



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
MOZAMBIQUE DIGITAL ACCELERATION PROJECT
APPROVED ON JUNE 29, 2023
TO
REPUBLIC OF MOZAMBIQUE

DIGITAL DEVELOPMENT

EASTERN AND SOUTHERN AFRICA

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ABBREVIATIONS AND ACRONYMS

ANE	National Road Administration
CERC	Contingent Emergency Response Component
CERC SC	CERC Steering Committee
CRW	Crisis Response Window
E&S	Environmental and Social
EDGE	Mozambique Digital Governance and Economy Project
ESCR	Environmental and Social Risk Classification
FE	Road Fund (<i>Fundo de Estradas</i>)
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GoM	Government of Mozambique
GovNet	Government Network
GRADE	Global Rapid Post-Disaster Damage Estimation
GREPOC	Post-Disaster Reconstruction Office
GRM	Grievance Redress Mechanism
GSMA	Global System for Mobile Communications Association
IA	Implementing Agency
ICT	Information and Communications Technology
IDA	International Development Association
INDG	Disaster Management and Risk Reduction Institute
ISM	Implementation Support Mission
M&E	Monitoring and Evaluation
MADER	Ministry of Agriculture and Rural Development
MAEFP	Ministry of State Administration and Public Service
MCTES	Ministry of Science, Technology, and Higher Education
MDA	Ministry, Department and Agency
MDAP	Mozambique Digital Acceleration Project
MEF	Ministry of Economy and Finance
MINEDH	Ministry of Education and Human Development
MIREME	Ministry of Energy and Mineral Resources
MISAU	Ministry of Health
MOPHRH	Ministry of Public Works, Housing and Water Resources
MoRENet	Mozambique Research and Education Network
MTC	Ministry of Transport and Communications
PIM	Project Implementation Manual



The World Bank

Mozambique Digital Acceleration Project (P176459)

PIU	Project Implementation Unit
PDNA	Post-Disaster Needs Assessment
PDO	Project Development Objective
PIE	Project Implementing Entity
SDR	Special Drawing Rights
SEA/H	Sexual Exploitation, Abuse and Harassment
SIM	Subscriber Identity Module
TC	Tropical Cyclone
Tmcel	Moçambique Telecom, SA
WBG	World Bank Group



BASIC DATA

Product Information

Project ID P176459	Financing Instrument Investment Project Financing
Environmental and Social Risk Classification (ESRC) Substantial	
Approval Date 15-Jul-2022	Current Closing Date 31-Jul-2028

Organizations

Borrower Republic of Mozambique	Responsible Agency Road Fund, Ministry of Transport and Communications, National Roads Administration
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Project Development Objective (PDO)

Original PDO

To increase digital adoption and inclusion, and to support selected foundations for accelerated digital transformation

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-71820	15-Jul-2022	26-Aug-2022	08-Nov-2022	31-Jul-2028	200.00	51.50	147.62

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. *Project Status*

- 1. The Mozambique Digital Acceleration Project (MDAP) was approved on July 15, 2022, and became effective on November 8, 2022. Since then, project implementation has experienced slow progression with disbursements amounting to US\$1.5 million¹.** Although the last Implementation Status Report (May 2023) provided Satisfactory ratings to the project in general, it did downgrade the rating for Procurement and Safeguards performance to Moderately Satisfactory given the delays in procurement, the onboarding of the Safeguards Specialist, and the introduction of the Grievance Redressal Mechanism (GRM).
- 2. The reason for the slow implementation progress was due to the limited capacity of the shared Project Implementation Unit (PIU) structure within the Ministry of Transport and Communications (*Ministério dos Transportes e Comunicações*, MTC), which required additional staffing to be able to advance procurements, and the lengthy decision making and administrative processes, which delayed the creation of the Project Steering Committee, for example.** The Implementation Support Mission (ISM) of April 2023 noted that the procurements to expand the capacity of the PIU were under way and that the positions of two Component Managers (one for each technical Component), a Procurement Specialist, two Procurement Assistants, a Senior Accountant, an ICT Specialist, an M&E Officer, an Environmental Safeguards Specialist, and a Social Safeguards Specialist would be filled by August 2023. Following the ISM, the Project Steering Committee was created, it approved the Annual Work Plan and Budget for the project on May 31, 2023, the internal decision-making and administrative processes were streamlined at MTC, and the coordination mechanisms with the other partner agencies were enhanced.
- 3. The project has been delayed on safeguards measures.** Environmental and Social Safeguards Specialists should have been hired no later than 90 days after Project effectiveness, with Gender-Based Violence (GBV) competencies. At the local level, the project has still to identify and train one environmental and social (E&S) focal point in each province to manage and supervise E&S risks and impacts. While the project's GBV-sensitive GRM has experienced some delays in operationalization due to an extended validation exercise with partner agencies, it is expected to be operational by July 2023. Agreed mitigation measures have yet to be implemented for the project's GBV action plan. It is expected that with the hiring of the Social Safeguards Specialist the project will start implementing GBV/sexual exploitation and abuse (SEA)/sexual harassment (SH) mitigation measures.

B. *Rationale for Restructuring*

- 4. The rationale for the restructuring is to accommodate and reflect the activation of the Contingency Emergency Reconstruction Component (CERC) for the project, which was approved in May 2023 by the World Bank.** The

¹ The data sheet shows disbursements of US\$51.5 million, as a withdrawal application of US\$50 million was already processed for the CERC component.



CERC activation was in response to the destruction caused by Cyclone Freddy and the pressing need to support rehabilitation in the transport, education, health, energy, water supply and sanitation, agriculture, and urban sectors across the country as a result.

5. **Cyclone Freddy caused significant damage to social and economic infrastructure, displacement of population and disruption of the provision of basic services.** Tropical Cyclone (TC) Freddy made landfall twice in Mozambique in February and March of 2023. It made its first landfall on February 24, 2023, in Vilanculos District, in Inhambane Province, as a Moderate Tropical Storm and affected five provinces in Mozambique (Sofala, Inhambane, Gaza, Maputo province and Maputo city). The Province of Inhambane was by far the hardest hit. TC Freddy made its second landfall on March 11, 2023, in the Namacurra district, in Zambezia province as a Category 4 Cyclone, and affected six provinces (Zambezia, Tete, Niassa, Sofala, Manica and Nampula), with Zambezia by far the most affected province. Overall, the cyclone affected 1,187,265 people, with 698 wounded and 183 confirmed deaths; 283,618 houses reported severe damages, including 132,364 houses destroyed and 67,912 houses flooded. In addition, 123 health units and 2,549 classrooms (in 1,268 schools) reported damages, affecting over 230,329 students and 4,337 teachers. In the transport sector, over 4,334 km of roads and 9 critical bridges were damaged, and 73 roads were temporarily impassable. Water supply, energy, agriculture, and fisheries were also affected, with recorded damages to 15 water supply systems, 164 boreholes and 637 electricity poles. The storm also affected a total of 390,043 hectares of crops, 246 fishing gears, and 306 pisciculture tanks.
6. **The Government has responded with limited means in close collaboration with humanitarian and development partners.** On February 21, 2023, the Government of Mozambique (GoM) issued a national Red Alert to Cyclone Freddy through the Resolution n.4/2023, of February 21, covering the entire country. The Government mobilized US\$5.83 million for emergency response, of which US\$5.1 million was allocated by the Government and US\$0.73 million from the World Food Program, while goods valued at US\$66.27 million were committed by development partners for contingency purposes as part of the Government Contingency Plan 2022/2023, coordinated by the National Disaster Management and Risk Reduction Institute (INGD) in the amount of USD197.3 million (MZM12.5 billion). The UN launched a Flash Appeal for an amount of US\$48.07 million to assist 387,000 people, of which US\$9.9 million was mobilized to support the search and rescue operations and emergency needs.
7. **Preliminary Government damages assessment estimated urgent emergency needs in the amount of US\$151 million.** With support from development partners, the Government, through the Post-Disaster Reconstruction Office (GREPOC), is currently preparing a light Post-Disaster Needs Assessment (PDNA) to inform post-disaster recovery and reconstruction efforts. As a corporate response to disasters, the World Bank conducted a remote Global Rapid Post-Disaster Damage Estimation (GRADE), on the direct damages of the two landfalls of TC Freddy. The GRADE has estimated the direct damages at US\$1.53 billion, of which US\$484.4 million on residential buildings, US\$276.2 million on non-residential buildings, US\$576.9 million on infrastructure, and US\$197.1 on agriculture. Total damages account for 9.7% of Mozambique's 2021 National Gross Domestic Product (GDP). In March 2023, the Government pledged US\$3.95 million (MZM 250 million) for the early recovery of public infrastructure and services in Zambezia Province. In April 2024, the World Bank approved an allocation of US\$300



million from the Crisis Response Window (CRW) for the recovery of roads, drainage and water resources management infrastructure in the areas affected by the storm.

8. **On April 14, 2023, the Government requested the World Bank activation of the CERC in the amount of US\$151 million for supporting Government efforts for emergency response.** The proposed emergency response focused on the rapid restoration of transport infrastructure, the provision of education, health, energy, water supply and sanitation services, and the resumption of agricultural activity in the affected areas, including in the municipalities hardly hit, such as the cities of Maputo, Matola and Quelimane, and key towns in the provinces of Inhambane, Tete, Niassa and Nampula. On May 3, 2023, the World Bank approved the activation of the CERC in the amount of US\$150 million for emergency response in the affected areas, mobilized from the following IPF operations: (i) Digital Governance and Economy Project (P172350, IDA-D9060); Mozambique Northern Urban Development Project (P175266, IDA-D9430); Rural and Small Towns Water Security Project (P173518, IDA-D9410), and Mozambique Digital Acceleration Project (P176459; IDA-71820), divided into the following portions: US\$50.0 million, US\$20.0 million, US\$30.0 million, and US\$50 million, respectively. These projects were selected for CERC activation based on their high rates of non-disbursed and non-committed resources (over 85%), and their long-life cycle of 4 to 5 years from the closing date.
9. **The Ministry of Economy and Finance (MEF) will serve as the CERC Coordinating Authority.** The CERC activities will be implemented for a period between 12 months to a maximum of 18 months by ten (10) World Bank-funded Project Implementation Units (PIU) already in place in the sectors benefiting from CERC activation. A CERC Steering Committee (CERC SC) chaired by the Minister of Economy and Finance and composed of the Ministers of Public Works, Housing and Water Resources (MOPHRH), Agriculture and Rural Development (MADER), Education and Human Development (MINEDH), Health (MISAU), Energy and Mineral Resources (MIREME) and State Administration and Public Service (MAEFP) will be established to provide high-level political orientation and oversight of the implementation of CERC activities in all sectors and municipalities.
10. **The CERC activation for this project entails reallocating US\$50 million to the CERC Component (Component 4) from the other components, adjusting project activities and indicators accordingly and adding a new Implementing Agency (IA) arrangement.** The CERC activities for MDAP will entail the rehabilitation of roads and bridges across the country and will be implemented by the National Roads Administration of Mozambique (*Administração Nacional de Estradas - ANE*), which is the agency responsible for implementation of road infrastructure projects including World Bank financed projects. The restructuring also entails the addition of the Road Fund (*Fundo de Estradas - FE*) as a Project Implementing Entity (PIE) under the project for the implementation of the CERC activities. FE is the entity responsible for road sector finance and monitoring. The financing for the CERC will be made available to FE under an agreement between the Recipient and FE (the “PIE Agreement”). To facilitate the carrying out of the CERC component, FE will enter a cooperation agreement with ANE, which will then implement the CERC activities (the “Cooperation Agreement”). The other activities under the project would remain to be implemented by the MTC, in collaboration with other relevant government institutions. ANE is already an implementing agency for WB projects and as such it had already been assessed



from a fiduciary perspective and no new assessment is required. Furthermore, a CERC-wide Environmental and Social Safeguards was developed and disclosed by the GoM, which will apply to the CERC activities under MDAP implemented by ANE.

11. **Key interventions will focus on emergency rehabilitation of roads and bridges**, including: (i) the placement of temporary metallic bridges; (ii) repairs of cuts and construction of new water passages in locally vulnerable sites; (iii) repair of bridge structures; and (iv) stabilization of bridges slopes. These activities will specifically be implemented across seven provinces in the country. Following the extensive damage to road and drainage infrastructure across the country from Cyclone Freddy, ANE conducted an assessment to ascertain the level of damage and quantified the amount of emergency works that is needed to restore road connectivity. The cost estimates of the emergency works were compiled estimate using previously calculated unit prices and unit price tables practiced in each region, including market prices of the most recent emergency works. The MOPHRH through the Roads Fund and ANE prioritized the emergency works aiming at restoring transit ability along 1,700km of roads in the most critically affected regions, most of which are covered under the CERC of MDAP.
12. **Beyond the need to respond to the CERC activation, the restructuring also takes the opportunity to strengthen project management, reflecting the increased needs to boost capacity to accelerate project implementation and for coordination with the added CERC activities; and streamline activities pertaining to cybersecurity and data protection, which were previously covered under two separate projects, MDAP and the Mozambique Digital Governance and Economy Project (*Economía Digital e Governo Eletrónico* - EDGE, P172350).** These two projects originally intended for these activities to sequentially build on one another but, with implementation delays, they instead became overlapping, creating confusion and increasing coordination needs for government counterparts. Through the restructuring, the approach for these activities would be simplified and streamlined under MDAP to limit such issues going forward.
13. **The restructuring does not require changes to the Project Development Objective (PDO) and the Theory of Change will remain largely as it was under the original design of the project.** However the restructuring does impact the original indicators at PDO- and Intermediate levels due to changes in the project activities and their scope, which is detailed below.

II. DESCRIPTION OF PROPOSED CHANGES

14. **In order to reallocate US\$50 million to Component 4 for the CERC, other components of the project need to be reduced.** The proposed criteria for these reductions for the CERC reallocation are based on (i) the extent to which implementation of each subcomponent could be accelerated (i.e., subcomponents that do not appear to be able to make rapid progress are prioritized for reduction), and (ii) the goal of focusing activities to maximize impact rather than having widespread activities with limited impact. In addition, as noted above, the restructuring will be



used to make small adjustments to improve clarity of delineation with activities in the EDGE project as well as strengthening implementation capacity.

15. **The proposed reallocation therefore would impact the largest subcomponent, Subcomponent 2.1 (Core digital infrastructure for Government and private sector), for which implementation has been delayed and which is reliant on a pending feasibility study to scale with impact.** The objectives of this subcomponent were to increase the geographic reach, capacity, reliability, and security of the Government Communications Network (GovNet) as a means to improve public administration and digital service delivery, while simultaneously using the GoM's purchasing power to spur investment to develop a unified, robust, open access backbone infrastructure across the country. Achieving this vision depends on a new approach that introduces greater competition into the provision of underlying government services by commercial operators, versus the current *status quo* whereby all underlying infrastructure and services of GovNet are provided primarily by the State-Owned Enterprise, Tmcel, which suffers from underinvestment and problems of operational performance and reliability, resulting in poor provision of connectivity services. At this stage, a feasibility study is required to identify models and investment needs to enhance the quality of service and sustainability of GovNet, for which procurement has not started at the time of this restructuring process, even though the terms of reference were finalized several months earlier. Without the findings of such a study and their adoption, there is significant risk that any associated investments undertaken in the meantime will have minimal impact.
16. **Therefore, restructuring would reduce the current scope of Subcomponent 2.1, change associated indicators and targets for this subcomponent.** It would also refocus the activities of this subcomponent to support the immediate digitalization needs of the Government, through financing for selected equipment, hardware, software, connectivity services and technical support to support the digitalization of government entities, concentrating on the quick wins proposed by MTC such as the digitalization of the ministry. The subcomponent would also retain technical assistance, capacity building and associated equipment and services to support GovNet network planning, deployment and management, including the aforementioned feasibility study to assess GovNet from a technical, operational, financial, legal, and regulatory perspective, estimate future needs, and analyze options for extending network services to public institutions and sites, including models and opportunities for stimulating greater private sector investment, the results of which would form the basis of potential additional financing in the future. As such, Subcomponent 2.1 would be reduced from US\$65 million to US\$10 million. In line with the reduced scope, the subcomponent would be renamed "Core digital services infrastructure for Government". The activities proposed for removal could still be covered in the future, for example, through an additional financing, as appropriate.
17. **Furthermore, the cybersecurity and data protection related activities under Subcomponent 2.2 (Data governance, data protection, cloud readiness and cybersecurity) would also be streamlined and incorporate activities on the same topic currently under EDGE which are yet to be implemented.** The rationale for this change is to limit the risk of any overlaps with the EDGE project and to reduce institutional coordination burdens. Specifically, the following activities pertaining to *data protection* would now be consolidated under MDAP: (i)



support for strengthening the data protection legal and regulatory frameworks; (ii) support for capacity building for the operationalization of the Data Protection Office; (iii) advisory services, training and awareness raising of key public and private stakeholders; and (iv) awareness campaigns for the public at large. For *cybersecurity*, the revised scope under MDAP would include: (i) enhancing the institutional and governance framework for cybersecurity and critical information infrastructure protection; (ii) reviewing and strengthening the cybersecurity and cybercrime legal and regulatory frameworks; (iii) enhancing technical and operational capabilities through investments in hardware, software, platforms, systems and office space for the CERT-MZ, CSIRTs, and associated security operations centers (SOC), including support for associated training and incident response; (iv) delivering capacity building and awareness raising programs on cybersecurity for agencies involved in critical national infrastructure, facilitating cybersecurity professional certifications, exchange programs and participation at industry conferences; and (v) establishing international partnerships and collaboration with other cybersecurity agencies, CERTs or relevant associations. The activities for developing a data governance and management framework in the public sector would then be moved to EDGE, in line with the broader set of interventions that that project is undertaking. Based on these changes, to better reflect the activities under this subcomponent, it would be renamed to "Data protection, cloud readiness and cybersecurity". In addition, the budget for this subcomponent will be slightly increased from US\$15 million to US\$18 million to adjust for the new additional activities.

18. **In order to strengthen the project's implementation capacity in light of the difficulties encountered during the first months of implementation and the additional coordination needs brought on by the CERC activation, there would also be a reallocation to increase Component 3 (Project Management, Institutional Coordination and Citizen Engagement) from US\$8 million to US\$10 million.**

19. **As noted above, the CERC component would now include activities related to the repair and reposition, as well as the rehabilitation, of roads, bridges, and drainage structures in the affected municipalities across the provinces of Manica, Tete, Gaza, Sofala, Niassa, Inhambane and Zambezia.** The CERC Manual and Emergency Action Plan describe eligible expenditures.

Table 1: Summary of reallocations for MDAP

Components	Original (US\$ million)	Proposed under the Restructuring (US\$ million)
Component 1: Digital Access and Inclusion	90.0	90.0
Subcomponent 1.1: Enabling environment for digital investment, inclusion and resilience	7.5	7.5
Subcomponent 1.2: Rural digital connectivity and access	42.5	42.5
Subcomponent 1.3: Digital inclusion initiatives	40.0	40.0
Component 2: Foundations for Accelerated Digital Transformation	102.0	50.0
Subcomponent 2.1: Core digital infrastructure for Government and private sector*	65.0	10.0



Subcomponent 2.2: Data governance, data protection, cloud readiness and cybersecurity**	15.0	18.0
Subcomponent 2.3: Digital technology adoption and skills development in the education sector	22.0	22.0
Component 3: Project Management, Institutional Coordination and Citizen Engagement	8.0	10.0
Component 4: Contingent Emergency Response Component	0.0	50.0
TOTAL	200.0	200.0

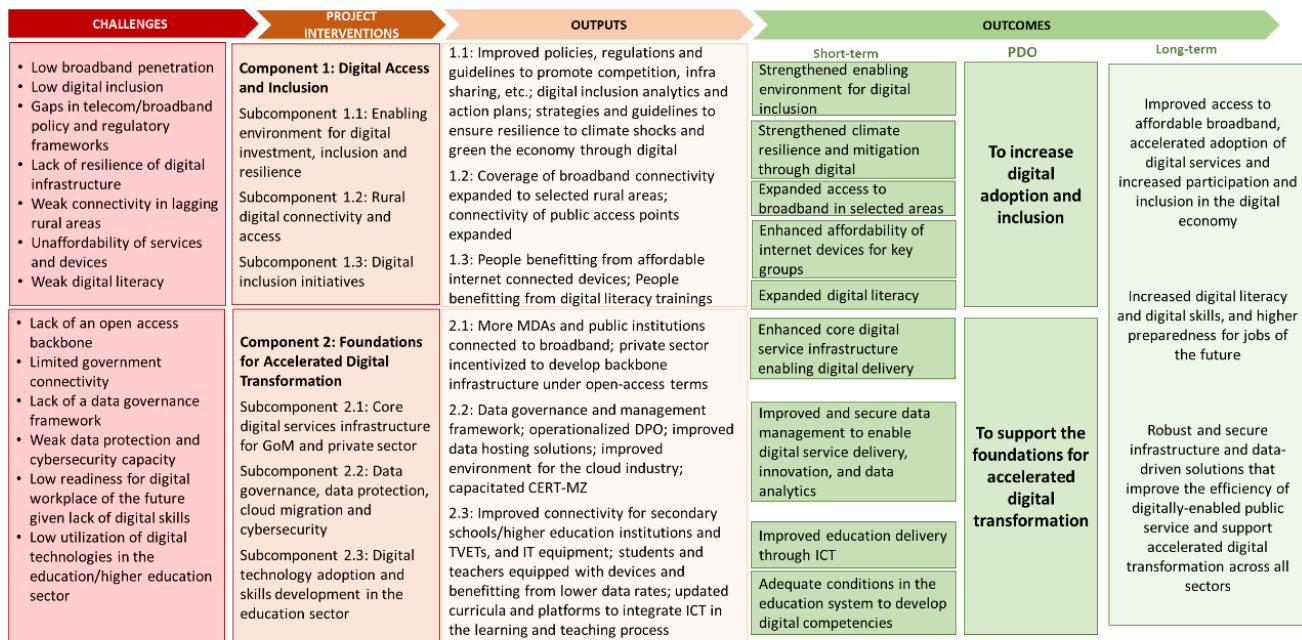
* Subcomponent would be renamed "Core digital services infrastructure for Government".

**Subcomponent would be renamed "Data protection, cloud readiness and cybersecurity".

20. The reallocation of US\$50 million to Component 4 for the CERC and the addition of CERC activities will require reallocation between disbursement categories, moving SDR37,000,000.00 equivalent of US\$50 million into Category 3 from Category 1.

21. The proposed reallocation does not affect the PDO of the project, and the Theory of Change would largely remain the same.

Table 2: Original Theory of Change for MDA P



Critical Assumptions:

1. Government's willingness to pursue key reforms (including on strengthening competition) and enact necessary changes to the legal and regulatory environment;
2. Government's willingness to follow a competitive, private sector driven approach to meet its connectivity and data hosting needs;
3. Willingness of private sector operators to co-invest in the roll-out of infrastructure under a selected PPP arrangement and participate in tenders for government connectivity;
4. Interest of individuals to engage in digital skills development and other interventions proposed.



Table 3: Updated Theory of Change

CHALLENGES	PROJECT INTERVENTIONS	OUTPUTS	OUTCOMES		
			Short-term	PDO	Long-term
<ul style="list-style-type: none"> • Low broadband penetration • Low digital inclusion • Gaps in telecom/broadband policy and regulatory frameworks • Lack of resilience of digital infrastructure • Weak connectivity in lagging rural areas • Unaffordability of services and devices • Weak digital literacy 	<p>Component 1: Digital Access and Inclusion</p> <p>Subcomponent 1.1: Enabling environment for digital investment, inclusion and resilience</p> <p>Subcomponent 1.2: Rural digital connectivity and access</p> <p>Subcomponent 1.3: Digital inclusion initiatives</p>	<p>1.1: Improved policies, regulations and guidelines to promote competition, infra sharing, etc.; digital inclusion analytics and action plans; strategies and guidelines to ensure resilience to climate shocks and green the economy through digital</p> <p>1.2: Coverage of broadband connectivity expanded to selected rural areas; connectivity of public access points expanded</p> <p>1.3: People benefitting from affordable internet connected devices; People benefitting from digital literacy trainings</p>	<ul style="list-style-type: none"> Strengthened enabling environment for digital inclusion Strengthened climate resilience and mitigation through digital Expanded access to broadband in selected areas Enhanced affordability of internet devices for key groups Expanded digital literacy 	<p>To increase digital adoption and inclusion</p>	<p>Improved access to affordable broadband, accelerated adoption of digital services and increased participation and inclusion in the digital economy</p> <p>Increased digital literacy and digital skills, and higher preparedness for jobs of the future</p> <p>Robust and secure infrastructure and data-driven solutions that improve the efficiency of digitally-enabled public service and support accelerated digital transformation across all sectors</p>
<ul style="list-style-type: none"> • Lack of an open access backbone • Limited government connectivity • Lack of a data governance framework • Weak data protection and cybersecurity capacity • Low readiness for digital workplace of the future given lack of digital skills • Low utilization of digital technologies in the education/higher education sector 	<p>Component 2: Foundations for Accelerated Digital Transformation</p> <p>Subcomponent 2.1: Core digital services infrastructure for GoM</p> <p>Subcomponent 2.2: Data protection, cloud readiness and cybersecurity</p> <p>Subcomponent 2.3: Digital technology adoption and skills development in the education sector</p>	<p>2.1: Model identified to enhance GovNet so that more MDAs and public institutions are connected to better quality broadband; MTC digital strategy and digitalization activities</p> <p>2.2: Operationalized DPO; improved data hosting solutions; improved environment for the cloud industry; capacitated CSIRT</p> <p>2.3: Improved connectivity for secondary schools/higher education institutions and TVETs, and IT equipment; students and teachers equipped with devices and benefitting from lower data rates; updated curricula and platforms to integrate ICT in the learning and teaching process</p>	<ul style="list-style-type: none"> Identify enhancements to core digital service infrastructure enabling digital delivery; demonstrate value of digitalization through MTC Improved and secure data management to enable digital service delivery, innovation, and data analytics Improved education delivery through ICT Adequate conditions in the education system to develop digital competencies 		
<p>Critical Assumptions:</p> <ol style="list-style-type: none"> 1. Government's willingness to pursue key reforms (including on strengthening competition) and enact necessary changes to the legal and regulatory environment; 2. Government's willingness to follow a competitive, private sector driven approach to meet its connectivity and data hosting needs; 3. Willingness of private sector operators to co-invest in the roll-out of infrastructure under a selected PPP arrangement and participate in tenders for government connectivity; 4. Interest of individuals to engage in digital skills development and other interventions proposed. 					

22. The proposed reallocation does require changes to PDO-level and Intermediate Indicators and their targets:

- i. The target for the PDO-level Indicator on "*Civil servants in MDAs/public institutions connected to broadband Internet services (percentage)*" would be reduced as this is partially derived through interventions pertaining to GovNet under Subcomponent 2.1. which are being reduced through the restructuring. As other activities contributing towards this indicator, such as support towards strengthening the Mozambique Research and Education Network (MoRENet) under Subcomponent 2.3, are retained under the project, the indicator itself remains relevant and therefore only its target is reduced.
- ii. The Intermediate Indicator for Subcomponent 2.1 on "*Government offices and public institutions benefitting from new or improved access to broadband internet services through GovNet as a result of project interventions*" would be removed as the originally proposed investments for GovNet under Subcomponent 2.1 would be cut.
- iii. The Intermediate Indicators pertaining to Subcomponent 2.2 on data protection and cybersecurity would be changed to reflect the streamlining of these activities under MDAP.
 - a. The following Intermediate Indicators would be added to reflect the new activities for cybersecurity:
 - i. *Number of existing telecommunications regulatory instruments revised to incorporate cybersecurity obligations/standards (number).*



- ii. *Reduction in average time to recover from an incident by the national Computer Security Incident Response Team (percentage).*
- b. The Intermediate Indicator on *"Number of Regulations issued by the Data Protection Office"* would be removed to reflect that the set-up and capacity building for the Data Protection Office had been delayed and therefore the Office will not be issuing new regulations in the near future.
- c. The intermediate Indicator *"Establishment of the Data Protection Office. (Yes/No)"* would be added to more clearly reflect activities supported by MDAP pertaining to support for the establishment and operationalization of the Data Protection Office.
- d. The Intermediate Indicator on *"Strategy for enhanced national data governance adopted"* would be removed as activities pertaining to data governance would be streamlined under the EDGE Project.
- iv. A new Intermediate Indicator for Component 4 would be added to measure the results of the CERC activities under ANE: *"Repair and improvement of road carriageway and construction of hydraulic structures (km)", Target: 1,700km.*
- v. The restructuring also provides an opportunity to update the PDO-level indicator on *"Mobile broadband penetration rate (percentage)"* to use the appropriate corporate indicator instead, which is now being used across digital development projects, with adjusted baseline and target. The original indicator would be replaced by *"People provided with new or enhanced access to broadband internet (number)"*. The source for the new indicator would remain the GSM Association (GSMA), looking at the number of unique mobile subscribers. The new indicator measures the number of people provided with access to Internet services through the project. The data include both people who have gained new access to Internet service and people who have benefitted from improved Internet service (such as, affordability, quality) during the project implementation period. The data are collected at a national level. Therefore, the baseline for this indicator would be adjusted (currently at zero, as the project has not yet had any impact on new or improved access to broadband internet for beneficiaries), changed from percentage to million, and its target would be adjusted according to the new methodology. The child indicator would be adjusted accordingly as well.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Implementing Agency	✓	
Results Framework	✓	



Components and Cost	✓	
Reallocation between Disbursement Categories	✓	
Disbursements Arrangements	✓	
Disbursement Estimates	✓	
Institutional Arrangements	✓	
Financial Management	✓	
Procurement	✓	
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Overall Risk Rating		✓
Legal Covenants		✓
APA Reliance		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

IMPLEMENTING AGENCY

Implementing Agency Name	Type	Action
Ministry of Transport and Communications	Implementing Agency	No Change
National Roads Administration	Implementing Agency	New
Road Fund	Implementing Agency	New



COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Component 1: Digital Access and Inclusion	90.00	No Change	Component 1: Digital Access and Inclusion	90.00
Component 2: Foundations for Accelerated Digital Transformation	102.00	Revised	Component 2: Foundations for Accelerated Digital Transformation	50.00
Component 3: Project Management, Institutional Coordination and Citizen Engagement	8.00	Revised	Component 3: Project Management, Institutional Coordination and Citizen Engagement	10.00
Component 4: Contingent Emergency Response Component	0.00	Revised	Component 4: Contingent Emergency Response Component	50.00
TOTAL	200.00			200.00

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
IDA-71820-001 Currency: XDR				
iLap Category Sequence No: 1	Current Expenditure Category: Gds,Wks,NCs,CS,Oc,Tr for the Projec			
130,200,000.00	0.00	93,200,000.00	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: Eligible Expend undr DAAS Pt 1ciB			
18,600,000.00	0.00	18,600,000.00	100.00	100.00
iLap Category Sequence No: 3	Current Expenditure Category: Emergency Expenditures Pt 4 Project			
0.00	0.00	37,000,000.00	0.00	100



Total	148,800,000.00	0.00	148,800,000.00
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DISBURSEMENT ESTIMATES

Change in Disbursement Estimates
Yes

Year	Current	Proposed
2022	0.00	0.00
2023	6,000,000.00	51,500,000.00
2024	13,000,000.00	13,500,000.00
2025	30,000,000.00	30,000,000.00
2026	45,000,000.00	40,000,000.00
2027	55,000,000.00	50,000,000.00
2028	46,000,000.00	14,000,000.00
2029	5,000,000.00	1,000,000.00



Results framework

COUNTRY: Mozambique

Mozambique Digital Acceleration Project

Project Development Objectives(s)

To increase digital adoption and inclusion, and to support selected foundations for accelerated digital transformation

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
To expand digital adoption and inclusion								
People provided with new or enhanced access to broadband internet (Number)		0.00	0.00	6,300,000.00	6,700,000.00	7,200,000.00	7,700,000.00	8,300,000.00
Action: This indicator has been Revised	Rationale: <i>Updating the indicator in order to apply the corresponding corporate indicator, which should allow for better benchmarking going forward. The original indicator on "Mobile broadband penetration rate (percentage)" is replaced by "People provided with new or enhanced access to broadband internet (number)". The source for the indicator would remain the GSM Association (GSMA), looking at the number of unique mobile subscribers.</i>							
People provided with new or enhanced access to broadband internet (female) (Percentage)		0.00						3,400,000.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Action: This indicator has been Revised	Rationale: Changed to reflect changes to the parent indicator							
Beneficiaries obtaining a certificate in digital literacy under the project (Number)	0.00	0.00	1,000.00	8,000.00	14,000.00	18,000.00	20,000.00	
Of which female beneficiaries (Number)	0.00	0.00	500.00	4,000.00	8,000.00	9,500.00	12,000.00	
Of which under age 25 (Number)	0.00	0.00	600.00	4,000.00	7,500.00	11,000.00	12,000.00	
To support selected foundations for accelerated digital transformation								
Civil servants in MDAs/public institutions connected to broadband internet services (Percentage)	20.00	20.00	20.00	21.00	21.00	22.00	22.00	
Action: This indicator has been Revised	Rationale: The target for the PDO-level Indicator on "Civil servants in MDAs/public institutions connected to broadband Internet services (percentage)" is reduced as this is partially derived through interventions under Subcomponent 2.1. which has been reduced in scope.							
Students benefitting from new or improved access to learning thanks to digital technologies (Number)	0.00	0.00	3,000.00	5,000.00	10,000.00	13,000.00	15,000.00	
Of which female students (Number)	0.00	0.00	1,200.00	2,000.00	4,000.00	6,000.00	7,000.00	



Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Component 1: Digital Access and Inclusion								
Retail price of 1 GB per month of pre-paid mobile data (Amount(USD))		1.33	3.06	2.67	2.10	1.53	1.05	0.77
Retail price of 1 GB per month of pre-paid mobile data as a percentage of monthly GNI per capita (Percentage)		6.98	8.00	7.00	5.50	4.00	3.00	2.00
Villages, previously with no mobile broadband coverage, connected to telecommunications and broadband networks under the project (Number)		0.00	0.00	30.00	70.00	120.00	160.00	200.00
Private sector investment leveraged in response to schemes deployed under the project (Amount(USD))		0.00	0.00	10,000,000.00	20,000,000.00	30,000,000.00	40,000,000.00	50,000,000.00
Newly built or upgraded infrastructure that is resilient to climate relate shocks and follows energy efficiency and renewable		0.00	0.00	60.00	70.00	80.00	85.00	90.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
energy standards (Percentage)								
Beneficiaries able to own a broadband compatible device through the project (Number)	0.00	0.00	1,000.00	100,000.00	200,000.00	250,000.00	300,000.00	
Of which female (Number)	0.00	0.00	600.00	60,000.00	120,000.00	150,000.00	175,000.00	
Beneficiaries accessing skills training schemes under the project (Number)	0.00	0.00	500.00	10,000.00	20,000.00	25,000.00	30,000.00	
Component 2: Foundations for Accelerated Digital Transformation								
Government offices and public institutions benefitting from new or improved access to broadband internet services through GovNet as a result of project interventions (Number)	0.00	0.00	100.00	300.00	500.00	850.00	1,200.00	
Action: This indicator has been Marked for Deletion	Rationale: <i>The Intermediate Indicator is deleted as Subcomponent 2.1. has been reduced in scope.</i>							
Strategy for enhanced national data governance adopted by GoM (Yes/No)	No	No	No	Yes	Yes	Yes	Yes	
Action: This indicator has been Marked for Deletion	Rationale:							



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<i>This Intermediate Indicator is deleted as the corresponding activity has been moved to the EDGE project.</i>								
Number of regulations issued by Data Protection Office (Number)		0.00	0.00	0.00	1.00	2.00	2.00	3.00
Action: This indicator has been Marked for Deletion	Rationale: <i>This Intermediate Indicator is deleted as the Data Protection Office has still not been created, and it will be a few years before it is in a position to issue regulations.</i>							
Number of individuals trained on cybersecurity under the project (Number)		0.00	0.00	50.00	200.00	300.00	400.00	500.00
Number of educational institutions using digital technologies for improved learning (Number)		0.00	0.00	0.00	100.00	200.00	400.00	500.00
Existing telecommunications regulations revised to incorporate cybersecurity obligations/standards (Number)		0.00						9.00
Action: This indicator is New	Rationale: <i>The Intermediate Indicator is added to reflect the activities under Subcomponent 2.2 on cybersecurity.</i>							
Reduction in average time to recover from an incident		0.00						25.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
by the national Computer Security Incident Response Team (Percentage)								
Action: This indicator is New	Rationale: <i>The Intermediate Indicator is added to reflect activities under Subcomponent 2.2 on cybersecurity.</i>							
Establishment of the Data Protection Office (Yes/No)		No						Yes
Action: This indicator is New	Rationale: <i>The Intermediate Indicator is added to reflect activities supported by the project on data protection.</i>							
Component 3: Project Management, Institutional Coordination and Citizen Engagement								
Grievances registered related to delivery of project benefits addressed within the stipulated service standards for response times (Percentage)		0.00	50.00	60.00	70.00	80.00	90.00	100.00
Component 4: Contingent Emergency Response Component (Action: This Component is New)								
Repair and improvement of road carriageway and construction of hydraulic structures (Kilometers)		0.00						1,700.00
Action: This indicator is New	Rationale: <i>A new Intermediate Indicator for Component 4 is added to measure the results of the CERC activities under ANE.</i>							



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