not
necessarily shared by the European Commission or by the authorities of the concerned
countries.**

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Annex I: Summary of Budget Support Operations Evaluated

Agency: African Development Fund

Programme Title: Growth and Public Sector Efficiency (GPSE) Program P-MZ-K00-009

Type of Budget Support: General Budget Support

Total Value (in original currency): An amount not exceeding Units of Account (UA) 60,000,000 in various convertible currencies other than the currency of the Borrower.

The Disbursement Currency will be United States Dollars. The substitute currency will be one of the Fund's other three lending currencies, these being Euros, Japanese Yen and Great Britain Pounds.

Anticipated Disbursements: Three tranches of UA 20 million each.

Technical Assistance: No

Stated Objectives: The development objective is to create the conditions to foster more inclusive growth and poverty reduction by enhancing public sector efficiency, skilled human capital development and job creation.

The program aims at consolidating and deepening the public sector governance reforms launched with the support of the previous two Poverty Reduction Strategy Loan (PRSL) operations, and supporting the new reform priorities of the GoM to promote pro-poor economic growth to accelerate poverty reduction and improvements in wellbeing.

Disbursement Conditions

▪ General Conditions:

- ✓ The entry into force of this Agreement shall be subject to the fulfilment by the Borrower of the provisions of Section 12.01 of the General Conditions.
- ✓ Disbursement of the first tranche conditional upon:
 - entry into force of this Agreement as per the above
 - the submission of evidence of the fulfilment of the following conditions:
 - a) The maintenance of an appropriate macroeconomic framework based on a satisfactory IMF review of its economic program in 2011;
 - b) Transmission to the Fund of evidence of the existence of a Treasury account designated to receive budget support resources in a bank acceptable to the Fund.
- ✓ Disbursement of the second tranche conditional upon the submission of evidence of the fulfilment of the following conditions:
 - The maintenance of an appropriate macroeconomic framework based on a satisfactory IMF review of its economic program in 2012
 - The adoption by the Borrower and the G19 of the 2012 Aide Memoire on the annual review of the 2011 PAF indicating the achievement of an overall satisfactory performance of the 2011 PAF
 - Submission of the Action Plan for the implementation of the EITI for the period 2011-2013
- ✓ Disbursement of the third tranche conditional upon the submission of evidence of the fulfilment of the following conditions:
 - The maintenance of an appropriate macroeconomic framework based on a satisfactory IMF review of its economic program in 2013
 - The adoption by the Borrower and the G19 of the 2013 Aide Memoire on the annual review of the 2012 PAF indicating the achievement of an overall satisfactory performance of the 2012 PAF
 - The opening of at least 4 One-Stop Shop (OSS) for business at the district level by the end of 2012.
- ✓ Amounts disbursed should be applied by the Borrower only for the purposes for which the Loan is granted.

Agency: Government of the Republic of Austria acting through the Coordination office for Development Cooperation

Programme Title: Direct Budget Support for the period 2008-2010

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 4,800,000. The agreement was amended in January 2010 and countersigned in February 2010 to include a grant of EUR 3,200,000 for the year 2010.

Anticipated Disbursements: For the year 2008, Austria intends to provide a grant not exceeding EUR 1,600,000.

Technical Assistance: No

Disbursement Conditions

- *General Conditions:*
 - ✓ Funds subject to approval of the Austrian Parliament and to the T&C of this agreement and the Joint 2004 MoU.
 - ✓ All funds will be provided as described in Annex 6 of the Joint 2004 MoU.
- *Addendum Conditions (01/2010)*
 - ✓ All funds will be provided as described in Annex 6 of the Joint 2004 MoU.

Agency: Austrian Development Cooperation

Programme Title: Direct Budget Support for the year 2011

Type of Budget Support: General Budget Support

Total Value (in original currency): A maximum amount of EUR 3,200,000

Technical Assistance: No

Disbursement Conditions

- *General Conditions:*
 - ✓ Funds subject to approval of the Austrian Parliament and to the T&C of this agreement and the Joint 2009 MoU.
 - ✓ All terms and provisions on the Joint 2009 MoU apply to this agreement.

Agency: Austrian Development Cooperation

Programme Title: Direct Budget Support for the year 2012

Type of Budget Support: General Budget Support

Total Value (in original currency): A maximum amount of EUR 2,500,000

Technical Assistance: No

Disbursement Conditions

- *General Conditions:*
 - ✓ Funds subject to approval of the Austrian Parliament and to the T&C of this agreement and the 2009 MoU.

- ✓ All terms and provisions of the 2009 MoU apply to this agreement.

Agency: The Kingdom of Belgium

Programme Title: Specific Agreement on Joint Aid Partners Programme for the Provision of Direct Budget and Balance of Payments Support to the Government of Mozambique, 2005

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 2,000,000

Anticipated Disbursements: Belgium will deposit its contribution in one single part.

Technical Assistance: No

Disbursement Conditions

- *General Conditions:*
 - ✓ The Belgian contribution is channelled in accordance with the 2004 MoU between Mozambique and the Programme Aid Partners.
 - ✓ The Parties take all necessary administrative and budgetary measures to achieve the objectives of this Specific Agreement in accordance with the 2004 Joint MoU.
 - ✓ Belgium will transfer its contribution to a common foreign exchange account at the Bank of Germany in the name of the Bank of Mozambique as mentioned in the 2004 Joint MoU.

Agency: The Kingdom of Belgium

Programme Title: Specific Agreement on the provision of direct budget support to the Government of Mozambique by Programme Aid Partners to the Implementation of the Poverty Reduction Strategy (PARPA) 2006 - 2009

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 9.000.000 (nine million euro) for the period 2006-2007-2008.

Anticipated Disbursements:

2006: 3,000,000 EURO

2007: 3,000,000 EURO

2008: 3,000,000 EURO

Technical Assistance: No

Stated Objectives:

The Specific Agreement specifies the arrangements concerning the participation of Belgium to the implementation of the Action Plan for the Reduction of Absolute Poverty, 2006-2009 (PARPA), currently in the process of approval.

The overall goal of PARPA is to raise the low living standards of the poorest strata of the Mozambican population and to reduce the incidence of poverty from 54% in 2003 to 45 % in 2009 through the implementation of a strategy centred on three pillars: governance, human capital and economic development.

Disbursement Conditions

- *General Conditions:*
 - ✓ Mozambique is committed to peace and the promotion of free, credible and democratic processes, independence of the judiciary, rule of law, human rights, good governance and probity of public life, including the fight against corruption.
 - ✓ A first disbursement of 3,000,000 EURO for 2006 will be transferred after:
 - the signing of this Specific Agreement
 - an overall satisfactory appreciation of the performance assessment during the Annual review 2005 by the PAPs;
 - ✓ The decision to transfer the second and third instalment will depend on an overall satisfactory

appreciation of the performance assessment during the Joint Review of respectively 2006 and 2007 by the PAPs;

- ✓ Belgium will transfer its contribution to a common foreign exchange account at the Deutsche Bank in the name of the Bank of Mozambique as mentioned in the 2004 Joint MoU.

Agency: Kingdom of Belgium, represented by the Federal Public Service of Foreign Affairs, Foreign Trade and Development Cooperation

Programme Title: Transfer Agreement 2009 - 2012

Type of Budget Support: General Budget Support

Total Value (in original currency): A total contribution of €12,000,000 to the European Commission that will be managed by the Commission on behalf of the Donor.

Anticipated Disbursements:

2009: € 3,045,000,

2010: € 3,045,000

2011: € 3,045,000

2012: € 3,045,000

Within each instalment, an amount of € 45,000 is foreseen for the Commission's administrative overhead costs.

Technical Assistance: No

Disbursement Conditions

▪ *General Conditions:*

- ✓ Contribution to be transferred following the terms and conditions set out in this Agreement and its Annexes.
- ✓ Contributions to be transferred within two months of the receipt of a debit note issued by the Commission, to the bank account indicated in that note.
- ✓ In case of several instalments, the Commission will call for a yearly contribution on the basis of the forecast cash-flow needs of the Action.
- ✓ The contribution is subject to the internal and external auditing procedures laid down in the Financial Regulation applicable to the General Budget of the European Communities and the Financial Regulation applicable to the 10th EDF.

Agency Canadian International Development Agency (CIDA)

Programme Title: Contribution of Direct Budget Support, 2005-2007

Type of Budget Support: General Budget Support

Total Value (in original currency): An amount not to exceed five million Canadian dollars (CDN \$5,000,000).

Anticipated Disbursements: An initial payment of up to CDN \$2,500,000 and subsequent payments to be made annually.

Technical Assistance: No

Stated Objectives: The goal is to reduce poverty, sustain development gains, promote peace and deepen democracy in Mozambique.

The purpose is to support the Government of Mozambique in the evolution; implementation and monitoring of the PARPA through a viable and effective direct budget support arrangement based open dialogue and mutual accountability.

A secondary purpose is to increase the strategic influence of Canada in the Mozambican context.

Disbursement Conditions

- *General Conditions:*

I..I For the initial CDN \$2,500,000 payment and the subsequent payments:

- satisfactory performance measured annually against the PAF of Programme Aid and implementation of the Economic and Social Plan for the previous calendar year;
- formal request for the release of funds is received from the Ministry of Finance

✓ Funds to be utilised exclusively for the purpose of the PARPA.

Agency: Canadian International Development Agency (CIDA)

Programme Title: Contribution of Direct Budget Support through CIDA's "Support Program for Poverty Reduction in Mozambique" (SPPRM), 2007 – 2009.

Type of Budget Support: General Budget Support

Total Value (in original currency): An amount not to exceed twenty million Canadian dollars (CDN \$20,000,000), subsequently increased to CDN \$ 25,000,000 with amendment no. 1 signed on March 3rd 2009.

Anticipated Disbursements: CIDA will make in 2007 an initial payment of up to the equivalent of five million Canadian dollars (CDN \$5,000,000). Payments for 2008 and 2009 should be of CAN \$ 7,500,000 each.

Following the amendment, payments for 2008 and 2009 became CAN \$ 7,500,000 and CAN\$12,500,000 respectively.

Technical Assistance: No

Stated Objectives: The purpose is to support the GoM's efforts to reduce absolute poverty and to encourage rapid, sustainable, and broad economic growth through the implementation of its second Action Plan for the Reduction of Absolute Poverty (PARPA, 2006-2009).

Disbursement Conditions

- *General Conditions:*

✓ The initial payment will be disbursed based on:

- the GoM satisfactory performance against the PAF of Program Aid and implementation of the Economic and Social Plan for 2005
- A formal request for the release of funds for the initial payment received from the MF

✓ Payments for 2008 and 2009 will be disbursed as per the process outlined in article 25 and 26 respectively of the 2004 MoU.

✓ Contribution to be utilised according to the provisions of the MoU, including the provisions on the non-violation of the underlying principles mentioned in Section 7 and the provisions on corruption in Section 12 of the MoU.

- *Addendum Condition (03/03/2009):*

Conditions for the disbursement of the payments for 2008 and 2009 remain the same as above.

Agency: Canadian International Development Agency (CIDA)

Programme Title: Contribution of Direct Budget Support Through CIDA's "Support Program for Poverty Reduction in Mozambique" (SPPRM), 2010 – 2014

Type of Budget Support: General Budget Support

Total Value (in original currency): Up to seventy-five million Canadian dollars (CDN \$75,000,000) over five Mozambican fiscal years (2010 through 2014).

Anticipated Disbursements: Maximum amount payable between April 1 and March 3 of the Canadian CIDA fiscal year:

2009-2010	13,500,000 CDN \$
2010-2011	14,500,000 CDN \$
2011-2012	11,000,000 CDN \$
2012-2013	12,000,000 CDN \$
2013-2014	12,000,000 CDN \$
2014- 2015	12,000,000 CDN \$
TOTAL	75,000,000 CDN\$

Technical Assistance: No

Stated Objectives: To support the Government of Mozambique's efforts to reduce absolute poverty in all its dimensions and to encourage rapid, sustainable, and broad economic growth through the implementation of its Action Plan for the Reduction of Absolute Poverty (PARPA/GOP).

Disbursement Conditions

- *General Conditions:*
 - ✓ Payments will be disbursed upon receipt of the following:
 - Demonstration or cash-now requirement, as per the annual Treasury Plan, and annual donor payment schedule showing Canada's contribution;
 - Formal request of release or funds, issued by the MF.
 - ✓ Payments will be determined based on an assessment of the GoM's budgetary needs, and performance against the GBS PAF.
 - ✓ Regular annual commitment and subsequent yearly disbursements will be determined following the process set out in the 2009 Multi-donor MoU.
 - ✓ Mozambique will utilize the Contribution for the purpose of contributing to poverty reduction in all its dimensions.
 - ✓ Contribution must be utilised according to the provisions of this arrangement or the Multi-donor MoU including the provisions on underlying principles mentioned in Section 2 of the Multi-donor MoU.
 - ✓ Mozambique will administer the Contribution in accordance with the laws, regulations, and rules applicable to the GoM, as well as with the terms of this Arrangement, including the Multi-donor MoU.

Agency: Denmark's development cooperation (Danida)

Programme Title: General Budget Support 2011-2014

Type of Budget Support: General Budget Support

Total Value (in original currency): DKK 260 million

Anticipated Disbursements:

General Budget Support will be provided as a fixed tranche and a performance tranche.

Activity	MDKK	2011	2012	2013	2014	MUSD
General Budget Support (MF)	260.0	65.0	65.0	65.0	65.0	47.3
Of which fixed tranche	172.0	43.0	43.0	43.0	43.0	31.3
Of which performance tranche (ca. 1/3)	88.0	22.0	22.0	22.0	22.0	16.0

Technical Assistance: No

Stated Objectives: To support the Government's efforts to reduce poverty in all its dimensions. The programme will help attain the mutual objectives of poverty reduction and the Millennium Development Goals in Mozambique by providing financing through the treasury to the public sector.

Disbursement Conditions

- *General Conditions:*
 - ✓ The design of the performance tranche will be aligned to the rules and procedures as specified in the 2009 MoU (sections 6 and 7, and annex 5).
 - ✓ The performance tranche will be based on specific performance criteria using a subset of indicators selected from the PAF matrix that relate to
 - economic governance including public financial management
 - good governance including anti-corruption and justice sector performance,
 - private sector development including land reform.
 - ✓ For the 2011 disbursement the performance tranche is dependent on the progress made according to the indicators in the PAF for 2009.
 - ✓ For the 2012 disbursement the performance tranche will be dependent on both performance based on PAF and on the Governance Action Plan indicators in 2010 to be evaluated during April and May 2011.

Agency: The Government of the Kingdom of Denmark

Programme Title: Government Agreement on Direct Budget Support for the Implementation of Mozambique Poverty Reduction Strategy, 2005-2007

Type of Budget Support: General Budget Support

Total Value (in original currency): DKK 195,000,000

Anticipated Disbursements:

DKK (million)

Direct Programme Support	180
Poverty Analysis	4
Technical Assistance	4
Reviews and evaluation	2
Programme Coordination	5
TOTAL	195

Technical Assistance: Yes

- **If Yes; Anticipated Value:** DKK 4,000,000

Stated Objectives:

The overall objective of the programme is to support reduction of poverty in all its dimensions in Mozambique by supporting the evolution, implementation and monitoring of the poverty reduction strategy (PARPA)

The immediate objectives are:

- ✓ Building a partnership between GoM and PAPs based on frank and open dialogue on the content and progress of Mozambique Poverty Reduction Strategy as set out in PARPA;
- ✓ Providing financing to the public sector for poverty reduction in a way which improved aid effectiveness and country ownership of the development process, reduces transaction costs, allows allocative efficiency in public spending, increases predictability of aid flows, increases the effectiveness of the state and public administration, improves monitoring and evaluation and strengthens domestic accountability.

Disbursement Conditions

- **General Conditions:**
 - ✓ Progress in the area of anti-corruption, procurement, PFM, as well as internal and external audit
 - ✓ GoM shall submit reports regarding implementation of the Joint Programme as described in the Programme Document (and the MoU, Section 5)
 - ✓ GoM shall submit audit reports to Denmark

Agency: The Government of the Kingdom of Denmark

Programme Title: Government Agreement on General Budget Support 2008-2010 for the Implementation of Mozambique's Poverty Reduction Strategy

Type of Budget Support: General Budget Support

Total Value (in original currency): DKK 150,000,000

Anticipated Disbursements:

Areas supported	Million DKK	2008	2009	2010
General Budget Support	150.0	50.0	50.0	50.0
<i>Of which fixed tranche</i>	130.0	50.0	40.0	40.0
<i>Of which variable tranche</i>	20.0		10.0	10.0
Policy analysis / DNEAP	4.5	1.5	1.5	1.5
Other Costs	5.5			
Total	160.0			

Other costs include Government of Denmark's expenses related to participation in reviews, audits, assessments and studies, and expenses related to one programme coordinator.

Technical Assistance: No**Stated Objectives:**

The overall development objective of the programme is to support reduction of poverty in all its dimensions in Mozambique by supporting the evolution, implementation and monitoring of the poverty reduction strategy (PARPA).

The immediate objectives of the programme are:

- ✓ to provide financing to the public sector for poverty reduction, clearly and transparently linked to performance, in a way that improves aid effectiveness and country ownership of the development process, reduces transaction costs, allows allocative efficiency in public spending, increases predictability of aid flows, increases the effectiveness of the state and public administration, improves monitoring and evaluation and strengthens domestic accountability.
- ✓ to build a partnership between Government of Mozambique and Programme Aid Partners based on frank and open dialogue on the content and progress of Mozambique's poverty reduction strategy as set out in the poverty reduction strategy and made operational through the medium term fiscal framework (CFMP), the economic and social plan (PES), the performance assessment framework (QAD) and the annual state budget (OGE).

2. Disbursement Conditions

▪ General Conditions:

- ✓ The variable tranche amounting to 20% of the envisioned yearly GBS contribution in 2009 and 2010 is fully aligned to the rules and procedures as specified in the MoU governing balance of payments and budget support.
- ✓ The variable tranche will come into effect as part of the performance assessment during the joint annual review (GAR) in April 2008 for the disbursement commitments for 2009.
- ✓ During the JAR a decision will be made on the commitments for the coming year (n+1) for the fixed and the variable tranche.
- ✓ The fixed tranche commitment will be based on a satisfactory overall performance on the indicators agreed between government and donors - the PAF indicators.
- ✓ Indicators for 2008 commitment relate to:
 - Increase the number of ministries, and state organs which provide direct budget execution
 - Total revenues as a percentage of GDP
 - The number of Financial Audits approved by Tribunal Administrativo
 - Coverage of the State Budget audited by Tribunal Administrativo conforming firstly to technical standards of INTOSAI and secondly to Mozambican legislation
- ✓ The variable tranche will be based on specific performance using indicators chosen from the PAF matrix that relate to public financial management and/ or other areas of governance. The variable tranches will depend on the recorded progress and will amount to an all or nothing transfer, i.e. 0 or 10 million Danish Kroner for each of the years 2009 and 2010.
- ✓ The indicators and/ or targets for the variable tranche in 2010 will be communicated by the JAR 2008.
- ✓ GoM shall submit reports regarding implementation of the Joint Programme as described in the Programme Document and specifically for General Budget Support the MoU, Section 5.
- ✓ GoM shall submit audit reports to Denmark in accordance with the Programme Document and specifically for General Budget Support the MoU, Section 10.

Agency: European Commission

Programme Title: MDG Contract Mozambique

Type of Budget Support: General Budget Support

Total Value (in original currency): Originally 303,000,000 EUR. After addendum no 1 (12/05/2010), increased to 326,670,000 EUR:

EDF 10 A envelope: EUR 303,000,000.00

Kingdom of Belgium: EUR 12,180,000.00

EDF 10 FLEX 2009: EUR 11,670,000.00

Anticipated Disbursements: A maximum of £ 326.67 million of general budget support will be disbursed.

The EU annual fixed disbursement will be of £47 million in 2009, £58.67 million in 2010, £44 million in 2011, £36 million in 2011 and £33 million during the last two years of the programme.

Amounts in M€	2009	2010	2011	2012	2013	2014	Total
Fixed Component	47	52.67	41	33	33	33	239.67
Fixed component/Belgium Contribution to MDGc		6	3	3			12
APT		6	6	6	6	6	30
MDG Component				15	15	15	45
<i>Max annual amount</i>	47	64.67	50	57	54	54	326.67
<i>Min annual amount</i>	47	58.67	44	36	33	33	251.67

Technical Assistance: No

Stated Objectives:

- ✓ General objective: To contribute to the reduction of poverty in Mozambique by supporting the government's programme of poverty reduction.
- ✓ Specific objective: to provide predictable financial support to the GoM so as to continue implementation of PARPA II within a context of macroeconomic stability, improving public financial management and enhanced social service delivery so as to accelerate progress towards the achievement of the MDGs.

Disbursement Conditions

- *General Conditions:*
 - ✓ Satisfactory progress in the implementation of the strategy PARPA II or its successor.
 - ✓ Satisfactory progress in the maintenance of a stability-oriented macroeconomic policy.
 - ✓ Satisfactory progress in the implementation of the Government's programme to improve and reform public finance management.
 - ✓ Conditions for the Annual Performance Tranche: disbursement decision will be based on an overall assessment of performance based on the results of the Joint Review with particular attention to indicators on Public Financial Management.
 - ✓ Conditions for the MDG-related Tranche:
 - Continued compliance with the entry criteria for the MDG contract (i.e. track record, rolling three-year PAF, macro perspectives, PFM strategy and assessments of domestic accountability for budgetary purposes).
 - Assessment indicators from the PAF for the years 2008 to 2010, covering namely health and education each year will be granted a different weight, going from 20% to 30% and 50% respectively for 2008, 2009 and 2010, in order to capture the expected positive trend with outcome-based indicators.

Performance will be measured against the following targets:

- Net enrolment rate years of age in Grade I – Girls
- Conclusion rate in primary school (EP2) – girls
- Coverage rate of institutional births
- DPT3 and HepB coverage rates in children between 0-12 months
- Number of inhabitants per qualified health worker
- Number of people benefiting from ARVT

Agency: European Commission

Programme Title: Poverty Reduction Budget Support Programme III (PRBS III) 2006-2007, modified in Poverty Reduction Budget Support Programme III (PRBS III) 2006 – 2008 with addendum no 1 signed in 2007.

Type of Budget Support: General Budget Support

Total Value (in original currency): Initially EUR 95,000,000, increased to EUR 137,922,000 with addendum no. 1:

Budgetary support: EUR 132,922,000

Complementary support: EUR 5,000,000

Anticipated Disbursements: Budget support will be released through one fixed tranche (25 M€ in 2006 and 2007, 30 M€ in 2008) and one variable tranche (of a maximum 20 M€) per year.

The 2008 variable tranche includes EUR 12,922,000 of additional resources plus the un-disbursed balance of the two previous years variable tranches (estimated at EUR 7,078,000).

	2006		2007		2008		2010 M€
	M€	% of annual disbursement	M€	% of annual disbursement	M€	% of annual disbursement	
Direct Budget Support							
Fixed Tranche	25	55%	25	55%	30	60%	
Variable Tranche	Max 20	44%	Max 20	44%	Max 20 ⁽¹⁾	40%	
<i>of which:</i>							
<i>Health 25%</i>	5	11%	5	11%	5	11%	
<i>Education 25%</i>	5	11%	5	11%	5	11%	
<i>Public Finance 50%</i>	10	22%	10	22%	10	22%	
Total Direct Budget Support	Max 45	100%	Max 45	100%	Max 50	100%	
Support to SISTAFE	2	33%	2	33%			
Technical Assistance plus Capacity Building	0		0.2	38.5%	0.6	46.1%	
Audit	0		0				0.1
Evaluations	0		0				0.1

Technical Assistance: Yes. EUR 1,000,000 for studies, audit, technical assistance and capacity building

Stated Objectives:

- Overall objective is to support the GoM to implement the PARPA in order to reduce poverty.
- Specific objectives:
 - ✓ to maintain macro-economic stability

- ✓ to improve national accountability and public financial management systems
- ✓ to support improvements in service delivery in priority sectors of the PARPA, i.e health and education

Disbursement Conditions

- *General Conditions:*

Conditions for disbursement of all tranches:

- ✓ A sound macroeconomic reform programme
- ✓ The assessment by the EC of the implementation of the Government's programme, supported by this programme, is positive
- ✓ Reviews show evidence that public financial management, including public procurement, is adequate or improving.

The variable tranches will be linked to:

- ✓ outcome indicators in the social sectors (health and education)
- ✓ public finance management indicators in the area of budget execution (performance in terms of budget spending and domestic revenue collection)
- ✓ process indicators for priority reforms.

Four indicators are proposed for each area, i.e. a total of 12 indicators is proposed for each variable tranche.

- *Addendum Conditions (Addendum no 1)*
- ✓ Reviews show evidence that public financial management, including public procurement, is improving.
- ✓ Selected indicators on education, health and PFM for the 2008 variable tranche are added to section 4.1.3 a) of Annex II to the FA.

Agency: Government of the Republic of Finland

Programme Title: Provision of Direct Budget and Balance of Payments Support ("the Programme Aid or Programme"), 2004

Type of Budget Support: General Budget Support

Total Value (in original currency): A contribution of a maximum of 8 million Euros in 2004 and 2005, on a grant basis and subject to annual parliamentary approval.

Agreement amended in January 2006 to add a 10 million EUR contribution for the years 2006 and 2007.

Anticipated Disbursements: For 2006 and 2007, the sum should be disbursed the following way:

2006: 5 000 000 euros
2007: 5 000 000 euros

Technical Assistance: No

Stated Objectives: The objective of the Programme Aid is to contribute to poverty reduction in all its dimensions by supporting the evolution, implementation and monitoring of Mozambique's National Poverty Reduction Strategy ("the PARPA").

Disbursement Conditions

- *General Conditions:*
 - ✓ The responsibilities of Mozambique are defined in the 2004 MoU. Mozambique shall ensure that no illegal or corrupt practices relate to the use of Finland's Support.
 - ✓ Payment will be made against a written request by Mozambique into the bank account agreed upon by the Competent Authorities
 - ✓ Disbursements will be done as described in Section 9 and Annex 6 of the 2004 MoU.
- *Addendum Conditions (Amendment no 1 of January 2006)*

The terms and conditions of the above-mentioned Agreement shall remain in force and in full effect.

Agency: Government of the Republic of Finland

Programme Title: Provision of General Budget Support, 2008-2010

Type of Budget Support: General Budget Support

Total Value (in original currency): A maximum of 21 million Euros on a grant basis and subject to annual parliamentary approval in Finland.

Anticipated Disbursements:

2008: 7 million Euros

2009: 7 million Euros

2010: 7 million Euros

Technical Assistance: No

Stated Objectives: The objective of the budget support is to contribute to poverty reduction in all its dimensions.

Disbursement Conditions

- *General Conditions:*
 - ✓ Disbursements of the Finnish contribution to be done as described in Section 8 of the 18 March 2009 MoU.
 - ✓ The underlying principles as described in section 2 of the MoU shall be considered underlying principles for the provision of the budget support.

Agency: Government of the Republic of Finland

Programme Title: Provision of General Budget Support, 2011-2013

Type of Budget Support: General Budget Support

Total Value (in original currency): A maximum of 21 million Euros on a grant basis and subject to annual parliamentary approval in Finland.

Anticipated Disbursements:

2011: 7 million Euros

2012: 7 million Euros

2013: 7 million Euros

Technical Assistance: No

Stated Objectives: The objective is to contribute to poverty reduction in all its dimensions.

Disbursement Conditions

▪ *General Conditions:*

- ✓ Disbursements of the Finnish contribution shall be done as described in Section 8 of the 18 March 2009 MoU.
- ✓ The underlying principles as described in section 2 of the MoU shall be considered underlying principles for the provision of the budget support.

Agency: French Development Agency

Programme Title: Budget Support Programme 2005-2006, N° CMZ 6008 01

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 6,000,000

Anticipated Disbursements:

EUR 3,000,000 to be paid by April 30, 2005

EUR 3,000,000 to be paid by June 30, 2006

Technical Assistance: No

Disbursement Conditions

▪ *General Conditions:*

- ✓ Funds will be paid after no objection from the Agency on the joint account opened in the name of POOL ACCOUNT SUPPORT at Deutsche Bank in Frankfurt No. 100 9552670 01.
- ✓ Payment of funds for the second tranche of the program is dependent on good execution of the budget support program verified on the occasion of the joint meeting in 2005.

Agency: French Development Agency

Programme Title: Budget Support Programme 2007 - 2009, N° CMZ 3006 01 G

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 6,000,000

Anticipated Disbursements: Three tranches each worth EUR 2,000,000.

Payment deadlines: 31 December 2007, 31 December 2008 and 31 December 2009.

Technical Assistance: No

Disbursement Conditions

▪ *General Conditions:*

- ✓ Funds will be paid after no objection from the Agency on the joint account opened in the name of POOL ACCOUNT SUPPORT at Deutsche Bank in Frankfurt No. 100 9552670 01.
- ✓ Provided that the annual joint donor meeting taking place in 2006 is satisfactory. The first

tranche will be paid upon presentation of a request of disbursement by the Beneficiary

- ✓ Disbursement of second and third tranche is subject to good execution of the program verified on occasion of the joint donor meeting that will take place in 2007 and 2008 respectively.

Agency: French Development Agency

Programme Title: Budget Support Programme 2010 - 2014, CMZ 1077.01.N

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 10,000,000

Anticipated Disbursements: Five tranches each worth EUR 2,000,000.

Payment deadlines: 31 December 2010; 31 December 2011; 31 December 2012; 31 December 2013; 31 December 2014.

Technical Assistance: No

Disbursement Conditions

- *General Conditions:*
 - ✓ Disbursement of the five tranches is dependent to the good execution of the program in line with the 2009 MoU and verified on occasion of the joint donor annual meetings.
 - ✓ Funds will be paid after no objection from the Agency on the joint account opened in the name of POOL ACCOUNT SUPPORT at Deutsche Bank in Frankfurt No. 100 9552670 01.

Agency: German Development Bank (KfW)

Programme Title: Participation in the Joint Program for Macro-Economic Support 2006

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 20,000,000

Technical Assistance: No

Stated Objectives:

The amount of EUR 20M is exclusively for the Co-financing of the joint Program aimed at the implementation of the Mozambican Poverty Reduction strategy.

Disbursement Conditions

- *General Conditions:*

KfW will suspend disbursements if the beneficiary does not fulfil, within the respective due dates, any payment obligation before the KfW.

Agency: German Development Bank (KfW)

Programme Title: Participation in the Joint Program for Macro-Economic Support 2008

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 34,000,000 of which EUR 30,000,000 for the Mozambican State budget and EUR 4,000,000 for complementary measure.

Technical Assistance: Yes, under Component a) of the accompanying measure: *Fund for external consulting for the flexible realization of studies and/or other analytical work* in the context of the Joint Programme for the Provision of Direct Budget Support and in the support program for the education sector.

- **Anticipated Value:** up to EUR 400,000.00.

Stated Objectives:

The amount of EUR 30M is exclusively for the Co-financing of the joint Program aimed at the implementation of the Mozambican Poverty Reduction strategy.

The complementary measure is intended to support the implementation of the Mozambican strategy for poverty reduction with special attention to the priority areas of the Development Cooperation between Germany and Mozambique. The main goals of the accompanying measure are:

- Support for the government of Mozambique with the implementation (PARPA).
- Flexible realization of studies and/or other analytical work
- Support to the Administrative Tribunal
- Support to the Central Revenue Authority (AT).

Disbursement Conditions

- *General Conditions:*
 - ✓ KfW will suspend disbursements if the beneficiary does not fulfil, within the respective due dates, any payment obligation before the KfW.
 - ✓ Details of the complementary measure will be decided in a separate agreement between KfW and the Beneficiary.
- *Addendum Conditions (Separate agreement signed on December 19, 2008)*

For component a), funds disbursed according to the Direct Disbursement Procedure and upon presentation of invoices and other supporting documents.

Agency: German Development Bank (KfW)

Programme Title: - Poverty Reduction Budget Support, Phase IV (PRBS IV) - and Accompanying Measure to the Budget Support Programme

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 18,000,000

EUR 15,000,000 for direct budget support to implement the Plan for the Reduction of Absolute Poverty II (PARPA II)

EUR 3,000,000 for accompanying measure.

Anticipated Disbursements:

- ✓ It is envisaged to disburse the Financial Contribution of EUR 15,000,000 in one fixed element, i.e. in

financial year 2010.

- ✓ The components of the accompanying measure (EUR 3,000,000) are to be carried out between August 2010 and December 2014 for component a and d and 2011 for component b and c.
 - Component a): up to EUR 800,000.00
 - Component b): up to EUR 800,000.00
 - Component c): up to EUR 1,000,000.00
 - Component d): up to EUR 400,000.00

Technical Assistance: Yes. The accompanying measure has 4 components, 2 of which concern technical assistance:

- ✓ Component a) and d): Fund for external consulting for *the flexible realization of studies and/or other analytical work* in the context of the Joint Programme for the Provision of Direct Budget Support and in the support program for the education sector.

Anticipated value: please see above

Stated Objectives:

- ✓ The purpose of the Programme is to contribute through General Budget Support to an efficient, pro-poor, and sustainable implementation of the Plan for the Reduction of Absolute Poverty II (PARPA II) and necessary reforms. This is to contribute to the reduction of poverty.
- ✓ Goals of the accompanying measure:
 - Support for the Government of Mozambique with the implementation of its National Action Plan for the Reduction of Absolute Poverty (PARPA)
 - Flexible realization of studies and/or other analytical work
 - Support to the Administrative Tribunal
 - Support to the Central Revenue Authority (AT)
 - Flexible support for the parliaments of Mozambique (national and provincial) as well as Civil Society Organisation.

Disbursement Conditions

- *General Conditions:*
 - ✓ KfW shall disburse the financial contribution in accordance with the progress of the Programme and upon request of the Recipient.
 - ✓ By separate agreements, the Recipient and KfW shall determine the disbursement procedures, in particular the evidence proving that the requested funds are used for the stipulated purpose.
- *Addendum (Separate Agreement: Co-financing of the PRBS IV, signed in June 2010):*
Disbursement regulated by Annex 3 which is part of this agreement.
- *Technical Assistance Conditions (as per the Separate Agreement “Participation in the Joint Programme for Macro-Economic Support” signed in September 2010):*
For component a and d (consultants), funds disbursed according to the Direct Disbursement procedure and upon presentation of invoices and other supporting documents.

Agency: German Development Bank (KfW)

Programme Title: - Poverty Reduction Budget Support, Phase V (PRBS V) - and Accompanying Measure to the Budget Support Programme

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 15,500,000:

- ✓ EUR 13,000,000 for direct budget support to implement the Action Plan for the Reduction of Absolute Poverty II (PARPA II) as well as the subsequent Action Plan for the Reduction of Poverty (PARP, to be finalized in 2011), respectively.
- ✓ EUR 2,500,000 for accompanying measures.

Anticipated Disbursements:

- ✓ EUR 13,000,000 of direct budget support shall be disbursed in one tranche in one fixed element, i.e. in financial year 2011.
- ✓ The components of the accompanying measure are to be carried out between April 2011 and December 2012 for both components:

Component a): up to EUR 800,000

Component b): up to EUR 1,700,000.

Technical Assistance: No

Stated Objectives:

The purpose of the Programme is to contribute through General Budget Support to an efficient, pro-poor, and sustainable implementation of the Action Plan for the Reduction of Absolute Poverty II (PARPA II) as well as the subsequent Action Plan for the Reduction of Poverty (PARP, to be finalized in 2011), respectively, and necessary reforms. This is to contribute to the reduction of poverty.

The main goals of the accompanying measure are:

- a) Support to the Administrative Tribunal in the implementation of its strategic plan towards the strengthening of the external audit function in order to improve the accountability of GoM.
- b) Support to the Central Revenue Authority (AT) for the implementation of GoMs plans to modernize the revenue system and to increase internal revenues as a contribution to reduce external aid dependency of Mozambique.

Disbursement Conditions

- *General Conditions:*

KfW shall disburse the financial contribution:

- ✓ in accordance with the progress of the Programme
- ✓ upon request of the Recipient
- ✓ upon evidence that according to the Recipient's national accountability procedures the budget including the requested funds is used to implement the PARPA II and PARP.
- *Addendum Conditions (Separate Agreement "Co-financing of the PRBS V, signed on 09/06/2011, Annex no 3)*
 - ✓ The GoM is compliant with all the preconditions specified in the Financing Agreement, the Separate Agreement and the MoU in its valid version.
 - ✓ The amount of the instalment to be disbursed depends on the results of the annual review

(Government-Programme Aid Partners).

Agency: German Development Bank (KfW)

Programme Title: - Poverty Reduction Budget Support VI - and Accompanying Measure to the Budget Support Programme

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 13,500,000

- EUR 9,000,000 for direct budget support to implement PARP 2011-2014
- EUR 4,500,000 for accompanying measure.

Anticipated Disbursements:

- The transfer of EUR 9,000,000 for direct budget support shall be disbursed in one tranche in one fixed element, i.e. in financial year 2012.
- The components of the accompanying measure are to be carried out between January 2012 and December 2013 for both components:

Component a): up to EUR 800,000.00

Component b 1): up to EUR 1,700,000.00 as a basic tranche and

b 2): up to EUR 2,000,000.00 as a result- based tranche

Technical Assistance: No.

Stated objectives: The financial contribution of EUR 9,000,000 shall be made available to the Recipient for direct budget support to implement the Action Plan for the Reduction of Poverty (pARP, 2011 - 2014) and EUR 4,500,000 - for accompanying measures to implement the PARP with special attention to the priority areas for development cooperation between the Federal Republic of Germany and the Republic of Mozambique.

Disbursement Conditions

- *General Conditions:*
 - ✓ EUR 9,000,000 for direct budget support to be disbursed:
 - in accordance with the progress of the Programme
 - upon request of the Recipient
 - upon evidence that according to the recipient's national accountability procedures the budget including the requested funds is used to implement the PARP.
 - ✓ EUR 4,500,000 for accompanying measures to be disbursed as above.
- *Addendum Conditions ("Co-financing of the Poverty Reduction Budget Support VI")*
 - ✓ The GoM is compliant with all the preconditions specified in the Financing Agreement, the Separate Agreement and the MoU in its valid version.
 - ✓ The amount of the instalment to be disbursed depends on the results of the annual review (Government-Programme Aid Partners).

Agency: The Government of the Italian Republic through the Directorate General for Development Cooperation (DGCS)

Programme Title: Agreement concerning Budget Support 2003-2005

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 9.6 million for the fiscal years 2003, 2004 and 2005.

Anticipated Disbursements:

First tranche EUR 3.2 million

Second Tranche EUR 3.2 million

Third Tranche EUR 3.2 million

Technical Assistance: No

Stated Objectives: The Program aims at contributing to poverty reduction by supporting the implementation of sound macroeconomic policies for the development of a dynamic market economy by providing a financial contribution for increased resource allocations for poverty reduction.

Disbursement Conditions

- *General Conditions:*
 - ✓ The tranches shall be disbursed following the continued satisfactory performance in the implementation of the PARPA and the economic reform process.
 - ✓ The satisfactory performance is demonstrated by:
 - The GoM's continued compliance with the conditions set in the Arrangements under the Poverty Reduction and Growth Facility (PRGF) between the IMF and the GoM, particularly the positive conclusion of the Annual Article IV Consultation under the PRGF;
 - The Joint Annual Review positive evaluation.

Agency: The Government of the Italian Republic acting through the Directorate General for Development Cooperation (DGCS)

Programme Title: Agreement on Direct Budget Support 2007-2009

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 11.4 million for the fiscal years 2007, 2008 and 2009.

Anticipated Disbursements:

First tranche: EUR 3.8 million (2007)

Second tranche: EUR 3.8 million (2008)

Third tranche: EUR 3.8 million (2009)

Technical Assistance: No

Stated Objectives: The Program aims at contributing to poverty reduction by supporting the implementation of sound macroeconomic policies for the development of a dynamic market economy by providing a financial contribution for increased resource allocations for poverty reduction.

Disbursement Conditions

- *General Conditions:*
 - ✓ Funds to be disbursed according to the procedures in Section 9 and Annex 6 of the Joint 2004 MoU.
 - ✓ The GoM shall ensure that all activities carried out under the Programme are conducted in accordance with the provisions in the MoU (section 4, art, 11-12)
 - ✓ The GoM shall commit itself to fight corruption and agree to follow procurement procedures based on international standards.
 - ✓ Respect of democratic principles and fundamental human rights is an essential element of the present agreement
 - ✓ The GoM will guarantee that the funds are used only for achieving the objective of this agreement.

Agency: The Government of the Italian Republic through the Directorate general for Development Cooperation (DGCS)

Programme Title: Agreement on Budget Support 2010 - 2012

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 12 million for the fiscal years 2010, 2011 and 2012

Anticipated Disbursements: EUR 4 million for each tranche

Technical Assistance: No

Stated Objectives: The Program aims at contributing to poverty reduction by supporting the implementation of sound macroeconomic policies for the development of a dynamic market economy, by providing a financial contribution for increased resource allocations for poverty reduction.

Disbursement Conditions

- *General Conditions:*
 - ✓ The GoM shall ensure that all activities carried out under the Programme are conducted and coordinated in accordance with sound administrative policies and procedures
 - ✓ The tranches shall be disbursed following the continued satisfactory performance in the implementation of the PARPA and the economic reform process.
 - ✓ The satisfactory performance is demonstrated by:
 - The GoM's continued compliance with the conditions set in the Arrangements under the Poverty Reduction and Growth Facility (PRGF) between the IMF and the GoM, particularly the positive conclusion of the Annual Article IV Consultation under the PRGF;
 - The Joint Annual Review positive evaluation.
 - ✓ The GoM shall commit itself to fight corruption and agree to follow procurement procedures based on international standards.
 - ✓ Respect of democratic principles and fundamental human rights is essential element of the present agreement.
 - ✓ The GoM will guarantee that the funds are used only for achieving the objective of this agreement.

Agency: Ministry of Foreign Affairs of the Netherlands

Programme Title: Direct Budget Support (activity number 11617)

Type of Budget Support: General Budget Support 2005-2008

Total Value (in original currency): EUR 54,000,000

Anticipated Disbursements:

2006: EUR 18,000,000

2007: EUR 18,000,000

2008: EUR 18,000,000

A first disbursement of EUR 2,000,000 will be made in December 2005 as frontloading for 2006.

Technical Assistance: No

Stated Objectives:

The support will be used for the execution the Mozambican State Budget for the years 2006, 2007 and 2008.

Disbursement Conditions

- *General Conditions:*
 - ✓ The terms and provisions of the 2004 MoU apply to this Arrangement. In addition, the following applies:
 - in case of frontloading (disbursement in December for execution of the State Budget for the following year), a metical equivalent of the disbursement will remain in the special Transitory account at the Bank of Mozambique that is specific to Direct Budget Support at least until January 1st the following year.

Agency: Ministry of Foreign Affairs of the Netherlands

Programme Title: Direct Budget Support and Balance of Payments support (activity number 17951)

Type of Budget Support: General Budget Support

Total Value (in original currency):

Total maximum amount of EUR 62,000,000

Total maximum amount of EUR 80,000,000 (first amendment 12/09)

Total maximum amount of EUR 72,000,000 (second amendment 03/11)

Total maximum amount of EUR 63,000,000 (third amendment 02/12)

Anticipated Disbursements: Tranches as per the third amendment:

2009: EUR 18,000,000

2010: EUR 18,000,000

2011: EUR 18,000,000

2012: EUR 9,000,000

Technical Assistance: No

Stated Objectives:

Support will be used for the execution of the Mozambican State Budget for the years 2009, 2010, 2011 and 2012

Disbursement Conditions

- *General Conditions:*

The terms and provisions of the 2009 MoU apply to this Arrangement. Final commitments for 2010 and 2011 shall be decided upon in accordance with the MoU (Section 7, art. 25).

- *Addendum Conditions (12/09)*

Final commitments for 2011 and 2012 shall be decided upon in accordance with the 2009 MoU (Section 7, art. 48).

- *Addendum Conditions (03/11)*

- ✓ The terms and provisions of the 2009 MoU apply to this Arrangement.
- ✓ Disbursement of the variable tranche of EUR 4,000,000 for 2012 is linked to the implementation of the Government Action Plan to be evaluated during the Joint Review of 2011.
- ✓ Final commitments for 2012 shall be decided upon in accordance with the 2009 MoU (Section 7, art. 48).

- *Addendum Conditions (02/12)*

The terms and provisions of the 2009 MoU apply to this Arrangement.

Agency: Government of the Kingdom of Norway

Programme Title: Provision of General Budget Support 2009-2012

Type of Budget Support: General Budget Support

Total Value (in original currency): NOK 560,000,000

Anticipated Disbursements:

Commitments will be based on the conclusions of the annual joint review of performance on year n-1 to make bilateral decisions on the implications for provision of GBS in year n-1.

Technical Assistance: No

Stated Objectives:

Overall objective is to contribute to poverty reduction in all its dimensions by supporting the evolution, implementation and monitoring of the national poverty reduction strategy.

The objectives of the Program are to support poverty reduction by:

- ✓ Continuous commitment to operate their development partnership built on mutual accountability and frank and open dialogue on the content and progress of Mozambique's poverty reduction strategy
- ✓ Providing financing to the public sector for poverty reduction, aligned with Mozambican systems and clearly and transparently linked to performance

Disbursement Conditions

- *General Conditions:*

Grant disbursed:

- ✓ Subject to Norwegian Parliamentary appropriations of and the T&C of this agreement and the 2009 MoU;
- ✓ upon written request from Mozambique based on the financial needs of the Programme;
- ✓ in line with the schedule and procedures reflected in Annex 6 of the MoU.

Agency: The Republic of Portugal acting through the Ministry of Foreign Affairs

Programme Title: Financing Agreement for the participation of the Republic of Portugal in the Joint Programme for Macro-Economic Support to the Republic of Mozambique, 2004-2006

Type of Budget Support: General Budget Support

Total Value (in original currency): USD 4.5 million for the fiscal years 2004, 2005 and 2006.

Anticipated Disbursements: Three instalments:

USD 1.5 million to be disbursed in May 2004

USD 1.5 million to be disbursed in May 2005

USD 1.5 million to be disbursed in May 2006

Technical Assistance: No

Stated Objectives:

The objective of this program is to establish the conditions for the participation of Portugal in the Joint Programme for Macro-Economic Support to the Republic of Mozambique.

The Joint Donor Programme aims to contribute to the reduction of absolute poverty in the Republic of Mozambique through the:

- a) consolidation of a real high economic growth, by supporting economic reforms and consistent economic policies;
- b) financial contributions for a greater allocation of resources to priority sectors for poverty reduction.

Disbursement Conditions

▪ *General Conditions:*

- ✓ The GoM must execute the programme according to what's described in Annex I Section 2;
- ✓ The Programme must be implemented following the principles of transparency and open dialogue;
- ✓ The second contribution (May 2005) will be disbursed after a Joint Donor Revision and the approval of the financial audit report of the programme's funds according to Annex I, section 4 and 9;
- ✓ The third contribution (May 2006) will be disbursed after a Joint Donor Revision and the approval of the financial audit report of the programme's funds according to Annex I, section 4 and 9;
- ✓ No part of the contribution should be used for the payment of any taxes or fees established by the Mozambican legislation on goods and services provided.

Agency: The Republic of Portugal acting through the Ministry of Foreign Affairs

Programme Title: Agreement between the Republic of Portugal and the Republic of Mozambique in the domain of the Programme Aid Partnership for the triennium 2007 - 2009

Type of Budget Support: General Budget Support

Total Value (in original currency): A total of USD 4.5 million for the fiscal years 2007, 2008 and 2009. The agreement has been extended to the fiscal year 2010 and the total increased by EUR 1.5 million with an amendment signed by both parties on 14/12/2010.

Anticipated Disbursements: Three instalments:

USD 1.5 million to be disbursed by May 31, 2007

USD 1.5 million to be disbursed by May 31, 2008

USD 1.5 million to be disbursed by May 31, 2009

Additional contribution granted by the amendment: EUR 1.5 million for the year 2010.

Technical Assistance: No

Stated Objectives:

This agreement establishes the conditions for the participation of Portugal in the framework if the

Program Aid Partnership for the provision of direct budget support to the Republic of Mozambique. The Programme Aid Partnership is an aid program to the Republic of Mozambique, with the central aim of reducing its levels of poverty through an integrated approach based on economic, social and human development.

Disbursement Conditions

- *General Conditions:*
 - ✓ Underlying principles for the disbursement of the funds:
 - commitment of the Republic of Mozambique to fight poverty, through a pattern of public expenditure determined in accordance with PARPA;
 - commitment of the Republic of Mozambique in pursuing sound macroeconomic policies, based on criteria of sustainability and social justice;
 - ✓ The GoM commit itself to:
 - i) Develop and implement strategies to combat poverty guided by the principles of transparency and open dialogue;
 - ii) Ensure timely availability of all documentation requested under the defined co-operation;
 - iii) Notify the Competent Authority of the Republic of Portugal on any occurrences susceptible to hamper the implementation of this Agreement.
 - ✓ The contributions will be made available upon presentation of a formal request by the Competent Mozambican Authority;
 - ✓ The availability of the three instalments is subject to approval by the Portuguese Republic of mechanisms for monitoring and audit provided for in Article 9.0 of this Agreement.

Agency: The Republic of Portugal acting through the Ministry of Foreign Affairs

Programme Title: Memorandum of Understanding between the Republic of Portugal and the Republic of Mozambique in the domain of the Programme Aid Partnership for the year 2011

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 1.5 million

Anticipated Disbursements: Single tranche of EUR 1.5 million

Technical Assistance: No

Stated Objectives:

This agreement establishes the conditions for the participation of Portugal in the framework of the Program Aid Partnership for the provision of direct budget support to the Republic of Mozambique for the year 2011.

The Programme Aid Partnership for 2011 is an aid program to the Republic of Mozambique, with the central aim of reducing its levels of poverty through an integrated approach based on economic, social and human development.

Disbursement Conditions

- *General Conditions:*
 - ✓ Underlying principles for the disbursement of the funds:
 - commitment of the Republic of Mozambique to fight poverty, through a pattern of public expenditure determined in accordance with the Plan of Action for the Reduction of Poverty;
 - commitment of the Republic of Mozambique in pursuing sound macroeconomic policies, based on criteria of sustainability and social justice.
 - ✓ The GoM commit itself to:
 - i) Develop and implement strategies to combat poverty guided by the principles of transparency and open dialogue;
 - ii) Ensure timely availability of all documentation requested under the defined co-operation;
 - iii) Notify the Competent Authority of the Republic of Portugal on any occurrences susceptible to hamper the implementation of this Agreement.
 - ✓ The contributions will be made available upon presentation of a formal request by the Competent Mozambican Authority.

Agency: The Republic of Portugal acting through the Ministry of Foreign Affairs

Programme Title: Memorandum of Understanding between the Republic of Portugal and the Republic of Mozambique in the domain of the Programme Aid Partnership for the year 2012

Type of Budget Support: General Budget Support

Total Value (in original currency): EUR 1.5 million

Anticipated Disbursements: Single tranche of EUR 1.5 million

Technical Assistance: No

Stated Objectives:

The Programme Aid Partnership for 2012 is an aid program to the Republic of Mozambique, with the central aim of reducing its levels of poverty through an integrated approach based on economic, social and human development.

Disbursement Conditions

- **General Conditions:**
 - ✓ Underlying principles for the disbursement of the funds:
 - commitment of the Republic of Mozambique to fight poverty, through a pattern of public expenditure determined in accordance with the Plan of Action for the Reduction of Poverty;
 - commitment of the Republic of Mozambique in pursuing sound macroeconomic policies, based on criteria of sustainability and social justice.
 - ✓ The GoM commit itself to:
 - i) Develop and implement strategies to combat poverty guided by the principles of transparency and open dialogue;
 - ii) Ensure timely availability of all documentation requested under the defined co-operation;
 - iii) Notify the Competent Authority of the Republic of Portugal on any occurrences susceptible to hamper the implementation of this Agreement.

Agency: Swedish International Development Cooperation Agency, Sida

Programme Title: Agreement between Sweden and The Government of Mozambique on Direct Budget Support during 2005 and 2006

Type of Budget Support: General Budget Support

Total Value (in original currency): A total financial contribution not exceeding SEK 335 000 000 as a grant.

The agreement was extended and amended in January 2007: its validity was extended until December 31, 2008 and an additional funding of SEK 300 million for 2007 was included.

Anticipated Disbursements: The amount for 2005 shall not exceed one hundred thirty five million SEK (first portion of 95 million SEK and second portion of 40 million SEK). The amount for 2006 shall not exceed two hundred million SEK (first portion of 140 million SEK and second portion at most 60 million SEK).

The first portion for 2007 will be 210 million SEK, the second at most 90 million SEK.

Technical Assistance: No

Stated Objectives: The long-term objective of the Swedish Budget Support is to contribute to sustainable poverty reduction in Mozambique.

Disbursement Conditions

- *General Conditions:*
 - ✓ Sweden will disburse the contributions for each year in two portions, after receiving written request from the GoM.
 - ✓ The first portion for 2005 will be available for disbursement after the signing of this Agreement.
 - ✓ The disbursement of the second portion for 2005 shall be related to Mozambican performance against the PAF indicators 2004, i.e its commitment to combat criminality in the financial and banking sector.
 - ✓ The first portion for 2006 will be available for disbursement in accordance with the disbursement schedule to be agreed in December, 2005.
 - ✓ The disbursement of the second portion for 2006 shall be related to Mozambican performance on the indicators and benchmarks contained in the PAF for 2005, related to commitments to combat criminality in the financial and banking sector.
- *Addendum Conditions (“Extension and Amendment of Agreement Between Sweden and Mozambique On Direct Budget Support for 2007”, signed on 31/01/2007)*
 - ✓ The first portion for 2007 will be available for disbursement in accordance with the disbursement schedule agreed.
 - ✓ The disbursement of the second portion for 2007 shall be related to the banking sector targets in the PAF for 2006, and specifically to the target on the follow-up of the recommendations made in the Banco Austral forensic audit.

Agency: Swedish International Development Cooperation Agency, Sida

Programme Title: Specific Agreement between the Government of Sweden and the Government of Mozambique on the General Budget Support during 2008.

Type of Budget Support: General Budget Support

Total Value (in original currency): A total financial contribution of a maximum SEK 350 000 000 as a grant.

Anticipated Disbursements: The contribution of a maximum SEK 350 million towards Mozambique's State Budget for 2008 will be available as of 1 January, 2008

Technical Assistance: No

Stated Objectives: The long-term objective is to contribute to sustainable poverty reduction in Mozambique.

Disbursement Conditions

- *General Conditions:*
 - ✓ Disbursement will be subject to receipt of a written disbursement request from the Ministry of Finance and be based on
 - the outcome of the Joint Review in 2007
 - the jointly agreed disbursement plan for 2008.
 - ✓ SEK 300 million will be made available upon a satisfactory assessment by Sweden of the overall

progress on performance in 2006.

- ✓ SEK 50 million will be made available upon a satisfactory assessment by Sweden of the overall progress on governance performance in 2006.

Agency: Swedish International Development Cooperation Agency, Sida

Programme Title: The Specific Agreement between the Government of Sweden and the Government of Mozambique on General Budget Support during the Fiscal Years 2009 - 2012

Type of Budget Support: General Budget Support

Total Value (in original currency): A contribution of a maximum amount of SEK 1,440,000,000 as a grant.

Anticipated Disbursements: Out of the maximum available annual amount of SEK 360 000 000, 75% or SEK 270,000,000 will constitute a fixed tranche. The remaining 25%, or a maximum amount of SEK 90 000 000 annually, will be made available using the MoU split response mechanism, depending on performance and results.

Technical Assistance: No

Stated Objectives: The long-term objective is to contribute to sustainable poverty reduction in Mozambique, by supporting the implementation and monitoring of Mozambique's poverty reduction programme.

Disbursement Conditions

▪ *General Conditions:*

- ✓ The fixed tranche will be disbursed provided that:
 - overall performance and overall results as agreed in the PAF are assessed to be satisfactory
 - the underlying principles in the MoU are adhered to.
- ✓ The annual variable tranche will be made available depending on performance and results attained in these four areas of the PAF:
 - Poverty Analysis and Monitoring
 - Public Financial Management
 - Public Sector Reform
 - Justice and Legality.

Attainment of each indicator in these areas will contribute in equal measure to the amount of the variable tranche.

- ✓ In line with the 2009 MoU, fundamental prerequisites for the provision of Swedish Budget Support are:
 - GoM's fundamental respect for human rights and democracy;
 - GoM's commitment to implement the PARPA II, and its successor, in an effective way;
 - GoM's commitment to a positive development of transparent, robust and effective systems for public financial management;

- GoM's commitment to pursue a growth-enhancing and long-term sustainable economic policy, including macroeconomic stability;
- GoM's commitment to combat corruption in the public sector.
- ✓ The Grant will be available for disbursement:
 - based on the jointly agreed annual disbursement plan
 - subject to receipt of a written disbursement request from the Ministry of Finance.

Agency: The Government of the Swiss Confederation

Programme Title: Agreement between the Government of the Swiss Confederation and the Government of Mozambique concerning budget support for the period 2004 - 2006

Type of Budget Support: General Budget Support

Total Value (in original currency): Maximum amount of CHF 30 million

Anticipated Disbursements: Three annual disbursements of max CHF 10 million each.

First disbursement: upon signature of this Agreement

Second disbursement: at earliest in January 2005 (Fixed and Variable Portion)

Third disbursement: at earliest in January 2006 (Fixed and Variable Portion)

Technical Assistance: No

Stated Objectives:

The Swiss Government agrees to grant to the GoM a non-reimbursable contribution of up to CHF 30 million for implementing the PARPA. The programme aims at contributing to poverty reduction by supporting the implementation of sound macroeconomic policies for the development of a dynamic market economy and by providing a financial contribution for increased resource allocation for poverty reduction.

Disbursement Conditions

General Conditions:

- ✓ The first disbursement shall be disbursed following:
 - a positive assessment of reform progress in Mozambique on the basis of conclusions and recommendations of the 2004 joint Programme Aid review
 - the continuing fulfilment of the underlying principles for the provision of Direct Budget Support as described in Section 3 of the MoU
- ✓ The second and third disbursement shall be disbursed
 - following a positive assessment of the achievements reached vis-a-vis the established performance criteria listed in the PAF
 - based on a continuing fulfilment of the underlying principles for the provision of Direct Budget Support as described in Section 3 of the MoU
- ✓ For the second tranche, a "Split response mechanism" will be applied based on the following thematic sub-tranches:
 - Fixed portion (linked to 50% of the contribution):
 - General performance against the PES/PAF for 2004, including in particular macroeconomic performance.
 - Variable portion: The decisive performance element will be satisfactory progress against the following 2004 PAF targets:
 - Public Financial Management (linked to 20% of the contribution)
 - Revenue mobilisation (linked to 15% of the contribution)
 - Private sector development and strengthening of the financial sector (linked to 15% of the contribution)
- ✓ For the third tranche, a "Split response mechanism" will be applied based on the following thematic sub-tranches:
 - Fixed portion (linked to 50% of the contribution):

- General performance against the PES/PAF for 2005, including in particular macroeconomic performance.
- Variable portion: The decisive performance element will be satisfactory progress against the following 2004 PAF targets:
 - Public Financial Management (linked to 20% of the contribution)
 - Revenue mobilisation (linked to 15% of the contribution)
 - Private sector development and strengthening of the financial sector (linked to 15% of the contribution)
- Following the Mid-year review 2004, specific performance benchmarks for the variable portion will be defined on the basis of the 2005 PAF, and agreed upon by the Contracting parties through an exchange of letter.

Agency: The Government of the Swiss Confederation

Programme Title: Agreement between the Government of the Republic of Mozambique and the Government of the Swiss Confederation concerning budget support for the period 2007 - 2009

Type of Budget Support: General Budget Support

Total Value (in original currency): Maximum amount of CHF 24 million

Anticipated Disbursements: Three annual disbursements of max CHF 8 million each for the years 2007, 2008 and 2009 granted according to the procedures described in the MoU.

First disbursement: upon signature of this Agreement

Second disbursement: at earliest in January 2008 (Fixed and Variable Portion)

Third disbursement: at earliest in January 2009 (Fixed and Variable Portion)

Technical Assistance: No

Stated Objectives:

The Swiss Government is committed to support, in the medium run, the economic and social development of Mozambique, subject to the progress achieved by the GoM in laying down the framework for an open market economy and implementing structural reforms on the basis of Mozambique's Poverty Reduction Strategy (PARPA II).

The Programme aims at contributing to poverty reduction in all its dimensions by supporting the implementation and monitoring of the PARPA II and in particular of sound macroeconomic policies for the sustainable economic development and by providing a financial contribution for increased resource allocations for poverty reduction.

Disbursement Conditions

General Conditions:

- ✓ The Swiss contribution shall be disbursed in its equivalent in US dollar or EURO as requested by the Government of Mozambique
- ✓ The first disbursement shall be disbursed:
 - following a positive assessment of reform progress in Mozambique on the basis of conclusions and recommendations of the 2006 joint Programme Aid review
 - based on the continuing fulfilment of the underlying principles for the provision of Direct Budget Support as described in Section 3 of the MoU.
- ✓ The second tranche shall be disbursed:
 - following a positive assessment on the basis of conclusions and recommendations of the 2007 joint Programme Aid reviews of the achievements reached vis-a-vis the established performance criteria listed in the PAF
 - based on a continuing fulfilment of the underlying principles for the provision of Direct Budget Support as described in Section 3 of the MoU
- ✓ For the second tranche, a "Split response mechanism" will be applied based on the following thematic sub-tranches:
 - Fixed portion (linked to 60% of the contribution):
 - General performance against the 2006 PES/PAF evaluated in 2007, including in particular macroeconomic performance.
 - Variable portion: The decisive performance element will be satisfactory progress against the following 2006 PAF targets:

- Public Financial Management (linked to 20% of the contribution)
- Creation of a favourable environment for private sector action (linked to 20% of the contribution)
- In making its assessment for the confirmation of commitments at the mid-year review, Switzerland will also look at performance in year 2007, up to the time of the mid-year review, as defined in section I of the MoU.
- ✓ The third tranche will be disbursed:
 - following a positive assessment on the basis of conclusions and recommendations of the 2008 joint Programme Aid reviews of the achievements reached vis-a-vis the established performance criteria listed in the PAF
 - based on a continuing fulfilment of the underlying principles for the provision of Direct Budget Support as described in Section 3 of the MoU
- ✓ For the third tranche, a "Split response mechanism" will be applied based on the following thematic sub-tranches:
 - Fixed portion (linked to 60% of the contribution):
 - General performance against the 2007 PES/PAF evaluated in 2008, including in particular macroeconomic performance.
 - Variable portion: The decisive performance element will be satisfactory progress against the following 2007 PAF targets:
 - Public Financial Management (linked to 20% of the contribution)
 - Governance and economic development (linked to 20% of the contribution)
 - In making its assessment for the confirmation of commitments at the mid-year review, Switzerland will also look at performance in year 2008, up to the time of the mid-year review, as defined in section I of the MoU.

Agency: Government of the Swiss Confederation

Programme Title: Budget Support for the period 2010 -2012

Type of Budget Support: General Budget Support

Total Value (in original currency): Maximum amount of CHF 15.5 million

Anticipated Disbursements:

Three annual disbursements:

CHF 7.5 million for the year 2010 (upon signature of this Agreement)

CHF 4.5 million for 2011 (at earliest in January 2011)

CHF 3.5 million for the year 2012 (at earliest in January 2012)

Technical Assistance: No

Stated Objectives:

Contributing to poverty reduction in all its dimensions by

- ✓ supporting the implementation and monitoring of the PRS and in particular of sound macroeconomic policies for the sustainable economic development
- ✓ providing a financial contribution for increased resource allocations for poverty reduction.

Disbursement Conditions

- **General Conditions:**
 - ✓ Positive assessment by the Swiss Government of reform progress in Mozambique on the basis of conclusions and recommendations of the previous year (2009, 2010 and 2011) Programme Aid Annual Reviews,
 - ✓ Achievements reached vis-a-vis the established performance criteria listed in the PAF
 - ✓ Fulfilment of the underlying principles for the provision of General Budget Support as described in Section 2 of the 2009 MoU.

Agency: The Government of the United Kingdom of Great Britain and Northern Ireland acting through the Department for International Development (DFID)

Programme Title: United Kingdom / Mozambique Poverty Reduction Budget Support (PRBS) Programme Grant 2006-2011

Type of Budget Support: General Budget Support

Total Value (in original currency): A sum not exceeding £ 215,000,000.

Anticipated Disbursements:

2007	2008	2009	2010	2011	Total Programme Envelope
Core £36m	Core £40m	Core £41m	Core £42m	Core £44m	
Indicative £1m	Indicative £2m	Indicative £4m	Indicative £5m		
£36m	£41m	£43m	£46m	£49m	£215m

The first year will not have any indicative commitment.

Technical Assistance: No

Disbursement Conditions

▪ *General Conditions:*

- ✓ The Grant will be paid in accordance with the Procedures and Practices for United Kingdom PRBS and non-Budget Support Financial Aid.
- ✓ The Grant will be provided in accordance with the 2006 MoU.
- ✓ A decrease from the core components could occur as a result of a joint PAPs decision regarding perceived breaches of the Underlying Principles of the 2004 MoU, including an unsatisfactory PAF performance.
- ✓ The indicative component is subject to revision and will depend on the resources and modality decisions of DFID Mozambique, which are linked to trends in service delivery outcomes, fiduciary risks and PAF performance.

Agency: The Government of the United Kingdom of Great Britain and Northern Ireland acting through the Department for International Development (DFID)

Programme Title: United Kingdom / Mozambique Poverty Reduction Budget Support (PRBS) Programme Grant 2009-2013

Type of Budget Support: General Budget Support

Total Value (in original currency): A sum not exceeding £244,000,000

Anticipated Disbursements:

£ Million	2009	2010	2011	2012	2013	Total Programme Envelope
Core:	Core £42m	Core £44m	Core £45m	Core £46m	Core £47m	
Indicative:		Indicative £2m	Indicative £5m	Indicative £6m	Indicative £7m	
Total	£42m	£46m	£50m	£52m	£54m	£244m

The first year will have no indicative component.

Technical Assistance: No

Stated Objectives: The purpose is set out in the 2004 PAPs MoU and in DFID's policy relating to Partnership Commitments. It includes contributing to the following:

- Reducing poverty and achieving the MDGs in Mozambique;
- Respecting human rights and other relevant international obligations;
- Strengthening financial management and accountability and reducing weak administration or corruption.

Disbursement Conditions

- *General Conditions:*
 - ✓ The continued funding of the core component is subject to the fulfilment of the provisions of this agreement, including:
 - The GoM is responsible for ensuring that the Grant is used for the intended purposes;
 - Any misappropriation or diversion of funds or possible fraud or corruption relating to the programme activities funded by the DFID grant must be reported by the GoM immediately to DFID
 - The GoM will indemnify and keep indemnified Crown Agents Bank (appointed as the Agent to manage these financial arrangements) against third party claims and liabilities (other than overhead expenses) incurred in the proper performance of their duties under the Grant.
 - ✓ The continued funding of the core component is subject to the maintenance of the partnership commitments, including:
 - GoM's commitments to peace and good governance;
 - Demonstrable progress in tackling corruption;
 - GoM's commitment to fight poverty, including through a pattern of public expenditure consistent with PARPA priorities;
 - GoM's commitment to pursuing sound macro-economic policies;
 - Implementing its Performance Assessment Framework (PAF) commitments;
 - Improving Public Financial Management.
 - ✓ The indicative commitment will depend on the availability of resources to DFID and aid modality decisions.
- *Addendum Conditions (Amendment no. 1/2012):*
 - ✓ From the 1st of April 2012 all new grants and those existing grants with an end date beyond 30 June 2012 will no longer be administered by Crown Agents Bank. When requesting payment the GoM should complete Annex I to this agreement.

Agency: International Development Association (IDA)

Programme Title: Second Poverty Reduction Support Credit (PRSC2)

Type of Budget Support: General Budget Support

Total Value (in original currency): Special Drawing Rights (SDR) 83.3 million (US\$ 120 million equivalent)

Anticipated Disbursements: Two tranche operation: First Tranche - SDR 41.65 million (\$60 million equivalent); Second Tranche - SDR 41.65 million (\$60 million equivalent)

Technical Assistance: No

Stated Objectives:

- ✓ Support to the GoM's primary objective of reducing absolute poverty and achieving the MDGs through the implementation of PARPA.
- ✓ Support to the Government's reform agenda of promoting growth, accelerating human resource development, and strengthening governance and public sector management.

Disbursement Conditions

▪ *General Conditions:*

- ✓ Conditions are based on the Government's monitoring indicators for its PARPA. In particular, the second tranche is to be disbursed after the completion of a set of triggers taken exclusively from the PAF for 2005 (i.e. important reform actions in the area of improving public financial management and the investment climate).
- ✓ The GoM shall be entitled to withdraw the proceeds subject to the following:
 - the GoM shall ensure that upon each deposit into an account, an equivalent amount is accounted for in the GoM's budget management system;
 - Financing shall not be used to finance Excluded Expenditures (i.e tobacco, jewellery, gold, goods for military purposes, environmentally hazardous goods...)
 - No withdrawal will be done after the aggregate amount withdrawn has reached SDR 41,650,000, unless:
 - the progress achieved by the Borrower in the carrying out of the Program is satisfactory;
 - the macroeconomic policy framework of the Borrower is satisfactory
 - the following actions have been taken in a satisfactory manner:

a) the borrower has adopted a new procurement code and started its implementation
 b) the borrower has adopted a new commercial code
 c) the borrower has rolled out the e-SISTAFE to the Ministry of Education and Culture
 d) the borrower has concluded the study on 'off-budgets' in the health sector and initiated the implementation of the study's recommendations
 e) the borrower has submitted bills to its Parliament revising: (i) the organic law of judicial courts including commercial sections; and (ii) the Notary Code.
 f) the borrower has increased, in real terms, the resources allocated in its 2006 budgetary proposal for the anti-corruption unit, if compared with its 2005 budget.

Agency: International Development Association (IDA)

Programme Title: Third Poverty Reduction Support Credit (PRSC3)

Type of Budget Support: General Budget Support

Total Value (in original currency): SDR 46.6 million (US\$ 70 million equivalent)

Anticipated Disbursements: The Financing shall be withdrawn in a single tranche.

Allocations	Amount of the Financing Allocated (expressed in SDR)
Single Tranche	46,600,000
TOTAL AMOUNT	46,600,000

Technical Assistance: No

Stated Objectives: Assisting the GoM to implement key policy actions outlined in PARPA II and in the PAF agreed by the Government and the 19 PAPs. In particular, PRSC-3 is expected to help the GoM in:

- ✓ the consolidation and deepening of the institutional reforms in the area of macroeconomic management;
- ✓ reforms in governance by supporting:
- decentralization to enhance public investments and service delivery at the provincial and district level
- public sector reform;
 - ✓ economic development by improving the investment climate, removing constraints to growth, such as infrastructure, and promoting agricultural growth.

Disbursement Conditions

- *General Conditions:*
 - ✓ IDA has decided to provide this financing on the basis, *inter alia*, of:
 - the actions which the Recipient has already taken under the Program (described in Section I of Schedule I to this agreement):
 - Budget allocation for the priority sectors, with 65% of total expenditures allocated to priority sectors in the Budget execution for 2005 and in the Budget planning for 2006
 - Increased budget coverage with enlarged Recipient's revenues included in the 2007 Budget
 - Rollout of basic functionality of the e-SISTAFE to the Ministries of Finance, Planning and Development, Education and Culture, Agriculture, Health, and Public Works
 - Creation of the Central Revenue Authority (ATM)
 - First phase in the implementation of a new procurement system
 - Definition of criteria for allocation of the investment budget for districts for the 2007 Budget
 - Simplification of the procedure to open a business, as evidenced by the Decree

41/2006.

- the Recipient's maintenance of an appropriate macro-economic policy framework.
- ✓ GoM shall ensure that upon each deposit of an amount of this financing into an account, an equivalent amount is accounted for in the GoM's budget management system in a manner acceptable to the IDA.
- ✓ Financing shall not be used to finance Excluded Expenditures
- ✓ Credit will be released:
 - following standard IDA disbursement procedures
 - at the request of the Ministry of Planning and Development

Agency: International Development Association (IDA)

Programme Title: Fourth Poverty Reduction Support Credit (PRSC4)

Type of Budget Support: General Budget Support

Total Value (in original currency): SDR 37.8 million (US\$ 60 million equivalent)

Anticipated Disbursements: Single tranche to be disbursed upon effectiveness

Allocations	Amount of the Financing Allocated (expressed in SDR)
Single Tranche	
TOTAL AMOUNT	37,800,000

Technical Assistance: No

Stated Objectives: Assisting the GoM to implement key policy actions outlined in PARPA II and in the PAF agreed by the Government and the 19 PAPs. In particular, PRSC-4 is expected to help the GoM in:

- (a) the consolidation and deepening of the institutional reforms in the area of macroeconomic management;
- (b) reforms in governance by supporting:
 - 1 decentralization to enhance public investments and service delivery at the provincial and district level
 - 2 public sector reform;
- (c) economic development by removing constraints to growth, such as infrastructure, and promoting agricultural growth.

Disbursement Conditions

- *General Conditions:*
 - ✓ IDA has decided to provide this financing on the basis, *inter alia*, of:
 - the actions which the Recipient has already taken under the Program (described in Section I of Schedule I to this agreement):
 - MOF has ensured that the Recipient's actual expenditures of its priority sectors have reached at least 65% for total expenditures in 2006.
 - MOF has rolled out the basic functionality of e-SISTAFE to at least 22 Recipient's ministries.

- *Autoridade Tributária de Moçambique* has elaborated and approved the Information Technology Development Plan for the period January 1, 2007 to January 1, 2010.
- MOF has continued the implementation of the Recipient's new procurement system
- IGF has increased the coverage and efficiency of internal audits of Recipient's districts and municipalities
- The Recipient's Court of Accounts has issued the relevant court opinions for at least 70 financial audits of Recipient's ministries and state agencies.
- MFP has completed the census of the Recipient's civil service
- MOF has developed an e-SISTAFE compatible payroll database for the Recipient's civil service.
- ANE has rehabilitated and maintained the Recipient's national classified roads network to ensure that at least 71% of said roads network is in good or fair condition
- MINAG has constructed and rehabilitated at least 2,500 hectares of irrigated areas in the Recipient's territory
- MINAG has increased access to technologies and extension information to at least 21% of farmers in the Recipient's territory
- the Recipient's maintenance of an appropriate macro-economic policy framework.
- ✓ GoM shall ensure that upon each deposit of an amount of this financing into an account, an equivalent amount is accounted for in the GoM's budget management system in a manner acceptable to the IDA.
- ✓ Financing shall not be used to finance Excluded Expenditures
- ✓ Disbursement procedures remain the same as used for PRSC3. Credit will be disbursed:
- following standard IDA disbursement procedures
 - at the request of the Ministry of Planning and Development

Agency: International Development Association (IDA)

Programme Title: Sixth Poverty Reduction Support Credit (PRSC6)

Type of Budget Support: General Budget Support

Total Value (in original currency): SDR 69.500.000 million (USD 110 million equivalent)

Anticipated Disbursements: Single tranche to be disbursed from the Credit upon effectiveness.

Technical Assistance: No

Stated Objectives: Improving public financial management systems and adopting growth enhancing reforms to increase private investment. PRSC-6 is expected to help the GoM in:

- ✓ the consolidation and deepening of the institutional reforms in the area of:
 - the budget process,
 - the quality of public financial management systems,
 - the transparency and efficiency of the State procurement system,

- the coverage and effectiveness of external audit;
- ✓ economic development by removing constraints to growth, notably by reducing structural constraints to financial intermediation.

Disbursement Conditions

- *General Conditions:*
- ✓ The following triggers drawn from the PAF were converted into prior actions and fulfilled by the GoM:
 - The aggregate envelope and the aggregate allocation to priority sectors in the budget 2009 are in line with the first year of the MTEF 2009-2011
 - 90% of the EO of the UGEs in goods and services and investments through direct EO
 - Operational functioning of the Procurement system improved
 - The Court of Accounts will continue to expand the coverage of the audit of the State Budget in accordance with the technical norms of INTOSAI to at least 30 percent in 2008
 - Cabinet approval of the Medium Term Wage Policy approved
 - The MoF has elaborated the IFRS transition plan
- ✓ Disbursement procedures remain the same as used for the previous PRSC series.

Credit will be disbursed:

- following standard IDA disbursement procedures
- after effectiveness
- upon submission of withdrawal applications from the Ministry of Planning and Development.

Agency: International Development Association (IDA)

Programme Title: Seventh Poverty Reduction Support Credit (PRSC7)

Type of Budget Support: General Budget Support

Total Value (in original currency): SDR54.1 million (USD85 million equivalent)

Anticipated Disbursements: The Financing is allocated in a single withdrawal tranche, from which the Recipient may make withdrawals of the Financing.

Allocations	Amount of the Financing Allocated (expressed in SDR)
Single Withdrawal Tranche	54,100,000
TOTAL AMOUNT	54,100,000

Technical Assistance: No

Stated Objectives: Strengthening economic governance systems and growth agenda to accelerate private sector development in order to achieve broad based growth for poverty reduction. In particular, PRSC7 is expected to help the GoM in:

- (a) the consolidation and deepening of reforms in the area of:
 - the tax policy and administration
 - the public financial management systems
 - the State procurement system
 - the capacity of the internal audit
 - the coverage and effectiveness of external audit

(b) removing constraints to growth, notably by reducing constraints to financial intermediation and simplifying procedures for import and export operations

Disbursement Conditions

- **General Conditions:**
 - ✓ IDA has decided to provide this financing on the basis, *inter alia*, of:
 - the actions which the Recipient has already taken under the Program (described in Section I of Schedule I to this agreement):
 - MoF has ensured that during FY 2009:
 - (i) 90 percent of the total value of budgetary expenditures for goods, services, and investments for the Budget Execution Units with access to e-SISTAFE has been incurred through e-SISTAFE under Direct Budget Execution
 - (ii) at least 10 percent of said BEUs total wage bill has been incurred under Direct Budget Execution.
 - MoF has established internal control units in at least 75 percent of its central and provincial level agencies
 - The Court of Accounts has expanded audit coverage of the State Budget from 30 percent in FY 2008 to at least 35 percent in FY 2009
 - The Council of Ministers has approved the mandatory implementation of IFRS in:
 - (i) large private enterprises starting in FY 2010; and (ii) medium private enterprises starting in FY 2011
 - The Minister of Agriculture has issued a decree to update tax rates for the use of land to account for inflation
 - The Council of Ministers has issued a decree regulating complete pre-arrival clearance of goods and creating the figure of the reliable and trustworthy customs agents
 - The Ministry of Mineral Resources has:
 - (i) appointed to the EITI a permanent national coordinator;
 - (ii) adequately staffed its EITI secretariat; and
 - (iii) held the first meeting of the EITI multi-stakeholders.
 - the Recipient's maintenance of an appropriate macro-economic policy framework.
 - ✓ No withdrawal shall be made of the Single Withdrawal Tranche unless IDA is satisfied:
 - with the Program being carried out by the Recipient;
 - with the appropriateness of the Recipient's macroeconomic policy framework.
 - ✓ Disbursement procedures remain the same as for PRSC-6. Credit will be disbursed:
 - following standard IDA disbursement procedures
 - after effectiveness
 - upon submission of withdrawal applications from the Ministry of Planning and Development.

Agency: International Development Association

Programme Title: Eighth Poverty Reduction Support Credit (PRSC8)

Type of Budget Support: General Budget Support

Total Value (in original currency): SDR 71.7 million (US\$110 million equivalent)

Anticipated Disbursements: Single tranche to be disbursed from the Credit upon effectiveness.

Tranche 1	Description	Amount US\$110 million	Expected release date 06/2012

Technical Assistance: No

Stated Objectives: To strengthen economic governance systems and support private sector development in order to achieve broad based growth for poverty reduction. In particular, PRSC8 is expected to help the

GoM in:

a) the consolidation and deepening of reforms in economic management in the areas of budget implementation through improvements in:

- public financial management systems
- government procurement systems
- internal and external audit functions
- transparency in use of government resources

(b) removing constraints to growth by simplifying business procedures and developing a legal framework to facilitate private sector participation in the provision of infrastructure.

Disbursement Conditions

▪ *General Conditions:*

✓ The following prior actions are proposed:

- MoF has expanded the use of the integrated electronic financial management system e-SISTAFE to no less than 430 Budget Units resulting in Direct Budget Execution of 37.5 percent of the State Budget
- MoF has established internal control units in all of its central and provincial level bodies
- The Court of Accounts has continued to expand audit coverage of the State Budget from 35 percent in Fiscal Year 2009 to at least 37 percent in Fiscal Year 2010
- The Ministry of Industry and Trade has sent to the Council of Ministers for discussion and approval a draft decree to simplify business related licenses while allowing an additional seventy economic activities to be registered and operate under simplified licensing procedures
- The Ministry of Mineral Resources has produced the first report under the EITI
- The Public Private Partnerships Law has been enacted and published in the Official Gazette

✓ Disbursement procedures remain the same as for PRSC-7. Credit will be disbursed:

- following standard IDA disbursement procedures
- after effectiveness and fulfilment of tranche release conditions
- upon submission of withdrawal applications from the Ministry of Planning and Development.

Annex 2: Mozambique Matrix of responses to Evaluation Questions

EQ 1.1	What was the scale of Budget Support over the period and the mix between GBS & SBS? What was the mix of inputs provided (funds, TA & capacity-building, policy dialogue) and was it consistent with those envisaged in the Budget Support agreements, and in the 2004 & 2009 Memoranda of Understanding?		
Stage of Evaluation and Level of the Intervention Logic	Step One, Level 1: Inputs		
Evaluation criterion	Efficiency in implementation (including harmonisation & alignment, as well as transparency)		
Judgement Criteria	Summary Response & Reference to Volume I	Source of information	Quality of evidence
(i) Budget Support funds committed by the DPs actually disbursed on time to the Exchequer account in the BdM (CUT) as envisaged in the Budget Support agreements.	<ul style="list-style-type: none"> ○ BS disbursements have comprised on average 15% of total spending and 27% of ODA over the evaluation period. (3.1, Figure 6 & Table 8) ○ MoU Procedures for reporting on planned BS disbursements have ensured annual disbursements have always exceeded planned disbursements. (3.1, Figure 7), in contrast with other modalities. (Figure 8). ○ Looking at quarterly disbursements within the year, over 60 % of BS disbursements have been “front-loaded” in the first two quarters (3.1, Figure 9), and over 2007 to 2009 were close to plans, although in 2010, 2011 & 2012 there have been delays (3.1, Figure 10.) ○ However, the financing gap has not been large 	Own computation from data provided by DNT, Ministry of Finance. Own computation from data provided by DNT, Ministry of Finance.	Strong Strong
		Data from BdM on 90 day	<i>More than satisfactory</i>

	<p>and there is no sign of “spikes” in T.Bill rates as a result. Nor were other types of treasury management problems reported. (3.1, Para. 73.)</p>	<p>T. Bill rates. Interviews with DNO and BdM.</p>	??
(ii) Technical assistance and capacity building inputs provided as envisaged in the GBS/ SBS agreements and related capacity-building programmes.	<ul style="list-style-type: none"> ○ Small minority of BS agreements include provisions for TA; several DPs have alternative arrangements to provide TA to address capacity gaps identified through BS, including substantial provisions through four common basket funds for PFM reforms and related institutions. (3.3, Para 132-138) ○ GoM staff report their satisfaction with these arrangements. (3.3, Para 139). 	<p>Analysis of BS agreements. Interviews with G-19 members.</p> <p>Focus group with senior GoM officials & interviews with GoM staff.</p>	<p><i>More than satisfactory</i> (data not comprehensive)</p> <p><i>Indicative but not conclusive</i></p>
(iii) Structured, transparent process of assessment of disbursement conditions established, harmonised across BS operations, aligned with Government processes of target setting and performance measurement, and efficient in terms of transactions costs.	<ul style="list-style-type: none"> ○ Core essentials of a structured, harmonised assessment and disbursement process had been established from the outset of the evaluation period, and have been largely preserved. (Section 3.2, Para 86-88.) ○ However, the annual assessment process is reported to involve increasing transaction costs. (3.2, Para 89-92.) 	<p>MoU 2004 & 2009; Batley et al, 2006. Annual Reviews, Focus groups (G-19 and GoM).</p> <p>Focus Groups & individual interviews with GoM staff and G-19 members</p>	<p>Strong</p> <p><i>Indicative but not conclusive</i></p>
(iv) Mechanism for policy dialogue between the PAPs and the GoM established, facilitating effective discussion of the strategic policy issues relevant to the implementation of PARPA/ PARP.	<ul style="list-style-type: none"> ○ A structured harmonised process for dialogue on progress towards PARPA and PARP was established prior to the evaluation period and largely preserved, focussed on the GoM PAF (3.2, Para 93-95.) ○ The GoM PAF has been relatively strategic and low in transaction costs but its limitations as an 	<p>Batley et al, 2006; Focus groups with GoM and G-19; PAF & Annual Review reports.</p> <p>Focus groups with GoM and G-19;</p>	<p>Strong</p> <p>Strong</p>

	<p>indicator-based assessment tool have led to the development of complementary frameworks, posing the danger that these may proliferate. (3.2, Para 95-100, 127.)</p> <ul style="list-style-type: none"> ○ In addition, several poverty related problems (e.g. access to fertiliser) have been inadequately addressed. (3.2, Para 128 -130.) 	<p>PAF & Annual Review reports.</p> <p>Focus groups with GoM and G-19; PAF & Annual Review reports.</p>	<i>Strong</i>
(v) Consistency of the design and delivery of these inputs with principles established in 2004 and 2009 MoU.	<ul style="list-style-type: none"> ○ Most BS inputs are considered to have been provided in line with MoU principles. ○ However, the 2011 and 2012 suspensions of disbursements due to 'suspected violations of underlying principles' would appear to be inconsistent with clause 25 of the 2009 MoU. 	<p>PAF & Annual Review reports.</p> <p>Focus groups with GoM and G-19;</p>	<i>More than satisfactory</i>

EQ 1.2	How has the context for Budget Support evolved in terms of economic and political developments, as well as trends in international development policies? Have changes made in the scale and in the design and implementation arrangements for BS operations been relevant to the evolving context?		
Stage of Evaluation and Level of the Intervention Logic	Step One, Level I: Inputs		
Evaluation criterion	Relevance		
Judgement Criteria	Summary Response & Reference to Volume I	Source of information	Quality of evidence
(i) Key contextual changes likely to affect efficiency & effectiveness of Budget Support documented and their implications analysed.	<ul style="list-style-type: none"> ○ This has been a period of increasing scepticism over Budget Support (Section 2.3, Para 50-51); ○ Period of increasing concentration of political power (Section 2.2, Para 34-49); 	<p>DFID, EU, SECO, SIDA Policy documents; G-19 focus group. Election results 1994-2009; WGI & Freedom</p>	<i>Strong</i> <i>Strong</i>

	<ul style="list-style-type: none"> ○ As a consequence, a period of increasing difficulty in dialogue, evidenced by the 3 suspensions in 2010, 2011 and 2012 due to suspected violations of underlying principles; (Section 2.4, Para 54; 3.4, Para 153-157.) ○ Onset of mining boom, plus economic growth & revenue growth have led to unprecedented level of fiscal space. (Section 2.1, Para. 29 -32; Section 2.4, Para 56). 	<p>House indicators;</p> <p>Annual Review reports; GoM & G-19 Focus groups</p> <p>IMF, Jan 2014;</p> <p>Announced plans of ENI & Anadarko; Gqada, I., Aug 2013.</p>	<p>Strong</p> <p>Strong</p>
(ii) Key changes in Budget Support disbursements, which might have been influenced by these identified contextual changes, and possibility of <u>causal links</u> examined.	<ul style="list-style-type: none"> ○ Reduction in relative scale of BS primarily due to growth of revenue & GDP; (3.4, Para 143); ○ Increased use of Performance tranches driven by HQ policy changes; (3.4, Para 144-145, 149); ○ Opening of dialogue on NR extraction and EITI accession driven by concerns over mining boom. (3.4, Para 151-152) ○ Increased incidence of suspensions due to suspected violations of underlying principles, due to increased concerns over governance (3.4, Para 153-157.) 	<p>DNT disbursement data, BdM/ IMF reports</p> <p>Interviews with G-19, G-19 focus group</p> <p>Interviews with G-19, G-19 focus group.</p> <p>Interviews with G-19 (including 2010 Troika head), G-19 focus group</p>	<p><i>More than satisfactory</i></p> <p><i>Indicative but not conclusive</i></p> <p><i>More than satisfactory</i></p> <p><i>More than satisfactory</i></p>

<p>(iii) Key changes in scale/ input mix/ implementation arrangements for Budget Support identified and their <u>consequences</u> identified.</p>	<ul style="list-style-type: none"> ○ Reduced scale of Budget Support in post 2011 has reduced aid dependence and promoted sustainability (3.4, Para 158) ○ No evidence that expanded use of Performance tranches has generated positive incentive effects (3.4, Para 145-150 & Box 2) ○ Dialogue on NR extraction + TA support probably speeded progress to EITI accession (3.4, Para 158). ○ Readiness to announce suspensions due to violation of underlying principles had positive effects in 2010, but has undermined trust in more recent years. (3.4, Para 158) 	<p>BdM/ IMF reports; GoM & G-19 focus groups.</p> <p>Orlowski, 2013; Interviews with GoM senior staff.</p> <p>G-19 & GoM focus groups & interviews.</p> <p>G-19 & GoM focus groups & interviews (including with 2010 Troika head).</p>	<p>Strong</p> <p><i>Indicative but not conclusive</i></p> <p><i>Indicative but not conclusive</i></p> <p><i>Indicative but not conclusive</i></p>
<p>(iv) Assessment of relevance of these design changes to the contextual changes identified.</p>	<ul style="list-style-type: none"> ○ Reduction in scale of Budget Support was appropriate, given changed economic context. (3.4, Para 158) ○ Experience with Performance tranches is too short to assess longer term effects on incentives; they do serve an important “signalling function” for BS providers; (<i>idem</i>) ○ Dialogue & TA support proved an appropriate response to concerns over mining boom; (<i>idem</i>) ○ Suspension for underlying principles probably appropriate in 2010 but not in 2011 or 2012. 	<p>BdM/ IMF reports; GoM & G-19 focus groups.</p> <p>Orlowski, 2013; Interviews with GoM senior staff.</p> <p>G-19 & GoM focus groups & interviews.</p> <p>G-19 & GoM focus groups & interviews (including with 2010 Troika head).</p>	<p>More than satisfactory</p> <p><i>Indicative but not conclusive</i></p> <p><i>Indicative but not conclusive</i></p> <p><i>Indicative but not conclusive</i></p>

EQ 2.1	To what extent has Budget Support contributed to increasing the value and the proportion of external funds managed through the national budget process? How far has this contributed in turn to increasing the overall predictability of external resource funding for government activities?		
Stage of Evaluation and Level of the Intervention Logic	Step One, Level 2: Direct Outputs		
Evaluation criteria	Efficiency, Effectiveness and Sustainability		
Judgement Criteria	Summary Response & Reference to Volume I	Source of information	Quality of evidence
(i) Scale and evolution over the evaluation period of % of aid flows provided as Budget Support, and making full use of national budgetary processes.	<ul style="list-style-type: none"> ○ The share of Budget support in total ODA fell to 23.7 % in 2012 from 34.2% in 2007. (3.1, Table 8) ○ Paris Declaration Monitoring reports & PEFA assessments report modest overall increase in use of country systems 2005 -2010, but there are doubts over the credibility of data sources. PAPs' PAF annual reviews report a decline over 2009 - 2012 (3.1, Table 9 & Para 76.) 	DNT data on ODA disbursements, BoM fiscal tables. Paris Declaration Monitoring Reports 2006, 2008 & 2010; PEFA assessments 2006, 2008 & 2010; PAPs' PAF Annual reviews.	<i>More than satisfactory</i> <i>Indicative but not conclusive</i>
(ii) Use of country systems: extent to which external aid is 'on plan', 'on budget' and 'on treasury'?	<ul style="list-style-type: none"> ○ See above: Paris reports 36 % of ODA using national PFM systems in 2005, rising to 47% in 2010; ○ See above: PAPs' PAF report 49 % in 2006, 68% in 2009 and 59 % in 2012 for the 18 PAPs agencies (excluding IMF.) 	Paris Declaration Monitoring Reports 2006, 2008 & 2010; PEFA assessments 2006, 2008 & 2010; PAPs' PAF Annual reviews	<i>Indicative but not conclusive</i>

<p>(iii) Ranking of donor efforts to support national systems as expressed in Paris Declaration monitoring reports and PEFA indicators D2 and D3.</p>	<ul style="list-style-type: none"> ○ See above. 	<p>Paris Declaration Monitoring Reports 2006, 2008 & 2010; PEFA assessments 2006, 2008 & 2010.</p>	<p><i>Indicative but not conclusive</i></p>
<p>(iv) Indications of causal links between GBS/SBS and increased use of country systems by other modalities</p>	<ul style="list-style-type: none"> ○ Mozambique is unique in having established explicit links between the annual review process and wider aid effectiveness goals. ○ Over 2005-2010, indications are that the G-19 were driving aid effectiveness efforts. ○ Since 2010, there is a notable disinvestment in this process. (Section 3.1, Para 77-82.) 	<p>Paris Declaration Monitoring Reports 2006, 2008 & 2010; PAPs' PAF Annual reviews; G-19 and GoM Focus groups.</p>	<p><i>More than satisfactory</i></p>
<p>(v) Predictability of aid disbursements by modality on annual basis and, where possible, on quarterly basis.</p>	<ul style="list-style-type: none"> ○ Overall predictability of ODA disbursement rose from 58 % in 2007 to 79 % 2009-2011, declining to 70 % in 2012. ○ Although relative weight of BS declined since 2010, this was largely compensated by improved predictability of Common Funds. ○ Quarterly disbursement data only available for Budget Support. (3.1, Para. 65 – 67 & Figure 7.) 	<p>DNT, MoF for Budget Support; CGE 2005-2012 and REO 2012 for other modalities.</p>	<p><i>Indicative but not conclusive</i> (With many projects off budget, data on disbursements are only approximate estimates.)</p>
<p>(vi) Analysis of same issues at sectoral level (Agriculture, Education, Health) to assess for potential differences in performance driven by contextual differences, including</p>	<ul style="list-style-type: none"> ○ Health sector focus group reported low predictability in project disbursements, higher for PROSAUDE and higher still for the Govt Budget (OGE). ○ Education sector interviewees reported similar trends but stressed that project numbers had 	<p>Health sector focus group; Education sector interviews.</p>	<p><i>Weak</i> <i>Weak</i></p>

the existence of SWAP arrangements.	declined and CBF disbursements had become more predictable. NB. Not Reported in Volume One, due to weakness of data.		
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EQ 2.2	To what extent has Budget Support contributed to increased alignment and harmonisation of external aid as a whole and to the reduction of transaction costs per unit of aid provided? Has Budget Support contributed more or less than other modalities in these respects?		
Stage of Evaluation and Level of the Intervention Logic	Step One, Level 2: Direct Outputs		
Evaluation criterion (or criteria)	Efficiency, Effectiveness & Sustainability		
Judgement Criteria	Summary Response & Reference to Volume I	Source of information	Quality of evidence
(i) Trends in degree of harmonisation of external aid between Development Partners.	<ul style="list-style-type: none"> ○ Paris Declaration monitoring surveys 2006, 2008 & 2010 report some improvement in harmonisation; ○ PAPs' PAF reports show improvement up to 2010 but decline thereafter. (3.1, Para. 77-80, Figures 11 & 12.) 	Paris Declaration monitoring surveys PAPs' PAF annual reviews.	<i>Indicative but not conclusive</i> <i>Indicative but not conclusive</i>
(ii) Level of transaction costs per unit of aid for GBS/ SBS and other modalities.	<ul style="list-style-type: none"> ○ There is some evidence that transaction costs of Budget Support have risen over the evaluation period. (3.1, Para 83-84.) ○ Perceptions suggest that transaction costs of other modalities are still significantly higher, especially projects. (<i>idem</i>, & Table 10) 	Annual Review reports; Focus Groups with GoM & G-19.	<i>Indicative but not conclusive</i>

<p>(iii) Indications that positive progress in harmonisation & transaction cost reduction may have been positively influenced by GBS/ SBS processes.</p>	<ul style="list-style-type: none"> ○ Mozambique is unique in having established explicit links between the annual review process and wider aid effectiveness goals. ○ Over 2005-2010, indications are that the G-19 were driving aid effectiveness efforts. ○ Since 2010, there is a notable disinvestment in this process. (Section 3.1, Para 77-82.) 	<p>Paris Declaration Monitoring Reports 2006, 2008 & 2010; PAPs' PAF Annual reviews; G-19 and GoM Focus groups.</p>	<p><i>More than satisfactory</i></p>
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<p>EQ 2.3</p>	<p>To what extent has Budget Support contributed to sustainable improvements in the processes and methods of policy dialogue, in terms of institutionalising efficient frameworks, which involve relevant stakeholders, focus on strategy and results, and help to resolve policy dilemmas?</p>		
<p>Stage of Evaluation and Level of the Intervention Logic</p>	<p>Step One, Level 2: Direct Outputs/ Level 3: Induced Outputs</p>		
<p>Evaluation criteria</p>	<p>Efficiency, Effectiveness & Sustainability</p>		
<p>Judgement Criteria</p>	<p>Summary Response & Reference to Volume I</p>	<p>Source of information</p>	<p>Quality of evidence</p>
<p>(i) Nature & quality of policy dialogue frameworks at national, sectoral and thematic levels and their evolution over the evaluation period.</p>	<ul style="list-style-type: none"> ○ A structured framework for policy dialogue, including sectoral and thematic levels has been developed, well integrated with national policy structures and with budget cycle. ○ The framework is strategic in using GBS PAF for high-level crosscutting issues but several important PARP issues not addressed. ○ Sectoral & national frameworks do include analysis of policy targets & outcomes but it is not clear that use of evidence has increased. 	<p>2004 & 2009 MoU, Annual Review reports (global & sectoral); CSO, GoM & G-19 focus groups & individual interviews with GoM and G-19 members.</p>	<p><i>More than Satisfactory</i></p>

	<ul style="list-style-type: none"> ○ A wide range of stakeholders from GoM, private sector, NGOs and DPs are involved consistently in these processes. (Section 3.2, Para 85 - 130) 		
(ii) Evidence that GoM structures for policy dialogue have been influenced in a positive & sustainable way by Budget Support processes	<ul style="list-style-type: none"> ○ GBS processes over 2001 – 2005 were instrumental in establishing a structured framework for national policy dialogue, linked to PARPA/ PARP targets. (3.2, Para 85-130) ○ This structure has been preserved during the evaluation period. (<i>idem</i>) ○ The GoM PAF indicators are moderate in number, mostly measureable and with the right level of ambition. (3.2, Para 93-94, Table 13 and Figures 14 & 15.) ○ Evidence suggests that Education and Health policies were positively influenced by GBS but <u>not</u> Agriculture. (3.2, Para 101 – 122.) ○ There is a structural weakness in the quality of sectoral and thematic policy development, which GBS has been unable to influence (3.2, Para 130.) 	<p>Annual Review reports (global & sectoral); Individual interviews with GoM and G-19 members, including Education, Health & Agriculture specialists; Bartholomew et al., 2009; Cabral, L., 2009; Takala, 2008.</p>	<i>More than Satisfactory</i>
(iii) Testing of 2 counterfactuals at sector level – that positive developments in policy dialogue have been driven exclusively by SWAP frameworks or other factors and/or that they have been driven by the combination	<ul style="list-style-type: none"> ○ SWAP frameworks in Agriculture, Education & Health pre-dated GBS but became better integrated with national processes as a consequence of GBS. ○ In general, sector policy processes have their own history, energy and momentum and have only been modestly influenced by GBS 	<p>Annual Review reports (global & sectoral); Individual interviews with GoM and G-19 members, including Education, Health & Agriculture specialists; Bartholomew et al., 2009;</p>	<i>More than Satisfactory</i>

of Budget Support with other modalities.	processes in Education and Health and hardly at all in Agriculture. (3.2, Para 101-130).	Cabral, L., 2009; Takala, 2008.	
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EQ 3.I	To what extent has Budget Support contributed to improvements in the quality of macroeconomic management and in the effectiveness of domestic revenue mobilisation?		
Stage of Evaluation and Level of the Intervention Logic	Step One, Level 3: Induced Outputs		
Evaluation criteria	Effectiveness, Sustainability		
Judgement Criteria	Summary Response & Reference to Volume I	Source of information	Quality of evidence
(i) Domestic revenue mobilisation has improved and fiscal policy targets have been increasingly respected.	<ul style="list-style-type: none"> ○ Tax revenues increased significantly from 13.4% of GDP in 2005 to 23.3% in 2012. (Table 16; Section 4.1, Para 162 -164)) ○ In comparison with other neighbour countries, Mozambique out-performed Tanzania (17.6%) & Uganda (15.6%) and is now on a par with Kenya. (23.5%) (4.1, Para. 165) ○ The fiscal regime for the minerals sector has been tightened and is now close to international norms. (4.1, Para 166.) ○ Mozambique became an EITI candidate in 2009 and became compliant in 2012. (Para 168.) 	MoF and IMF reports (Article IV & PSI reviews) IMF reports for neighbouring countries (2012) Hubert, 2012; Interviews with BoM & IMF. EITI website.	Strong
(ii) Macroeconomic stability protected and the business climate improved.	<ul style="list-style-type: none"> ○ GDP growth has remained high, averaging 7.3% annual growth. (4.1, Para 175) ○ Throughout the evaluation period, Mozambique has remained on-track with the IMF PSI programme. (4.1, Para 174.) 	BoM, IMF. IMF PSI reviews	Strong

	<ul style="list-style-type: none"> ○ Inflation, having averaged 10.2% over 2004-08, rose to 12.7 % in 2010 but by 2012 had fallen to 2.2 %, the lowest in the SADC region. (4.1, Para 176) ○ Mozambique's Doing Business Ranking has remained at 138 or 139 (out of 183), which compares unfavourably with neighbouring countries. (4.1, Para 178 -179.) ○ In the Global Competitiveness report 2013-14, it ranked 138 out of 139 countries, a fall from 133 in 2011-12. (<i>idem</i>) 	<p>BoM; IMF reports for SADC countries</p> <p>WB Doing business Reports</p> <p>Global Competitiveness Reports.</p>	
<p>(iii) Composition of public spending by economic category evolved to reflect greater allocative efficiency.</p>	<ul style="list-style-type: none"> ○ Total spending increased by 9 percentage points of GDP from 2005 to 2012, but this was balanced by revenue expansion of 9.8 % points of GDP. (4.1, Para 180 & Table 16.) ○ Recurrent expenditure reached 19.2% of GDP in 2012, as compared with domestic revenue of 23.3% GDP. (<i>idem</i>) 	<p>BoM & IMF reports</p>	<p>Strong</p>

<p>(iv) Indications of positive BS effects from both funds & dialogue and no signs of significant negative effects (Dutch disease effects, monetary sterilisation problems, perverse incentives on revenue)</p>	<ul style="list-style-type: none"> ○ The growth in domestically financed development expenditure could not have been achieved in the absence of Budget Support. (4.1, Para 181) ○ There is no evidence of perverse incentives on revenue collection, of Dutch disease effects or of monetary sterilisation problems. (4.1, Para 182 – 187.) ○ Late BS disbursements have occasionally created higher than programmed bank deposits at the BoM, causing this PSI target to be missed but this may be attributed to coordination problems between MoF & BoM, which have since been corrected. (Para 188.) 	<p>BoM & IMF reports</p> <p>BoM & IMF reports</p> <p>IMF PSI reviews; interviews with MoF (DNT), BoM and IMF.</p>	<p><i>More than satisfactory</i></p>
<p>(v) Consideration of counterfactual: revenue & macro performance driven predominantly by factors other than Budget Support, e.g. GoM aspirations & ambitions, concern over remaining on-track with IMF, etc, or only by constructive synergies between Budget Support and other modalities (such as TA projects).</p>	<ul style="list-style-type: none"> ○ Budget Support dialogue had a positive effect on speed of EITI accession. (4.1, Para 192) ○ Re revenue and overall macro performance, domestic political will has been the primary driver. (4.1, Para 183-184, 189-191.) ○ TA support to EITI accession was important and complemented commitments through the PAF. (Section 3.3, Para 133) ○ TA support to the ATM was important for revenue growth but not a primary driver. (3.3, Para. 139.) 	<p>PAF & Annual Reviews; Focus Groups with GoM & G-19.</p> <p>Interviews with IMF, BoM and MoF.</p> <p>Focus Groups with GoM & G-19.</p> <p>Interviews with MoF, IMF and Danida, DFID & KfW.</p>	<p><i>More than satisfactory</i></p>

EQ 3.2	To what extent has Budget Support contributed to improvements in the quality of Public Finance Management (PFM)?		
Stage of Evaluation and Level of the Intervention Logic	Step One, Level 3: Induced Outputs		
Evaluation criteria	Effectiveness, Sustainability		
Judgement Criteria	Summary Response & Reference to Main Report (where relevant)	Source of information	Quality of evidence
(i) Relevant PFM reforms implemented by GoM and commitment to PFM reform consistent.	<ul style="list-style-type: none"> ○ Reforms have been pursued across most areas of the PFM cycle: these have been followed through the PAF, where 9-10 indicators per year referred to PFM. Only 7 % of these were assessed as not achieved. (4.2, Para 194-196) ○ GoM and the G-19 showed a high degree of agreement on the relevance of these indicators and their priority. (4.2, Para.196) ○ There has been a consistent GoM commitment to PFM reform since well before the evaluation period. (4.2, Para 197-201 & Table 19.) ○ Some doubts over whether 2011-2015 PFM Vision addresses sequencing issues adequately as well as concerns over fiscal oversight of AGAs and SOEs. (4.2, Para 206-209.) 	PEFA 2006, 2008 & 2010; IMF, 2009 & 2013. Focus Groups with GoM & G-19. Questionnaire at Focus Groups with GoM & G-19. Focus Groups with GoM & G-19; Interviews – MoF, IMF & BoM. Evaluation team review of 2011-2015 PFM Vision document.	<p>Strong</p> <p><i>Indicative but not conclusive.</i></p> <p><i>More than satisfactory</i></p> <p><i>Indicative but not conclusive.</i></p>
(ii) Quality of PFM systems and processes has improved according to PEFA and other independent	<ul style="list-style-type: none"> ○ The 2006, 2008 and 2010 PEFA assessments show consistent improvements across nearly all areas of the PFM system. (4.2, Para 202-205, 	PEFA 2006, 2008 & 2010	Strong

assessments.	<ul style="list-style-type: none"> ○ and Figure 21.) ○ Independent IMF reports also point to steady improvements. (4.2, Para 198 – 201) 	IMF 2009 & 2013	Strong
(iii) Influence of Budget Support processes on pace and content of PFM reforms.	<ul style="list-style-type: none"> ○ GoM & G-19 stakeholders agree that in the absence of BS dialogue, same level of GoM commitment to PFM reform would not have been achieved, especially regarding internal & external audit. (4.2, Para 210). ○ Also important has been TA support to PFM and accountability institutions provided through TA common basket funds for PFM, linked to BS operations. (<i>idem</i>) 	<p>Interviews and Focus Groups with GoM & G-19.</p> <p>Interviews and Focus Groups with GoM & G-19; Reports of 4 TA Basket Funds.</p>	<p>More than satisfactory</p> <p>More than satisfactory</p>

EQ 3.3	To what extent has Budget Support contributed to changes in sector policies and in public expenditure allocations and with what consequences for the composition of outputs?		
Stage of Evaluation and Level of the Intervention Logic	Step One, Level 3: Induced Outputs		
Evaluation criteria	Effectiveness, Sustainability		
Judgement Criteria	Summary Response & Reference to Main Report (where relevant)	Source of information	Quality of evidence
(i) Sectoral policies In Agriculture, Education & Health better reflect Government's policy priorities, as well as the past lessons of policy implementation.	<ul style="list-style-type: none"> ○ There has been a plethora of policy documents and strategic initiatives in the agriculture sector and it is difficult to discern a consistent set of priorities. GBS has had no apparent influence on this. (4.4, Para 225-230.) 	PAEI, 1995; PROAGRI I, 1999; PROAGRI II, 2005; ERV & EDR, 2007; PEDSA, 2011; CAADP/ PNISA.	More than satisfactory

	<ul style="list-style-type: none"> ○ Policy priorities and spending patterns do not reflect the need to focus on improving farmers' input access, despite very low use levels and research findings on their demonstrated impact (4.4, Para 227-230.) ○ Education sector policy has been closely aligned with PARPA/ PARP. (4.4, Para 231) ○ Refinements to policy have built on research & experience, notably amendments to teacher training policy and to school construction models, increased attention to right age enrolment, and more recently attention to Early Childhood Devpt. (4.4, Para 235-239.) ○ The formal health sector policy is aligned with PARPA/ PARP but the influence of the vertical funds has led to disproportionate attention to HIV/ AIDS. (4.4, Para 245-249 & 254.) ○ Evidence on links between research/ evaluation and policy development was inconclusive. (Section 4.4, Para 242-259.) 	<p>Cabral, 2009; Cuangara, 2011; Cuangara & Kelly, 2009; Mogues & Benin, 2012 ; World Bank, 2011. PEEC 2006-2011; PEE 2012-2016. Education sector annual review documents and interviews with education sector stakeholders. PEES; Cumbi et al, 2012; Bibi Umarji, 2011.</p> <p>Annual Health Sector Reviews; PEES and annual sector PES.</p>	<p>Strong</p> <p>Strong</p> <p>Strong</p> <p>More than satisfactory</p> <p>Weak</p>
<p>(ii). The composition of public spending by sector has evolved to better reflect Government's policy priorities, as reflected in PARPA/ PARP.</p>	<ul style="list-style-type: none"> ○ Total spending on the 6 priority sectors designated in PARPA/PARP (education, health, agriculture, infrastructure, good governance, and other) has more than quadrupled in nominal terms over the evaluation period, increasing by over 7 percentage points of GDP. (4.3, Para 219, Table 21.) ○ As a % of total expenditure, the priority 	<p>MoF & BoM fiscal tables; IMF Article IV reports.</p> <p><i>Idem.</i></p>	<p>Strong</p> <p>Strong</p>

	<p>sectors have increased their share from 61.2 % in 2005 to 67.2 % in 2012. (<i>Idem</i>)</p>		
<p>(iii) The public spending outputs produced in Agriculture, Education & Health reflect policy priorities and efficient practices.</p>	<ul style="list-style-type: none"> ○ Public sector interventions in Agriculture did <u>not</u> address the challenges facing the sector. Agriculture spending was skewed towards investments in institutional development and away from the financing of agricultural services for farmers. (4.4, Para 227-229.) ○ Education outputs reflected the twin policy priorities of enhancing access and improving the quality of teaching by reducing the PTR. (4.4, Para 235-236; 7.1, Para 365-380.) ○ Data on health sector outputs were not analysed in detail but these are considered to be broadly consistent with the Health PESS, even if the heavy funding through vertical funds has skewed attention towards HIV/ AIDS. (4.4, Para. 245-259.) 	<p>Cabral, 2009; Cuangara, 2011; Cuangara & Kelly, 2009; Mogues & Benin, 2012 ; World Bank, 2011. MoE EMIS data; Household Budget Surveys 2002/03, 2008/09. MISAU data; analysis in Evaluation Desk Report.</p>	<p>Strong</p> <p>Strong</p> <p><i>Indicative but not conclusive</i></p>
<p>(iv) GBS/ SBS have contributed to the improvements identified, and these improvements could not have occurred through other modalities alone.</p>	<ul style="list-style-type: none"> ○ GBS permitted non-salary recurrent spending to be fully financed in addition to an expanding level of domestically financed development spending. (4.3, Para 217, Figure 22.) ○ Primary contribution of GBS funds has been to support expanded public spending in education and to a lesser extent in agriculture and good governance. (4.3, Para 221-223, Figure 23.) ○ Scale of GSB funding available had a clear influence on the scope of education policy. 	<p>Fiscal tables from BoM & IMF Article IV.</p> <p>Own computation based on MoF data and reasonable assumptions about budgetary decisions. Estimation of GBS</p>	<p><i>More than satisfactory</i></p> <p><i>More than satisfactory</i></p>

	<p>(4.3, Para 240, 261.)</p> <ul style="list-style-type: none"> ○ GBS processes have reinforced sector policy initiatives, where the sector dynamics have been favourable (education) but have had much less influence in agriculture & health. (4.4, Para 260-263.) 	<p>funding compared with recurrent budget needs; Interviews with MoE. Analysis of PAF and sectoral PAFs; Sector interviews; Documentation on Agric sector policy (see above.)</p>	<p><i>More than satisfactory</i></p> <p><i>More than satisfactory</i></p>
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EQ 3.4	To what extent has Budget Support contributed to improvements in the quality of governance and accountability, particularly with regard to the roles of Parliament, Civil Society, the Tribunal Administrativo and the Anti-Corruption agencies as “watch-dogs” of the Executive?		
Stage of Evaluation and Level of the Intervention Logic	Step One, Level 3: Induced Outputs		
Evaluation criteria	Effectiveness, Sustainability		
Judgement Criteria	Summary Response & Reference to Main Report (where relevant)	Source of information	Quality of evidence
(i) The quality of Parliamentary scrutiny of national budgets, expenditures and audit reports has improved.	<ul style="list-style-type: none"> ○ Legislative scrutiny of the annual budget law (as measured by PEFA PI-27) has remained relatively good over the evaluation period. (4.5, Para 265-268.) ○ Legislative scrutiny of external audits is weaker but quality has not changed in the period. (4.5; Para 269 – 272.) 	<p>PEFA Assessment Reports 2006, 2008 & 2011.</p> <p>PEFA Assessment Reports 2006, 2008 & 2011.</p>	<p><i>Indicative but not conclusive</i></p> <p><i>Indicative but not conclusive</i></p>

<p>(ii) Quality of Civil Society and Media scrutiny of budgets, accounts & audit reports has improved.</p>	<ul style="list-style-type: none"> ○ Mozambique's score on the OBI rose from 285 in 2010 to 47% in 2012. (4.5, Para 273.) ○ Civil society and media have increasingly engaged in analysis of Government budgets/accounts, and of corruption. (4.5, Para 275) ○ There is a generalised perception that GoM aversion to critical voices has risen, and that harassment & intimidation of CSOs has increased. (4.5, Para 276-277.) 	<p>Open Budget Surveys 2010 and 2012 Shikhani, 2012; Freedom House, 2010. FES, 2011; CESC, 2013; CSO Focus Group.</p>	<p><i>Strong</i> <i>More than satisfactory</i> <i>More than satisfactory.</i></p>
<p>(iii) Scope, coverage and quality of TA's operations has improved.</p>	<ul style="list-style-type: none"> ○ From 2005, there has been a sharp improvement in the scope, coverage and quality of TA audits. (4.5, Para 278-280 and Table 27) 	<p>PEFA 2006, 2008, 2011; Eurosia & MGA, 2010; CIP, 2011; Ximungo Consultores, 2011.</p>	<p><i>Strong</i></p>
<p>(iv) Anti-Corruption Agencies have become more efficient and effective in investigating, prosecuting and convicting corruption cases</p>	<ul style="list-style-type: none"> ○ The legal mandate of the GCCC was strengthened through a new law passed in 2012, and the budget and staffing of the institution has increased. (4.5, Para 285-290.) ○ As part of the Governance Action Plan (2010), a package of 5 Anti-corruption laws was presented to Parliament in 2011, of which 3 have been passed. (<i>idem</i>) ○ Case statistics from GCCC show a sharp increase in cases going to trial (5 in 2006, 88 in 2012) but CSOs express scepticism over whether the most egregious/ relevant cases are being trialled and over the impartiality of the courts. (4.5, Para 291-292; Table 28.) 	<p>GCCC statistics MoF expenditure data. Text of GAP; Parliamentary proceedings 2011-2013. GCCC statistics; CSO focus group and individual interviews.</p>	<p><i>Strong</i> <i>Strong</i> <i>Indicative but not conclusive</i></p>

<p>(v) GBS/ SBS programmes have contributed to the changes identified, and these improvements could not have occurred through other modalities alone.</p>	<ul style="list-style-type: none"> ○ GBS funds have enabled Government to increase budget allocations to accountability institutions" such as the TA and to increase good governance expenditures as a whole. (4.5, Para 281 & 293; Figures 25 & 26.) ○ GBS funds + dialogue & capacity building from the PLACOR common fund worked in synergy to support improvements in coverage & quality of audits (4.5, Para 283.) ○ Monitoring of Governance targets through the PAF proved insufficient in itself to generate progress. (4.5, Para 294-298.) ○ Suspension of some GBS payments and high level dialogue at time of crispação (2010) was influential in focusing attention and speeding up implementation of Governance Action Plan. (4.5, Para 299.) 	<p>Team analysis of MoF expenditure data in comparison with funding sources.</p> <p>Interviews with TA and with G-19 Focus Group.</p> <p>Analysis of PAF; G-19 Focus Group & GoM Focus Group.</p> <p>Interview with Head of Troika at time of crispação; G-19 Focus Group & GoM Focus Group.</p>	<p><i>Indicative but not conclusive</i></p> <p><i>More than satisfactory</i></p> <p><i>More than satisfactory</i></p> <p><i>Indicative but not conclusive.</i></p>
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<p>EQ 4.I</p>	<p>How has the economy performed in terms of levels of investment and growth and what has been the effect on household income and on income distribution? What factors have been the main determinants of such changes? In particular, what has been the contribution of the agriculture sector?</p>			
<p>Stage of Evaluation and Level of the Intervention Logic</p>	<p>Step Two, Levels 4 & 5: Outcomes and Impacts</p>			
<p>Evaluation criteria</p>	<p><i>Impact, Sustainability</i></p>			
<p>Judgement Criteria</p>	<table border="1" style="width: 100%;"> <tr> <td style="width: 45%; padding: 5px;"> <p>Summary Response & Reference to Main Report (where relevant)</p> </td><td style="width: 45%; padding: 5px;"> <p>Source of information</p> </td><td style="width: 45%; padding: 5px;"> <p>Quality of evidence</p> </td></tr> </table>	<p>Summary Response & Reference to Main Report (where relevant)</p>	<p>Source of information</p>	<p>Quality of evidence</p>
<p>Summary Response & Reference to Main Report (where relevant)</p>	<p>Source of information</p>	<p>Quality of evidence</p>		

<p>(i) Economic growth patterns by sector and province, in comparison with neighbouring countries, considering likely causal factors.</p>	<ul style="list-style-type: none"> ○ Mozambique experienced high, sustained GDP growth, averaging 7.3 % p.a. (5.1, Para 302-304, Figure 28), higher than the “frontier” SSA economies. (Figure 4.) ○ Sectoral composition of GDP was largely stable, with agriculture & services/ trade accounting for over 2/3 of GDP, despite faster growth of mining and construction. (5.1, Para 308-308; Figure 29.) ○ Growth rates by province over 2006-2011 very similar, 6.3 % - 8.3%. (5.1, Para. 309-312) 	<p>INE; IMF Article IV reports. IMF Country Report No. 12, 2012. INE INE</p>	<p>Strong <i>Indicative but not conclusive (because of doubts over reliability of national income accounts; See also Para 323.)</i> <i>Indicative but not conclusive</i></p>
<p>(ii) Analysis of trends in poverty reduction by categories of households and by province, considering likely causal factors.</p>	<ul style="list-style-type: none"> ○ At National level, no fall in income poverty between 2002/03 and 2008/09. ○ Missing link between growth and income poverty reduction may be explained by rising inequality (in consumption) and by investment-driven growth (Table 32) but there are doubts over data quality. (Para 323) ○ Income poverty fell modestly in Northern and Southern provinces but increased in Central Provinces. (5.2, Para 315 – 320.) 	<p>Household Budget Surveys, 02/03 & 08/09 Household Budget Surveys and INE National Income Accounts.</p>	<p>Strong <i>Indicative but not conclusive</i> Strong</p>
<p>(iii) Trends in income and gender inequality by categories of households and by province, considering causal factors.</p>	<ul style="list-style-type: none"> ○ Data suggest increasing inequality across provinces, with poverty rising in the central provinces and declining modestly in the North and South (5.2, Para 31; Table 33.) ○ Within provinces, Zambesia, Sofala, Niassa and especially Nampula experienced increased inequality. (5.2, Para 316-318; Tables 33 &34.) 	<p>Household Budget Surveys, 02/03 & 08/09</p>	<p>Strong</p>

	<ul style="list-style-type: none"> ○ Growth incidence curves show increasing inequality across households. (5.2, Figure 30.) 		
(iv) Nature of the contribution of the agriculture sector to growth and poverty outcomes.	<ul style="list-style-type: none"> ○ In 2006-2011, agriculture grew at 7.8% p.a., faster than the average for whole economy but data indicate that this was driven by expansion in area under cultivation, not productivity growth, and that it was skewed to higher income groups. (5.1, Table 30, 4.4, Para 226.) 	INE GDP series; TIA surveys; Mogues & Benin, 2012.	<i>Indicative but not conclusive (because of doubts over reliability of national income accounts; See also Para 323 of Volume One.)</i>
(v) Analysis of the likely determinants of the pattern of agricultural growth, through econometric analysis.	<ul style="list-style-type: none"> ○ Higher and more sustainable agric growth will depend on productivity growth and this is held back by very low use of fertiliser (3-4% of farmers), pesticides (4-6%) and improved seeds (10%). [6.1, Para 347-351.] ○ Productivity of those using fertiliser is 6.5 times higher than those who do not. Quantile regression shows that fertiliser impacts on productivity everywhere, for all farmers and that the impact is consistently large. (6.1, Para 352-353, Table 43; 6.2 Para 354-358; Table 47) 	TIA surveys Regression Analysis based on TIA surveys.	Strong Strong

EQ 4.2	How has non-income poverty evolved over the period? In particular, how have the key outcome and impact indicators evolved in education sector in aggregate, by gender and by district? What factors have been the main determinants of the changes identified?
Stage of Evaluation and Level of the Intervention Logic	Step Two, Levels 4 & 5: Outcomes and Impacts
Evaluation criteria	Impact, Sustainability

Judgement Criteria	Summary Response & Reference to Main Report (where relevant)	Source of information	Quality of evidence
<p>(i) Analysis of trends in non-income poverty by categories of households and by province, considering causal factors.</p>	<ul style="list-style-type: none"> ○ From 2005 to 2012, Mozambique's Human Development Index (HDI) rose from 0.287 to 0.327, primarily driven by increased school enrolments and literacy improvements. (8.1, Para 433; 5.4, Para. 325 -339.) 	Human Development Report, 2013; Household Budget Surveys, 02/03 & 08/09	Strong
<p>(ii) Analysis of trends in outcome data for primary and secondary education in aggregate, by gender and by district or school, identifying causal factors by using econometric techniques.</p>	<ul style="list-style-type: none"> ○ Net enrolment rate at the primary level in 2008/09 was 75.7%, markedly higher than the corresponding rate in 2002/2003 (65.9%). 41 % more children were in school in 2012 in comparison with 2004. (7.1; 8.1, Para 434.) ○ The largest gains in the increase in enrolment were for poorer households. (<i>Idem</i>) ○ 17.3% of children of the relevant age group were in secondary education in 2008/09, compared with a rate of 6.1% in 2002/03. Pupil numbers were 65 % higher in 2012, compared with 2004. (<i>Idem</i>) ○ In terms of provincial trends, progress was made across all provinces both in primary and secondary enrolment. (<i>Idem</i>) ○ The primary enrolment rate for boys in 2008/9 was only 4% higher than for girls, indicating a small and gradually reducing gender gap. (<i>Idem</i>) ○ At secondary level the gender gap is much larger, at 40%, indicating a problem related to girls staying in school. (<i>Idem</i>) 	MoE EMIS data; Household Budget Surveys, 02/03 & 08/09 Fox et al., 2012	Strong

	<ul style="list-style-type: none"> ○ Econometric analysis pointed to the importance of an improved Teacher: Pupil ratio for approval into secondary and progression rates overall. (7.2, Tables 50-52.) ○ Evidence suggests that the combination of educational inputs on which public spending has been concentrated is efficient & effective. (7.3, Para 397.) 	<p>Econometric analysis of MoE EMIS data and Household Budget Surveys, 02/03 & 08/09.</p>	<p>Strong</p>
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EQ 5.1	To what extent have the direct or induced outputs of Budget Support contributed to the results identified at the outcome and impact levels? To what extent have Budget Support operations in Mozambique been efficient and effective and have they generated sustainable impacts?		
Stage of Evaluation and Level of the Intervention Logic	Step Three, Levels 1, 2, 3, 4 & 5: Overview of Inputs, Outputs, Induced Outputs, Outcomes and Impacts		
Evaluation criteria	Efficiency, Effectiveness, Impact, and Sustainability		
Judgement Criteria	Summary Response & Reference to Main Report (where relevant)	Source of information	Quality of evidence
(i) GBS/ SBS operations have been efficient in generating the Direct Outputs, which were envisaged. (Summary of EQs 2.1, 2.2 and 2.3).	<ul style="list-style-type: none"> ○ GBS has been efficient in providing large-scale budget funding in a more predictable manner than other modalities, while also largely fulfilling objectives of in-year predictability and front-end loading. (8.1, Para 399-401.) ○ TA/ capacity-building inputs were provided both directly and through related basket funds for PFM/ accountability institutions. GoM stakeholders expressed their satisfaction with 	<p>Responses to EQs 1.1 & 2.1. (Chapter 3.)</p> <p>Response to EQ 1.1. (Chapter 3.)</p>	<p>Strong</p> <p>Indicative but not conclusive</p>

	<p>these inputs but there was insufficient information to assess efficiency. (8.I, Para 409-410.)</p> <ul style="list-style-type: none"> ○ Budget Support is no longer exerting a significant influence on the effectiveness of aid, although it did up to 2009. (8.I, Para 402-403.) ○ A harmonised framework for GBS dialogue has been established based around 2 PAFs. This has been reasonably successful in creating a mechanism for defining policy targets and measuring progress but transaction costs appear to be rising and the quality of policy targets & actions fed into the PAF is dependent on the quality of policy processes at the sector/thematic level, which in several sectors (e.g. agriculture) have been weak. (8.I, Para 404-408) 	<p>Response to EQ 2.2. (Chapter 3.)</p> <p>Response to EQ 2.3 (Chapter 3.)</p>	<p><i>More than satisfactory</i></p> <p><i>Strong</i></p>
<p>(ii). As a consequence of these Direct Outputs and the response of Government, the GBS/ SBS operations have been effective in generating the Induced Outputs envisaged (EQs 3.1, 3.2, 3.3, 3.4).</p>	<ul style="list-style-type: none"> ○ GBS has been effective in facilitating stable macroeconomic management and strong domestic revenue growth, without introducing substantive negative side effects. Although GoM's own interests & aspirations drove policies, BS funds were important in permitting expansion of investment and dialogue on EITI was also influential. (8.I, Para 411-414.) ○ Significant improvements have been made in PFM: without doubt, the central place of PFM in the GBS dialogue had a positive influence on the pace and content of reform. Also important have been the TA and direct financial support 	<p>Answer to EQ 3.1. (Chapter 4)</p> <p>Answer to EQ 3.2. (Chapter 4)</p>	<p><i>Strong</i></p> <p><i>Strong</i></p>

	<ul style="list-style-type: none"> o provided through the common funds, linked to the GBS programme (8.1, Para 415-417.) o Budget Support has supported the expansion of public spending in education and good governance, and to a lesser extent in agriculture. (8.1, Para 418-419.) o The combination of GBS funds and targeted TA support to institutions of accountability has created more transparency and the legal and institutional framework to fight corruption has also been strengthened, in part as a consequence of pressure from G-19 to introduce the Governance Action Plan, following 2010 crispação. (8.1, Para 420-424) 	<p>Answer to EQ 3.3. (Chapter 4)</p> <p>Answer to EQ 3.4. (Chapter 4)</p>	<p><i>Strong</i></p> <p><i>Strong</i></p>
<p>(iii) Through these Induced Outputs the GBS/ SBS operations have been successful in generating Outcomes & Impacts, related to economic growth and poverty reduction. (EQs 4.1, 4.2.)</p>	<ul style="list-style-type: none"> o Strong GDP growth was supported by increase in domestically financed public investment, facilitated by GBS funds. (8.1, Para 426) o Income poverty did not fall during the period, indeed 54.7% of the population were reported below the poverty line in 2009 and 54.1% in 2003. This was in part because GBS dialogue did not generate changes in Agric policy and in the business climate, which might have enhanced poverty reduction. (8.1, Para 427-432.) o Non-income measures of poverty did improve modestly, in large part driven by the improvements in education provision made possible by GBS funds. (8.1, Para 433-436.) 	<p>Answers to EQ. 4.1 (Chapter 5).</p> <p>Answers to EQ. 4.1 (Chapter 5).</p> <p>Answers to EQ. 4.2 (Chapter 5).</p>	<p><i>Indicative but not conclusive</i></p> <p><i>More than satisfactory</i></p> <p><i>Strong</i></p>

<p>(iv) The Outputs, Outcomes and Impacts so generated are sustainable, under reasonable assumptions.</p>	<ul style="list-style-type: none"> ○ Government has shown a long-standing commitment to good Macro Mgt, suggesting that outputs in this are will be sustained but the recent EMATUM borrowing also illustrates the risks of imprudent borrowing and public investment. (8.3, Para 461; 2.4, Para 56.) ○ There has been a strong, sustained commitment to improving PFM, suggesting these gains will be protected and extended, although some modification of the existing PFM vision document may be needed. (Section 4.2.) ○ The commitment of the Executive to transparency, accountability and the control of corruption is less clear: protecting and extending achievements here will depend heavily on CSOs, on the Legislature and on the Tribunal Administrativo. (Sections 2.4 & 4.5.) ○ The principal outcomes have been in relation to education, a high political priority, where attention to protect and extend gains is likely. ○ Budget Support is gradually being replaced by the increases in domestic revenue collections, providing a favourable outlook for sustainable funding. (8.2, Para 445.) 	<p>Answers to EQs 1.2 and 3.1. (Chapters 2 & 4).</p> <p>Answer to EQ. 3.2 (Chapter 4.)</p> <p>Answers to EQs. 1.2 and 3.4. (Chapters 2 & 4.)</p> <p>Answers to EQs. 3.3 and 4.2. (Chapters 4 & 7.)</p> <p>Answers to EQs 1.2 and 3.1. (Chapters 2 & 4.)</p>	<p><i>Indicative but not conclusive</i></p> <p><i>Indicative but not conclusive</i></p> <p><i>Indicative but not conclusive</i></p> <p><i>More than satisfactory</i></p> <p><i>Strong</i></p>
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Annex 3: Data Tables on Aid, Fiscal Flows and Public Expenditures

Annex table 1 - Budget Support Disbursements by Development Partner. Corresponding to Table 7 in Volume I.

DONOR (Mill of MZ)	2004	2005	2006	2007	2008	2009	2010	2011	2012
GRANTS									
Germany	92.23	103	319	350	403	495	641	534	324
Austria					60	115	132	137	87
Belgium	85	48	95	106	112				
European Union	1,342	1,277	1,244	1,513	1,653	2,295	2,803	2,124	2,090
Canada		48	51	110	183	262	479	473	415
Denmark		227	67	498	254	225	248	383	299
Spain		90	96	110	150	261	328	280	
Finland	105	117	157	176	250	232	285	305	259
France	87	76	87	69	73	82	92	86	70
The Netherlands	397	333	569	626	632	667	732	763	314
Ireland	162	143	182	318	366	393	497	476	322
Italy	87	79	95	139	141	140	192	156	143
Norway	188	357	456	586	716	631	936	874	655
Portugal	34	36	38	39	36	42	65		109
United Kingdom	636	1,101	1,491	1,810	1,969	1,545	1,828	4,029	2,169
Sweden	290	426	641	1,152	1,362	1,063	1,499	1,516	1,212
Switzerland	166	187	169	180	171	176	233	123	204
SUB TOTAL	3,672	4,649	5,756	7,781	8,531	8,624	10,989	12,257	8,672
LOANS									
AfDB			1,555	785	779	803	1,014	833	847
World Bank		1,565	1,512	1,798	1,737	2,086	2,996	2,743	3,018
SUB TOTAL	-	1,565	3,068	2,583	2,516	2,889	4,010	3,576	3,865
TOTAL	3,672	6,214	8,824	10,364	11,047	11,513	14,999	15,833	12,537

DONOR (Mill of USD)	2004	2005	2006	2007	2008	2009	2010	2011	2012
GRANTS									
Germany	3.99	4.34	11.93	13.49	16.74	18.67	18.98	18.08	11.62
Austria					2.47	4.33	3.90	4.62	3.10
Belgium	3.67	2.04	3.54	4.08	4.67				
European Union	58.04	53.75	46.45	58.38	68.57	86.59	83.06	71.91	74.84
Canada		2.03	1.90	4.26	7.57	9.89	14.21	16.03	14.84
Denmark		9.54	2.49	19.20	10.55	8.51	7.34	12.96	10.69
Spain		3.78	3.59	4.23	6.22	9.87	9.71	9.47	
Finland	4.55	4.91	5.85	6.79	10.39	8.76	8.43	10.31	9.27
France	3.77	3.19	3.24	2.65	3.04	3.10	2.72	2.90	2.52
The Netherlands	17.16	14.01	21.24	24.16	26.23	25.15	21.68	25.83	11.24
Ireland	7.01	6.03	6.80	12.28	15.17	14.82	14.72	16.12	11.55
Italy	3.78	3.32	3.55	5.35	5.86	5.27	5.68	5.28	5.14
Norway	8.12	15.04	17.01	22.61	29.70	23.82	27.74	29.58	23.44
Portugal	1.48	1.53	1.41	1.49	1.51	1.60	1.93		3.90
United Kingdom	27.53	46.37	55.69	69.81	81.71	58.30	54.16	136.44	77.65
Sweden	12.53	17.95	23.92	44.45	56.50	40.12	44.42	51.35	43.40
Switzerland	7.20	7.88	6.33	6.95	7.08	6.64	6.91	4.18	7.30
SUB TOTAL	158.84	195.73	214.95	300.19	353.98	325.43	325.59	415.06	310.48
LOANS									
AfDB			58.08	30.29	32.31	30.28	30.05	28.20	30.32
World Bank		65.91	56.48	69.37	72.09	78.72	88.77	92.90	108.07
SUB TOTAL	-	65.91	114.55	99.66	104.40	109.00	118.82	121.10	138.39

TOTAL	158.84	261.64	329.50	399.84	458.38	434.44	444.40	536.16	448.86
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Figures presented in Annex table I have been calculated based on actual disbursements in MZM multiplied by its mid-year exchange rate (1st of June for each year). Mid-year exchange rate MZM-USD for every June 1: 23.12 (2004); 23.75 (2005); 26.78 (2006); 25.92 (2007); 24.10 (2008); 26.50 (2009); 33.75 (2010); 29.53 (2011); 27.93 (2012)

Annex table 2 - Characterization of Budget Support and other sources of Aid Corresponding to Figure 6 and Tables 8 and 20 in Volume I.

	2005	2006	2007	2008	2009	2010	2011	2012
Budget Support (Mill MZM) (1)	6,214	8,824	10,364	11,047	11,513	14,999	15,833	12,537
Total Basket Funds	3,867	4,694	6,200	7,326	7,321	9,003	9,606	8,528
Total Projects	6,875	7,765	3,223	9,010	4,258	13,784	20,994	17,219
GDP (mill MZM) (2)	151,707	180,242	207,644	240,358	266,213	312,751	370,962	408,000
Inflation (2)	8.50	11.75	7.38	8.35	4.16	10.00	10.75	4.5
BS (% GDP)	4.10%	4.90%	4.99%	4.60%	4.32%	4.80%	4.27%	3.07%
Total Revenue in Mill MZM (3)	20,383	26,997	33,058	38,268	47,402	63,476	80,625	94,850
BS (% Total Revenue)	30%	33%	31%	29%	24%	24%	20%	13%
Total Expend in Mill MZM (3)	35,808	46,871	57,155	66,658	86,560	99,779	131,552	133,130
BS (% Public Expd)	17%	19%	18%	17%	13%	15%	12%	9%
Total External funds disbursed	16,956	21,283	19,787	27,383	23,091	37,786	46,433	38,284
Total External funds committed	19,370	19,567	34,422	40,282	30,139	48,697	60,420	53,138
Predictability of external funding	88%	109%	57%	68%	77%	78%	77%	72%
Net external borrowing (without amort.)	5,219.10	8,145.00	5,776.00	7,664.24	14,200.70	13,076.83	18,175.01	15,450.00
Grants received	9,937.10	17,957.00	18,783.01	22,635.20	25,300.30	26,188.41	28,631.57	21,940.00
External Grants received (Mill MZM) (3)	15,156	26,102	24,559	30,299	39,501	39,265	46,807	37,390
Net External Borrowing (excl Cash amortz) (3)	5,219	8,145	5,776	7,664	14,201	13,077	18,175	15,450
BS (% External resources)	30.50%	25.77%	34.16%	29.10%	21.44%	28.65%	24.37%	23.73%

Sources:

(1) Ministry of Finances (DNT and/or CGE/REO)

(2) World Bank

(3) Mozambican Central Bank

Annex table 3 - Funding by source of funds (Basket funds and projects). Corresponding to Figure 7 in Volume I.

(Milhoes Meticais)	2005			2006			2007			2008*			2009			2010			2011			2012			
	Bud- get	Execu- tion	%	Bud.	Ex.	%	Bud.	Ex.	%	Bud.	Ex.	%	Bud.	Ex.	%	Bud.	Ex.	%	Bud.	Ex.	%	Bud.	Ex.	%	
FC Total	1,773	3,867	218	5,114	4,694	92	7,168	6,200	86	9,733	7,326	75	11,462	7,321	64	11,814	9,003	76	13,807	9,606	70	9,214	8,528	93	
PROAGRI	713	605		732	643		1,396	842		1,285	1,178		1,446	120		1,578	1,370		1,143	933		317	280		
PROAGRI (loan)				155	155		0	28			0														
FASE	400	776		1,186	974		2,150	1,771		3,285	2,745		4,099	3,297		4,427	3,380		5,413	3,753		4,104	3,283		
PROSAUDE	660	1,209		1,133	1,126		1,013	1,007		3,630	1,632		2,923	2,442		3,801	2,965		3,380	2,972		3,068	2,679		
SAUPROV		147		473	461		670	663								12	-								
Medicamentos	-	717		877	846		1,247	1,246		95	601		240	237											
HIV/SIDA	-	103		210	210		284	235		580	444		524	262		384	157		134	94		94	70		
UTRAFE	-	310		348	279		408	408		279	264		229	203		119	100		730	341		267	345		
ASAS										210	184		1,057	162		117	129		186	144		-	98		
UTRESP										129	115		170	132		310	117		189	138		-	11		
Apoio Tribunal Administrativo											61		199	199		145	145		183	159		135	162		
Ins. Nac Estadistica											50		260	192		265	199		300	169		128	128		
Autoridade Tributaria											47		297	64		112	102		259.9	148		113	113		
PPFD											6		18	11		58	26		656	241		199	199		
Pescas															346	205		821	229		207	297			
Estradas															-	-		-	-		207	297			
PRONASA															140	107		411	286		245	566			
IGF																					130	-			
outros										240															
Projects Total	11,866	6,875	58	10,108	7,765	77	17,805	3,223	18	23,743	9,010	38	6,121	4,258	70%	22,335	13,784	62%	30,363	20,994	69	31,752	17,219	54	
Projects (donativos; outros fundos)	6,200	2,017		4,785	3,084		12,117	5,460		16,140	6,077	38	13,908	7601.3	55	11,701	6,805	58	12,468	8,823	71	15,515	10,321	67	
Projects (loans)	5,666	4,858		5,323	4,681		5,688	3,223		7,603	2,934	39	6,121	4,258	70	10,635	6,980	66	17,896	12,171	68	16,237	6,898	42	
Donativos On cut											285		2,273	435	19	1,222	517	42	2,880	780	27	920	920	100	
Loans On cut											21		133	25	19	516	294	57	2,994	845	28	3,937	854	22	
Total On CUT													2,406	460		1,738	810		5,874	1,624		4,857	1,773		
Total Off CUT													17,623	11,399		20,598	12,974		24,489	19,370	1	26,895	15,446		

Source CGE except for budget *figures in 2008 and 2012 (REO)

	2005	2006	2007	2008*	2009	2010	2011	2012
BS predictability	123%	203%	110%	95%	92%	103%	97%	103%
Predictability of external funding	88%	109%	57%	68%	77%	78%	77%	72%
of which BS	32%	45%	30%	27%	38%	31%	26%	24%
of which BF	20%	24%	18%	18%	24%	18%	16%	16%
of which Projects	35%	40%	9%	22%	14%	28%	35%	32%

Source CGE except for budget *figures in 2008 and 2012 (REO)

Annex table 4 - Predictability: “Differences between scheduled & actual GBS disbursements by Quarter” (Mill. MZM)
Corresponding to Figure 9 and 10 in Volume I.

DONOR	2005									
	Prevision MZM					Disbursement MZM				
	1Q	2Q	3Q	4Q	total	1Q	2Q	3Q	4Q	total
GRANTS										
Germany		85,929,159			85,929,159		103,154,660			103,154,660
Austria										
Belgium	49,102,376				49,102,376		48,355,730			48,355,730
European Union		1,067,976,687			1,067,976,687		1,276,562,912			1,276,562,912
Canada	44,302,896				44,302,896		48,290,700			48,290,700
Denmark				188,287,308	188,287,308				226,622,106	226,622,106
Spain				73,653,565	73,653,565				89,761,080	89,761,080
Finland		98,204,753			98,204,753		116,562,206			116,562,206
France	73,653,565				73,653,565	75,711,870				75,711,870
The Netherlands	343,716,635				343,716,635	332,774,960				332,774,960
Ireland	147,307,129				147,307,129	143,224,560				143,224,560
Italy	78,563,802				78,563,802	78,937,414				78,937,414
Norway	200,286,009				200,286,009	217,576,688			139,674,871	357,251,559
Portugal		27,689,310			27,689,310				36,420,000	36,420,000
United Kingdom	1,068,807,366				1,068,807,366	1,101,343,382				1,101,343,382
Sweden			276,893,100		276,893,100				426,390,826	426,390,826
Switzerland			136,600,596		136,600,596				187,250,675	187,250,675
SUB TOTAL	2,005,739,778	1,279,799,908	413,493,696	261,940,873	3,960,974,255	1,949,568,873	1,592,926,208	223,670,675	882,448,883	4,648,614,639
LOANS										
AfDB										
World Bank			1,107,572,400		1,107,572,400				1,565,331,729	1,565,331,729
SUB TOTAL	-	-	1,107,572,400	-	1,107,572,400	-	-	1,565,331,729	-	1,565,331,729
TOTAL	2,005,739,778	1,279,799,908	1,521,066,096	261,940,873	5,068,546,655	1,949,568,873	1,592,926,208	1,789,002,404	882,448,883	6,213,946,369

DONOR	2006									
	Prevision MZM					Disbursement MZM				
	1Q	2Q	3Q	4Q	total	1Q	2Q	3Q	4Q	total
<u>GRANTS</u>										
Germany			281,610,000		281,610,000			319,400,000		319,400,000
Austria										
Belgium				84,577,500	84,577,500				94,770,000	94,770,000
European Union		1,050,367,500			1,050,367,500		1,243,975,629			1,243,975,629
Canada	2,170,000				2,170,000	50,929,216				50,929,216
Denmark				226,800,000	226,800,000				66,693,075	66,693,075
Spain			84,577,500		84,577,500			96,090,000		96,090,000
Finland		140,805,000			140,805,000		156,795,714			156,795,714
France	3,580,000				3,580,000	86,785,200				86,785,200
The Netherlands	2,330,000		450,528,750		452,858,750	59,454,520		509,440,000		568,894,520
Ireland	7,150,000				7,150,000	182,093,460				182,093,460
Italy	5,660,480				5,660,480			94,986,112		94,986,112
Norway	8,100,000			70,875,000	78,975,000	139,433,331			316,142,143	455,575,474
Portugal		35,437,500			35,437,500		37,798,500			37,798,500
United Kingdom	61,850,000				61,850,000	1,491,345,428				1,491,345,428
Sweden	17,640,000		178,605,000		196,245,000	433,866,918		206,807,348		640,674,267
Switzerland		154,980,000			154,980,000		169,454,795			169,454,795
SUB TOTAL	108,480,480	1,381,590,000	995,321,250	382,252,500	2,867,644,230	2,443,908,074	1,608,024,637	1,226,723,460	477,605,218	5,756,261,390
<u>LOANS</u>										
AfDB				1,417,500,000	1,417,500,000			34,802,407	1,520,518,182	1,555,320,589
World Bank	60,000,001				60,000,001	1,512,443,450				1,512,443,450
SUB TOTAL	60,000,001	-	-	1,417,500,000	1,477,500,001	1,512,443,450	-	34,802,407	1,520,518,182	3,067,764,039
TOTAL	168,480,481	1,381,590,000	995,321,250	1,799,752,500	4,345,144,231	3,956,351,524	1,608,024,637	1,261,525,867	1,998,123,400	8,824,025,429

DONOR	2007									
	Prevision MZM					Disbursement MZM				
	1Q	2Q	3Q	4Q	total	1Q	2Q	3Q	4Q	total
GRANTS										
Germany			304,092,700		304,092,700			349,696,503		349,696,503
Austria										
Belgium		91,227,810			91,227,810		105,630,000			105,630,000
European Union			1,311,551,815		1,311,551,815			1,513,291,340		1,513,291,340
Canada		110,178,100			110,178,100		110,469,617			110,469,617
Denmark				250,923,000	250,923,000		206,116,072		291,613,638	497,729,710
Spain				91,227,810	91,227,810				109,710,000	109,710,000
Finland		152,046,350			152,046,350		175,896,482			175,896,482
France		60,818,540			60,818,540		68,680,000			68,680,000
The Netherlands		547,366,860			547,366,860		626,220,000			626,220,000
Ireland			273,683,430		273,683,430			318,240,000		318,240,000
Italy				115,555,226	115,555,226				138,700,000	138,700,000
Norway	566,491,800				566,491,800	586,127,311				586,127,311
Portugal		40,279,680			40,279,680		38,606,563			38,606,563
United Kingdom	653,719,780	326,859,890	700,414,050		1,680,993,720	1,455,720,922	353,802,114			1,809,523,036
Sweden			1,025,604,000		1,025,604,000			1,152,141,895		1,152,141,895
Switzerland				163,901,280	163,901,280				180,180,644	180,180,644
SUB TOTAL	1,220,211,580	1,328,777,230	3,615,345,995	621,607,316	6,785,942,121	2,041,848,233	1,685,420,847	3,333,369,738	720,204,283	7,780,843,101
LOANS										
AfDB		783,377,800			783,377,800			785,008,308		785,008,308
World Bank	1,879,718,400				1,879,718,400	1,798,069,565				1,798,069,565
SUB TOTAL	1,879,718,400	783,377,800	-	-	2,663,096,200	1,798,069,565	-	785,008,308	-	2,583,077,874
TOTAL	3,099,929,980	2,112,155,030	3,615,345,995	621,607,316	9,449,038,321	3,839,917,798	1,685,420,847	4,118,378,047	720,204,283	10,363,920,974

DONOR	2008									
	Prevision MZM					Disbursement MZM				
	1Q	2Q	3Q	4Q	total	1Q	2Q	3Q	4Q	total
GRANTS										
Germany			460,625,000		460,625,000				403,496,772	403,496,772
Austria		58,960,000			58,960,000		59,520,000			59,520,000
Belgium		110,550,000			110,550,000		112,470,000			112,470,000
European Union			1,713,525,000		1,713,525,000				1,652,531,250	1,652,531,250
Canada	201,375,000				201,375,000	182,502,020				182,502,020
Denmark	247,000,000				247,000,000	254,216,868				254,216,868
Spain			184,250,000		184,250,000				149,950,000	149,950,000
Finland			257,950,000		257,950,000			250,316,424		250,316,424
France	73,700,000				73,700,000	73,220,000				73,220,000
The Netherlands	663,300,000				663,300,000	632,156,488				632,156,488
Ireland	368,500,000				368,500,000	365,500,000				365,500,000
Italy		140,030,000			140,030,000		141,132,000			141,132,000
Norway	766,400,000				766,400,000	715,801,204				715,801,204
Portugal			38,790,000		38,790,000				36,480,000	36,480,000
United Kingdom	2,172,180,000				2,172,180,000	1,969,311,832				1,969,311,832
Sweden						1,361,746,655				1,361,746,655
Switzerland	1,403,500,000		176,320,000		1,579,820,000			170,618,182		170,618,182
SUB TOTAL	5,895,955,000	309,540,000	2,608,420,000	223,040,000	9,036,955,000	5,554,455,066	313,122,000	2,476,962,628	186,430,000	8,530,969,694
LOANS										
AfDB				775,800,000	775,800,000				778,700,000	778,700,000
World Bank	1,551,600,000			258,600,000	1,810,200,000	1,487,397,038			250,000,000	1,737,397,038
SUB TOTAL	1,551,600,000	-	-	1,034,400,000	2,586,000,000	1,487,397,038	-	-	1,028,700,000	2,516,097,038
TOTAL	7,447,555,000	309,540,000	2,608,420,000	1,257,440,000	11,622,955,000	7,041,852,104	313,122,000	2,476,962,628	1,215,130,000	11,047,066,732

DONOR	2009									
	Prevision MZM					Disbursement MZM				
	1Q	2Q	3Q	4Q	total	1Q	2Q	3Q	4Q	total
GRANTS										
Germany	593,612,460				593,612,460	494,846,701				494,846,701
Austria	63,318,662	63,318,662			126,637,325	55,760,000	58,944,000			114,704,000
Belgium			118,722,492		118,722,492					
European Union			1,859,985,708		1,859,985,708			1,797,280,000	497,357,700	2,294,637,700
Canada		267,750,000			267,750,000		262,011,655			262,011,655
Denmark	267,393,000				267,393,000	225,436,102				225,436,102
Spain		277,019,148			277,019,148		261,450,000			261,450,000
Finland	277,019,148				277,019,148	232,046,685				232,046,685
France				79,148,328	79,148,328				82,260,000	82,260,000
The Netherlands		712,334,952			712,334,952		666,536,297			666,536,297
Ireland		455,102,886			455,102,886		392,750,000			392,750,000
Italy		150,381,823			150,381,823		139,764,000			139,764,000
Norway	643,587,346		167,657,550		811,244,896	430,951,424			200,169,879	631,121,303
Portugal		38,199,000			38,199,000				42,493,500	42,493,500
United Kingdom	2,116,041,245				2,116,041,245	1,544,882,867				1,544,882,867
Sweden		1,408,473,528			1,408,473,528		1,063,101,713			1,063,101,713
Switzerland		184,310,175			184,310,175			175,921,875		175,921,875
SUB TOTAL	3,960,971,861	3,556,890,175	2,146,365,750	79,148,328	9,743,376,114	2,983,923,779	2,844,557,665	1,973,201,875	822,281,079	8,623,964,398
LOANS										
AfDB			776,203,680		776,203,680		802,515,400			802,515,400
World Bank	2,037,280,000				2,037,280,000	2,086,061,176				2,086,061,176
SUB TOTAL	2,037,280,000	-	776,203,680	-	2,813,483,680	2,086,061,176	802,515,400	-	-	2,888,576,576
TOTAL	5,998,251,861	3,556,890,175	2,922,569,430	79,148,328	12,556,859,794	5,069,984,955	3,647,073,065	1,973,201,875	822,281,079	11,512,540,974

DONOR	2010									
	Prevision MZM					Disbursement MZM				
1Q	2Q	3Q	4Q	total	1Q	2Q	3Q	4Q	total	
GRANTS										
Germany	632,057,100			632,057,100		640,650,000			640,650,000	
Austria	134,838,848			134,838,848		131,552,000			131,552,000	
Belgium										
European Union	2,725,008,844			2,725,008,844		2,007,370,000	795,979,800		2,803,349,800	
Canada	395,376,630			395,376,630		426,838,966	52,620,475		479,459,441	
Denmark	274,871,500			274,871,500		247,728,706			247,728,706	
Spain	294,959,980			294,959,980			327,740,000		327,740,000	
Finland	294,959,980			294,959,980		284,550,000			284,550,000	
France			84,274,280	84,274,280				91,700,000	91,700,000	
The Netherlands	758,468,520			758,468,520		731,700,000			731,700,000	
Ireland	463,508,540			463,508,540		496,650,000			496,650,000	
Italy		168,548,560		168,548,560			191,760,000		191,760,000	
Norway	456,861,000		274,116,600	730,977,600		574,144,442	362,104,200		936,248,642	
Portugal	63,205,710			63,205,710				65,205,000	65,205,000	
United Kingdom	2,049,536,720			2,049,536,720	1,827,896,086				1,827,896,086	
Sweden	1,243,097,600			1,243,097,600			1,499,268,191		1,499,268,191	
Switzerland	202,600,350			202,600,350			233,050,000		233,050,000	
SUB TOTAL	2,049,536,720	7,939,814,602	168,548,560	358,390,880	10,516,290,762	1,827,896,086	5,541,184,114	3,462,522,666	156,905,000	10,988,507,866
LOANS										
AfDB		786,953,200			786,953,200		1,014,087,296			1,014,087,296
World Bank	3,244,560,000				3,244,560,000	2,995,976,282			2,995,976,282	
SUB TOTAL	3,244,560,000	786,953,200	-	-	4,031,513,200	2,995,976,282	1,014,087,296	-	-	4,010,063,578
TOTAL	5,294,096,720	8,726,767,802	168,548,560	358,390,880	14,547,803,962	4,823,872,368	6,555,271,410	3,462,522,666	156,905,000	14,998,571,444

DONOR	2011									
	Prevision MZM					Disbursement MZM				
	1Q	2Q	3Q	4Q	total	1Q	2Q	3Q	4Q	total
GRANTS										
Germany		652,800,000			652,800,000			533,780,000		533,780,000
Austria		139,264,000			139,264,000		136,576,000			136,576,000
Belgium										
European Union		2,176,000,000			2,176,000,000		2,123,500,000			2,123,500,000
Canada	492,000,000				492,000,000	473,235,485				473,235,485
Denmark	379,600,000				379,600,000	382,732,011				382,732,011
Spain		304,640,000			304,640,000			279,720,000		279,720,000
Finland	304,640,000				304,640,000	304,570,000				304,570,000
France		87,040,000			87,040,000		85,700,000			85,700,000
The Netherlands		783,360,000			783,360,000		762,840,000			762,840,000
Ireland	478,720,000				478,720,000	475,970,000				475,970,000
Italy		174,080,000			174,080,000			155,920,000		155,920,000
Norway	892,800,000				892,800,000	873,517,429				873,517,429
Portugal			65,280,000		65,280,000					
United Kingdom	2,430,240,000		1,047,903,537	501,217,718	3,979,361,256	2,479,857,898		1,047,903,537	501,217,718	4,028,979,154
Sweden	1,521,450,000				1,521,450,000		1,516,384,466			1,516,384,466
Switzerland			157,140,000		157,140,000			123,331,035		123,331,035
SUB TOTAL	6,499,450,000	4,317,184,000	1,270,323,537	501,217,718	12,588,175,256	4,989,882,822	4,625,000,466	2,140,654,572	501,217,718	12,256,755,578
LOANS										
AfDB				874,837,111	874,837,111				832,694,856	832,694,856
World Bank	2,787,150,000				2,787,150,000	2,743,344,319				2,743,344,319
SUB TOTAL	2,787,150,000	-	-	874,837,111	3,661,987,111	2,743,344,319	-	-	832,694,856	3,576,039,175
TOTAL	9,286,600,000	4,317,184,000	1,270,323,537	1,376,054,830	16,250,162,367	7,733,227,141	4,625,000,466	2,140,654,572	1,333,912,574	15,832,794,753

DONOR	2012									
	Prevision MZM					Disbursement MZM				
	1Q	2Q	3Q	4Q	total	1Q	2Q	3Q	4Q	total
GRANTS										
Germany		313,470,000			313,470,000			324,446,143		324,446,143
Austria		87,075,000			87,075,000		86,623,371			86,623,371
Belgium										
European Union		1,754,561,250		330,188,400	2,084,749,650			1,722,825,000	367,444,800	2,090,269,800
Canada		396,600,000			396,600,000		414,525,011			414,525,011
Denmark	286,090,000				286,090,000	298,573,612				298,573,612
Spain										
Finland	243,810,000				243,810,000	259,000,000				259,000,000
France		69,660,000			69,660,000		70,320,000			70,320,000
The Netherlands		313,470,000			313,470,000		313,919,320			313,919,320
Ireland	313,470,000				313,470,000	322,470,000				322,470,000
Italy			139,320,000		139,320,000			143,436,163		143,436,163
Norway	606,150,000				606,150,000	654,675,748				654,675,748
Portugal				52,245,000	52,245,000	53,291,447			55,526,039	108,817,486
United Kingdom	449,598,744			1,650,849,403 (1)	2,100,448,147	517,787,597			1,650,849,403 (1)	2,168,637,000
Sweden	1,150,500,000				1,150,500,000	1,212,053,581				1,212,053,581
Switzerland			207,205,000		207,205,000			203,812,000		203,812,000
SUB TOTAL	3,049,618,744	2,934,836,250	346,525,000	2,033,282,803	8,364,262,797	3,317,851,986	885,387,703	2,394,519,306	2,073,820,241	8,671,579,235
LOANS										
AfDB		833,924,668			833,924,668			846,893,340		846,893,340
World Bank		2,973,300,000			2,973,300,000		3,018,288,876			3,018,288,876
SUB TOTAL	-	3,807,224,668	-	-	3,807,224,668	-	3,018,288,876	846,893,340	-	3,865,182,216
TOTAL	3,049,618,744	6,742,060,918	346,525,000	2,033,282,803	12,171,487,464	3,317,851,986	3,903,676,579	3,241,412,646	2,073,820,241	12,536,761,452

(1) Figures for the 4th quarter regarding the UK funds have been estimated considering the official figures reflected in the REO 2012. This disbursements have not been considered in the predictability analysis

Annex table 5 - Central government fiscal operations. Corresponding to Figure 8, table 15 and figure 20 in Volume I.

(Figures in millions of MZN)

	2004	2005	2006	2007	2008	2009	2010	2011	2012*
TOTAL REVENUE	16,562	20,383	26,997	33,058	38,268	47,402	63,476	80,625	94,850
TAX REVENUE	14,434	16,721	23,314	29,310	37,097	41,566	56,574	68,269	80,880
Taxes on income and profits	3,548	4,469	6,367	9,267	11,723	13,724	18,496	24,888	36,770
Taxes on goods and services	8,226	8,936	13,031	13,247	15,541	19,612	27,568	33,764	33,330
Taxes on international trade	2,217	2,816	3,284	3,782	3,591	4,078	5,236	6,726	7,570
Other taxes	443	500	632	3,014	6,242	4,153	5,275	2,891	3,200
NONTAX REVENUE	2,128	3,662	3,683	3,748	1,171	5,835	6,902	12,356	13,970
TOTAL EXPENDITURE	32,728	35,808	46,871	57,155	66,658	86,560	99,779	131,552	133,130
CURRENT EXPENDITURE	19,006	20,365	25,661	31,838	37,632	46,425	59,429	71,040	78,300
Compensation to employees	9,195	10,358	12,993	16,091	19,273	23,620	29,110	35,662	41,530
Goods and Services	3,966	4,407	5,466	6,568	8,022	9,046	10,187	10,820	15,130
Interest on public debt	1,321	1,248	1,380	1,276	1,257	1,362	2,654	3,583	4,130
Domestic	910	789	916	872	804	823	1,843	2,589	2,890
External	412	459	464	404	453	539	812	994	1,240
Transfer payments	3,555	3,730	4,557	5,782	7,002	7,931	9,448	11,226	17,510
Other	969	622	1,265	2,121	2,078	4,465	8,030	9,749	
Capital expenditure	12,880	13,101	18,635	23,298	27,742	35,460	41,379	56,750	50,360
of which:locally financed	4,074	4,885	6,552	9,147	10,932	12,602	19,087	23,732	24,740
of which:ext financed	8,806	8,216	12,083	14,151	16,811	22,858	22,292	33,018	25,620
Net lending	842	2,171	1,634	1,641	1,899	4,423	1,931	3,659	4,470
of which:locally financed									-380
Unallocated revenue(+)/expenditure(-) 2/		170	941	378	-616	253	-2,960	103	-470
Overall balance before grants	-16,166	-15,425	-19,874	-24,096	-28,390	-39,300	-36,510	-51,280	-38,750
Grants received	11,303	9,937	17,957	18,783	22,635	25,300	26,188	28,632	21,940
Project	4,147	1,919	4,360	6,409	6,161	7,166	6,381	6,695	7,310
Nonproject	7,156	8,018	13,597	12,374	16,474	18,134	19,807	21,936	14,630
Overall balance after grants	-4,862	-3,679	-1,917	-5,314	-5,754	-13,999	-10,322	-22,649	-16,810
Net external borrowing	4,841	4,485	7,061	4,959	6,912	13,497	12,042	17,055	13,840
Disbursements	5,508	5,219	8,145	5,776	7,664	14,201	13,077	18,175	15,450
Project	2,512	3,148	5,077	3,193	3,561	6,515	6,870	14,079	6,730
Nonproject	2,996	2,071	3,068	2,583	4,103	7,686	6,207	4,096	8,720
Cash amortization	-667	-734	-1,084	-817	-753	-703	-1,035	-462	-1,610
Net domestic financing	-462	-330	-5,690	312	-1,998	762	-1,707	5,491	2,940

Source: Bank of Mozambique, except for 2012 (IMF article IV).

(Figures as % of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012*
TOTAL REVENUE	12.87%	13.44%	14.98%	15.92%	15.92%	17.81%	20.15%	22.07%	23.25%
TAX REVENUE	11.22%	11.02%	12.93%	14.12%	15.43%	15.61%	17.96%	18.69%	19.82%
Taxes on income and profits	2.76%	2.95%	3.53%	4.46%	4.88%	5.16%	5.87%	6.81%	9.01%
Taxes on goods and services	6.39%	5.89%	7.23%	6.38%	6.47%	7.37%	8.75%	9.24%	8.17%
Taxes on international trade	1.72%	1.86%	1.82%	1.82%	1.49%	1.53%	1.66%	1.84%	1.86%
Other taxes	0.34%	0.33%	0.35%	1.45%	2.60%	1.56%	1.67%	0.79%	0.78%
NONTAX REVENUE	1.65%	2.41%	2.04%	1.81%	0.49%	2.19%	2.19%	3.38%	3.42%
TOTAL EXPENDITURE	25.44%	23.60%	26.00%	27.53%	27.73%	32.52%	31.68%	36.01%	32.63%
CURRENT EXPENDITURE	14.77%	13.42%	14.24%	15.33%	15.66%	17.44%	18.87%	19.45%	19.19%
Compensation to employees	7.15%	6.83%	7.21%	7.75%	8.02%	8.87%	9.24%	9.76%	10.18%
Goods and Services	3.08%	2.90%	3.03%	3.16%	3.34%	3.40%	3.23%	2.96%	3.71%
Interest on public debt	1.03%	0.82%	0.77%	0.61%	0.52%	0.51%	0.84%	0.98%	1.01%
Domestic	0.71%	0.52%	0.51%	0.42%	0.33%	0.31%	0.59%	0.71%	0.71%
External	0.32%	0.30%	0.26%	0.19%	0.19%	0.20%	0.26%	0.27%	0.30%
Transfer payments	2.76%	2.46%	2.53%	2.78%	2.91%	2.98%	3.00%	3.07%	1.99%
Other	0.75%	0.41%	0.70%	1.02%	0.86%	1.68%	2.55%	2.67%	2.30%
Capital expenditure	10.01%	8.64%	10.34%	11.22%	11.54%	13.32%	13.14%	15.53%	12.34%
of which:locally financed	3.17%	3.22%	3.64%	4.41%	4.55%	4.73%	6.06%	6.50%	6.06%
of which:ext financed	6.84%	5.42%	6.70%	6.82%	6.99%	8.59%	7.08%	9.04%	6.28%
Net lending	0.65%	1.43%	0.91%	0.79%	0.79%	1.66%	0.61%	1.00%	1.10%
of which:locally financed									-0.09%
Unallocated revenue(+)/expenditure(-) 2/		0.11%	0.52%	0.18%	-0.26%	0.09%	-0.94%	0.03%	-0.12%
Overall balance before grants	-12.56%	-10.17%	-11.03%	-11.60%	-11.81%	-14.76%	-11.59%	-14.04%	-9.50%
Grants received	8.78%	6.55%	9.96%	9.05%	9.42%	9.50%	8.31%	7.84%	5.38%
Project	3.22%	1.26%	2.42%	3.09%	2.56%	2.69%	2.03%	1.83%	1.79%
Nonproject	5.56%	5.29%	7.54%	5.96%	6.85%	6.81%	6.29%	6.00%	3.59%
Overall balance after grants	-3.78%	-2.43%	-1.06%	-2.56%	-2.39%	-5.26%	-3.28%	-6.20%	-4.12%
Net external borrowing	3.76%	2.96%	3.92%	2.39%	2.88%	5.07%	3.82%	4.67%	3.39%
Disbursements	4.28%	3.44%	4.52%	2.78%	3.19%	5.33%	4.15%	4.97%	3.79%
Project	1.95%	2.07%	2.82%	1.54%	1.48%	2.45%	2.18%	3.85%	1.65%
Nonproject	2.33%	1.37%	1.70%	1.24%	1.71%	2.89%	1.97%	1.12%	2.14%
Cash amortization	-0.52%	-0.48%	-0.60%	-0.39%	-0.31%	-0.26%	-0.33%	-0.13%	-0.39%
Net domestic financing	-0.36%	-0.22%	-3.16%	0.15%	-0.83%	0.29%	-0.54%	1.50%	0.72%

Source: Bank of Mozambique, except for 2012 (IMF article IV).

Annex table 6 - Evolution of Spending within Priority Sectors during evaluation period. Corresponding to table 21 and figure 23 in Volume I.

	2004	2005					2006					Total expenditure
	Total expenditure	Recurrent	Development			Total expenditure	Recurrent	Development			Total expenditure	
			Int Comp.	Ext. Comp.	Total			Int Comp.	Ext. Comp.	Total		
Education	5,892,551	5,562,625	418,236	1,380,762	1,798,998	7,361,623	6,615,954	401,344	1,779,237	2,180,581	8,796,535	
Health	3,092,926	1,897,049	291,471	2,854,864	3,146,335	5,043,384	2,451,965	398,600	3,197,572	3,596,172	6,048,137	
Agric. Rural Dev.	1,372,775	336,883	292,969	1,126,460	1,419,429	1,756,312	311,753	262,705	1,414,296	1,677,001	1,988,754	
Infrastructure	4,756,259	583,257	740,258	3,075,484	3,815,742	4,398,999	302,119	2,645,608	4,350,073	6,995,681	7,297,800	
Good Governance	2,773,885	2,575,498	426,098	37,710	463,808	3,039,306	2,912,350	229,283	392,329	621,613	3,533,962	
Other priority Sectors	302,585	263,899	48,996	1,338	50,334	314,233	322,253	82,344	7,128	89,472	411,725	
Total Priority Sectors	18,190,981	11,219,211	2,218,028	8,476,618	10,694,646	21,913,857	12,916,394	4,019,884	11,140,634	15,160,519	28,076,913	
Total General	29,503,485	20,854,268	5,180,544	10,739,908	15,920,452	36,774,720	25,820,146	6,542,031	12,458,372	19,000,403	44,820,549	

Sources: Ministry of Finance

	2007					2008					Total expenditure
	Recurrent	Development			Total expenditure	Recurrent	DESPESA DE INVESTIMENTO			Total expenditure	
		Int Comp.	Ext. Comp.	Total			Int Comp.	Ext. Comp.	Total		
Education	8,172,052	558,689	3,189,445	3,748,134	11,920,185	9,754,674	825,987	4,395,680	5,221,667	14,976,341	
Health	2,839,782	443,602	4,314,098	4,757,700	7,597,482	3,139,627	341,822	4,202,940	4,544,762	7,684,388	
Agric. Rural Dev.	421,307	267,104	1,195,646	1,462,749	1,884,056	445,961	612,520	1,415,044	2,027,564	2,473,525	
Infrastructure	352,820	3,369,657	3,676,506	7,046,163	7,398,983	405,053	4,645,600	4,416,732	9,062,332	9,467,385	
Good Governance	3,382,553	439,560	361,467	801,028	4,183,581	4,369,637	651,607	1,223,693	1,875,300	6,244,937	
Other priority Sectors	391,207	112,329	4,856	117,185	508,392	473,547	240,910	227,224	468,134	941,681	
Total Priority Sectors	15,559,720	5,190,940	12,742,019	17,932,959	33,492,679	18,588,499	7,318,446	15,881,313	23,199,759	41,788,258	
Total General	31,845,353	9,147,468	14,150,670	23,298,138	55,143,491	37,237,112	11,314,794	16,988,867	28,303,661	65,540,774	

Sources: Ministry of Finance

	2009					2010				
	Recurrent	Development			Total expenditure	Recurrent	DESPESA DE INVESTIMENTO			Total expenditure
		Int Comp.	Ext. Comp.	Total			Int Comp.	Ext. Comp.	Total	
Education	1,676,688	4,844,785	6,521,473	16,672,694	1,676,688	12,605,799	2,218,868	5,046,230	7,265,098	19,870,898
Health	488,961	4,730,302	5,219,264	8,366,274	488,961	3,907,175	583,090	3,731,126	4,314,216	8,221,391
Agric. Rural Dev.	1,002,450	2,155,435	3,157,885	3,647,518	1,002,450	799,888	1,346,053	1,572,660	2,918,713	3,718,600
Infrastructure	3,762,920	5,936,632	9,699,552	10,134,326	3,762,920	517,227	6,296,404	8,549,901	14,846,305	15,363,532
Good Governance	889,820	1,868,336	2,758,157	7,644,162	889,820	6,073,345	1,622,960	724,391	2,347,351	8,420,697
Other priority Sectors	200,212	319,905	520,116	1,082,866	200,212	665,129	177,587	321,981	499,569	1,164,697
Total Priority Sectors	8,021,051	19,855,396	27,876,446	47,547,840	8,021,051	24,568,563	12,244,963	19,946,288	32,191,252	56,759,815
Total General	43,792,882	13,431,467	21,904,734	35,336,201	79,129,084	59,356,348	20,032,324	23,648,326	43,680,650	103,036,999

Sources: Ministry of Finance

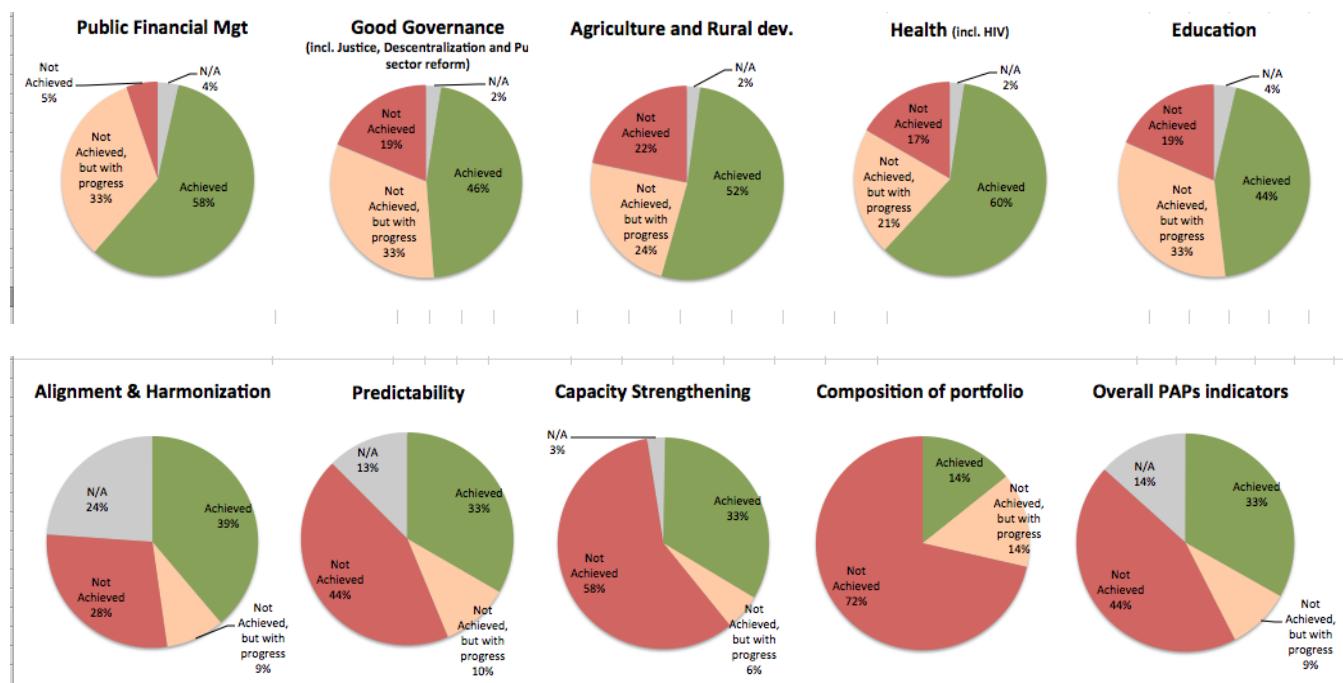
	2011					2012				
	Recurrent	Development			Total expenditure	Recurrent	DESPESA DE INVESTIMENTO			Total expenditure
		Int Comp.	Ext. Comp.	Total			Int Comp.	Ext. Comp.	Total	
Education	18,363,281	929,239	4,738,733	5,667,973	24,031,254	21,420,334	1,290,012	4,092,196	5,382,207	26,802,542
Health	5,043,797	549,303	4,255,704	4,805,007	9,848,804	6,917,224	812,700	8,034,200	8,846,900	15,764,123
Agric. Rural Dev.	3,090,569	3,920,834	2,302,630	6,223,464	9,314,033	3,882,848	4,867,922	1,805,964	6,673,886	10,556,734
Infrastructure	625,201	6,978,975	13,019,325	19,998,299	20,623,500	797,098	8,359,406	12,351,675	20,711,081	21,508,180
Good Governance	6,467,975	1,506,277	819,035	2,325,312	8,793,287	8,317,976	1,890,729	305,505	2,196,234	10,514,210
Other priority Sectors	1,187,207	152,438	342,896	495,334	1,682,540	4,000,705	226,349	101,190	327,539	4,328,245
Total Priority Sectors	34,778,030	14,037,066	25,478,323	39,515,389	74,293,419	45,336,187	17,447,117	26,690,731	44,137,848	89,474,034
Total General	76,923,788	20,411,022	30,600,482	51,011,504	127,935,292	91,788,023	24,927,193	28,529,960	53,457,152	145,245,175

Sources: Ministry of Finance

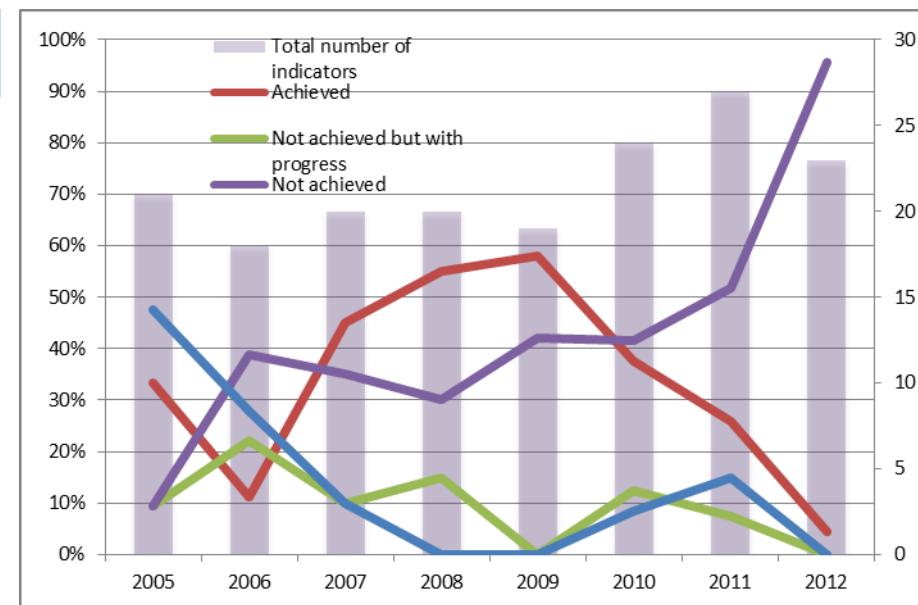
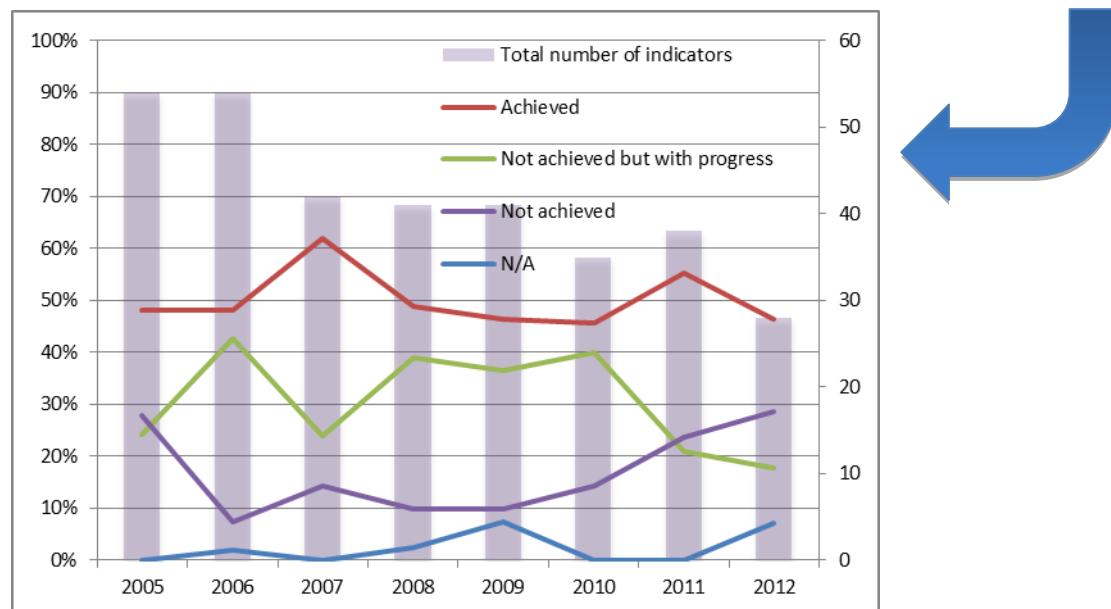
Annex table 7 - The Budget Support PAF: numbers, types of indicators and assessment. Corresponding to figure 11, 12, 14, 15, 27 and table 13 in Volume I.

Row Labels	Column Labels				Achiev ed	Not ed Achiev ed	Not ed Achiev ed			
	0	1	2	3	Grand Total	%	N/A			
PFM	2	33	19	3	57	17%	4%	58%	33%	5%
Justice	1	23	14	10	48	14%	2%	48%	29%	21%
Decentralization	10	3	3	16	5%	0%	63%	19%	19%	
Public Sector Reform	1	4	9	2	16	5%	6%	25%	56%	13%
Agric. and Rural Dev.	1	24	11	10	46	14%	2%	52%	24%	22%
Health	1	25	9	7	42	12%	2%	60%	21%	17%
Education	1	12	9	5	27	8%	4%	44%	33%	19%
Macroeconomic and Financial Policies	12	9	2	23	7%	0%	52%	39%	9%	
Private Sector	3	9	5	17	5%	0%	18%	53%	29%	
Water and Sanitation	8	2	4	14	4%	0%	57%	14%	29%	
Financial Sector	5	3	2	10	3%	0%	50%	30%	20%	
Roads	2	6	1	9	3%	0%	22%	67%	11%	
Social Actions	6			6	2%	0%	100%	0%	0%	
Gender		4	1	5	1%	0%	80%	20%		
Energy		4		4	1%	0%	100%	0%	0%	
Alignment and Harmonization	16	26	6	19	67	39%	24%	39%	9%	28%
Predictability	6	16	5	21	48	28%	13%	33%	10%	44%
Capacity Development	1	12	2	21	36	21%	3%	33%	6%	58%
Portfolio Composition	3	3	15	21	12%	0%	14%	14%	71%	
Grand Total	30	228	123	131	512					
Good Governance (incl. Justice, Decentralization and PAPs)	2	37	26	15	80	3%	46%	33%	19%	
Indicators	23	57	16	76	172	13%	33%	9%	44%	

Count of Pontoação	Column Labels										%
	2005	2006	2007	2008	2009	2010	2011	2012	Total		
PFM Gestão das Finanças Públicas	7	9	8	8	8	2	8	7	57	17%	
Justice Justiça, Legalidade e Ordem Pública	11	11	5	5	5	5	3	3	48	14%	
Decentral Descentralização	3	2	2	2	2	1	2	2	16	5%	
Public Sector Reforma do Sector Público	1	3	3	2	2	2	1	16	5%		
Agric. and Rural Development Desenvolvimento Rural	6	4	5	5	5	6	7	8	46	14%	
Health Saúde	6	6	6	6	6	6	3	3	42	12%	
Educational Educação	4	4	3	3	3	3	4	3	27	8%	
Macroeconomic and Financial Policies Políticas macroeconómicas e financeiras	9	8	1	1	1	1	1	2	23	7%	
Private Sector Sector Privado	2	2	2	2	2	2	2	3	17	5%	
Water and Sanitation Água e saneamento	2	3	1	1	1	2	2	2	14	4%	
Financial Sector Sector Financeiro		3	2	2	2	1	1	10	3%		
Roads Estradas	3	1	1	1	1	1	1	9	3%		
Social Actions Ação Social		1	1	1	1	1	1	1	6	2%	
Gender Género	1	1	1	1	1	1	1	5	1%		
Energy Energia			1	1	1	1	1	4	1%		
Alignment and Harmonization Alinhamento e Harmonização	12	8	7	7	9	10	7	67	39%		
Predictability Previsibilidade	5	4	5	5	4	7	8	10	48	28%	
Capacity Development Reforço da Capacidade	2	4	6	5	5	6	3	36	21%		
Portfolio Composition Composição da Carteira	2	2	2	3	3	3	3	21	12%		
Total	75	72	62	61	60	59	65	58	512		
Total QADs	54	54	42	41	41	35	38	35	340		
Total PAPs	21	18	20	20	19	24	27	23	172		



1. Evolution of PAF indicators scoring: Government.



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Annex 5: People Met

Instituição Institution	Pessoa Person	Entrevistador Interviewer
Ministério da Função Pública	Grilo Lubrino	Padil Salimo
Ministério da Educação	Jeanette Vogelaar	Muriel Visser
Ministério da Saúde	Célia Gonçalves, Directora da Direcção Nacional de Planificação e Cooperação	Tim Cammack
Banco de Moçambique	Elsa Chambal e Esperança Mateus	Ann Bartholomew
Centro de Abastecimento de Medicamentos (CMAM)	Paulo Nhacudue, Director	Tim Cammack
Contabilidade Pública	Amade Assane	Gonzalo Contreras
Ministério das Finanças - DNT	Félix Massangai	Gonzalo Contreras
Banco Mundial	Júlio E. Revilla e Enrique Armco	Ann Bartholomew
German Embassy	Michael Thorsten	Muriel Visser
Ministério da Educação	Manuel Rego	Muriel Visser
Irlanda	Jonas Chambule	Muriel Visser
Finlândia	Juhana Lehtinen	Muriel Visser
Ministério da Planificação, Direcção Nacional de Planificação e Direcção Nacional de Estudos e Análise de Políticas	Hanifa Ibrahimo, Orlando Penicela e Zita Joaquim	Ann Bartholomew
Word Bank (education lead donor)	Sophie Nandau	Muriel Visser
BAG GROUP	Alberto Mussati e Els Bergman – Delegação da União Europeia	Gonzalo Contreras
MINED	Jeanette Vogelaar (continuation of meeting)	Muriel Visser
Ministério da Agricultura	Aurelio Mate	Andy and Edgar Salgado
Ministério da Agricultura	Raimundo Matule	Andy and Edgar Salgado
German Embassy / Cooperation		Padil Salimo
CEDSIF	Jacinto Muchine, Director Adjunto	Gonzalo Contreras
DFID	Kobi Bentley and Cormack	Ann Bartholomew
Instituto de pesquisa agrária	Dr. Rafael Uaiene	Andy and Edgar Salgado
PROSAUDE Lead Donor (DFID)	Etelvina	Tim Cammack
Assembleia da República (AR) Comissão de Plano e Orçamento	Comissão do Plano e Orçamento	Padil Salimo
Educação - DFID	Bridget Crumpton	Muriel Visser
Governação - DFID		Padil Salimo
DANIDA	Niels	Ann Bartholomew
Grupo Moçambicano da Dívida	Humberto Zaquido	Ann Bartholomew
Ministério da Planificação e Desenvolvimento	Zita Joaquim	Gonzalo Contreras
Irish Embassy	Patrick Empey	Ann Bartholomew and Muriel Visser