



Mozambique Mining and Gas Technical Assistance Project (P129847)

AFRICA | Mozambique | Energy & Extractives Global Practice |
IBRD/IDA | Investment Project Financing | FY 2013 | Seq No: 13 | ARCHIVED on 30-Mar-2020 | ISR40542 |

Implementing Agencies: Ministry of Mineral Resources, Ministry of Planning and Development, Ministry of Economy and Finance, Ministry of Economy and Finance, Ministry of Economy and Finance, Ministry of Mineral Resources and Energy

Key Dates**Key Project Dates**

Bank Approval Date: 28-Mar-2013	Effectiveness Date: 22-Aug-2013
Planned Mid Term Review Date: 20-Jun-2016	Actual Mid-Term Review Date: 26-Aug-2016
Original Closing Date: 31-May-2020	Revised Closing Date: 31-Dec-2021

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed project development objective is to strengthen the capacity and governance systems of key institutions to manage the mining and hydrocarbon sectors in Mozambique.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Table

Name

Component A: Mining Governance Capacity Building and Reform:(Cost \$20.40 M)
Component B: Natural Gas Capacity Building and Governance Reform:(Cost \$30.62 M)
Component C: Cross-cutting Mining/ Natural Gas Capacity Building and Reforms:(Cost \$19.90 M)
Component D: Cross-Sectoral Reforms:(Cost \$3.75 M)
Component E: Project Management and Coordination:(Cost \$8.99 M)
PPA Refinancing:(Cost \$0.60 M)
Contingencies:(Cost \$2.94 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Satisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

Implementation Status and Key Decisions

The project remains on track while progress toward achieving the PDO remains Satisfactory. MAGTAP's pace of implementation and progress has been positive. 76% of the total US \$87.2 million in project funding is committed. Some 62% of the total proceeds are under signed contracts, and \$6.7 million (or 7% of the total) represent real and estimated foreign exchange losses. About \$20 million (24% of the total amount) have not yet entered procurement.



Disbursements during FY20 have been high compared to previous years. This is attributed to 104% of the planned cumulative execution of activities during the first half of the fiscal year. The project accelerated more than expected in components A and B. Disbursements for the end of FY20 are estimated to be around US \$9.72. Implementation of activities during FY20 continues at a good pace with total expenditures of US \$5.63.

Gas Sector: A capacity building engagement will be organized during the next MAGTAP mission, facilitated by the World Bank, to bring best practices and lessons learned in developing domestic gas from elsewhere to Mozambique. The goal of the engagement will be to support Mozambique, more specifically MIREME, to formalize the vision for how the country could capture maximum benefits from cheap and readily available gas for the local economy, and to draft a roadmap for implementation of initiatives to use domestic gas for power generation and in local industry, beyond the three projects that were awarded domestic gas in the 2016 tender.

Mining Sector: It is important to ramp up on ASM strategy implementation and strengthen its support for inspection and control of mining operations, especially with strategic large-scale investments. Within Component A on mining governance, MAGTAP is providing continued support on upgrading geological information, licensing process and inspection to advance mining investment governance systems. MAGTAP remains committed to build capacity on key regulatory entities such as DNGM, INAMI and IGREME. Responding to MIREME's request, MAGTAP will undertake a Mining Sector Diagnostic (MSD) review aimed at providing policy input to address mining governance issues.

The Extractives Industry Transparency Initiative (EITI): Due to delays on initiating the preparation of the 8th EITI Report, covering the years 2017-2018, is not in line with the EITI guidelines and deadline. The selection of the Independent Administrator took place only in early November. The MSG requested an extension of the deadline up to February 28, 2020 and the first draft of the Report has been sent last week to the EITI Secretariat in Oslo. One of the difficulties faced by the Independent Administrator has been the slow response by four mining companies in providing the data needed for reconciliation. This is happening despite having raised the materiality level for participating companies from MZN500,000 to US\$500,000 in tax payments.

Local Content: In a meeting held on the 20th of February, with the Task Force, MIREME and INP representatives, the message of the need for unifying efforts on Local Content was reinforced. The importance of ensuring more synergy in the initiatives related to local content came to light and that ENH should join the Task Force. The objective of the meeting was to firm up the agenda for a more active support from MAGTAP to the Task Force, which would translate on developing ToR for MAGTAP to hire an expert firm to develop the "Programa Único" for value addition around extractives in Mozambique. In addition to the three focus areas (job creation, training for SMEs, and agriculture) to be developed, the "Programa Único" should include initiatives to leverage funding and establish financing mechanisms. It was agreed that the "Programa Único" should include a governance structure and rules for sector collaboration, which includes formalizing the Task Force and defining its attributions and competences through a formal directive.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Macroeconomic	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Sector Strategies and Policies	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Technical Design of Project or Program	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Institutional Capacity for Implementation and Sustainability	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Fiduciary	--	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Environment and Social	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Stakeholders	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Other	--	--	--
Overall	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

Results



PDO Indicators by Objectives / Outcomes

Strengthen the capacity and governance systems of key institutions to manage the mining and hydrocar				
► Mining Cadastral database and GIS accessible on-line for public level information (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-Dec-2021
► Mines and gas construction projects subject to annual technical inspections in line with established standards. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	16.00	16.00	25.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
Comments:	Gas Construction: Approved the Field Development Plan for Coral, Golfinho/Atum and Rovuma LNG.			
<input type="checkbox"/> Mines construction projects subject to annual technical inspections in line with established standards (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	12.00	12.00	15.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
<input type="checkbox"/> Gas construction projects subject to annual technical inspections in line with established standards (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	9.00	3.00	10.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
► Mines and gas operations subject to fiscal controls per year in line with established standards (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	17.00	17.00	25.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
Comments:	Audit done jointly by Revenue Authority and IGREME. ENI, Sasol, and Anadarko			
<input type="checkbox"/> Mines operations subject to fiscal controls per year in line with established standards (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	14.00	59.00	15.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
<input type="checkbox"/> Gas operations subject to fiscal controls per year in line with established standards (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	1.00	10.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
► New mining/gas/infrastructure related contracts negotiated, benefitting from the developed frameworks and procedures (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	5.00	14.00	5.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
Comments:	Approved Concession Agreements for Oil exploration and Production, resulting from the 5th round.			
► Regular health and safety and environmental monitoring visits and inspections to mines and gas projects in line with regulations for compliance and monitoring (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	5.00	334.00	50.00
Date	17-Jul-2017	17-Jun-2019	28-Feb-2020	31-Dec-2021
Comments:	(1) Sasol; (2) Exploration and Processing of Sangage - Nampula Heavy Sands; (3) two gold exploration in Manica; (4) Exploration of Tantalite, Gold and Morganite from EMIZ -Zambezia			
► ESIA and SIA guidelines published and disseminated for gas mining (LSM and ASM) and oil (if underway) (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	17-Jul-2017	17-Jun-2019	28-Feb-2020	31-Dec-2021
Comments:	Guidelines finalized, disseminated and approved by the beneficiary Entities.			
► Direct project beneficiaries (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2,322.00	2,322.00	3,500.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-Dec-2021
<input type="checkbox"/> Female beneficiaries (Percentage, Custom Supplement)				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	46.00	46.00	35.00

Intermediate Results Indicators by Components

Component A: Mining Governance Capacity Building and Reform				
► Mining Cadastre procedures updated (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
► Mineral Information System upgraded with new geodata for strategic areas (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
Comments:	The equipment was purchased awaiting rehabilitation of the facilities for installation of the equipment.			
► Number of ASM associations/cooperatives (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	63.00	0.00	80.00	50.00
Date	05-Nov-2012	17-Jun-2019	28-Feb-2020	31-Dec-2021
Comments:	Evaluation report on technical proposals finalized. 80 mining associations formed under the state budget.			
► Number of Artisanal "Mining Passes" issued and number of Small Scale "Mining Certificates" issued in accordance with regulations (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	73.00	200.00
Date	06-Sep-2017	17-Jun-2019	28-Feb-2020	31-Dec-2021
► Procedures of tendering and evaluation of mineral assets developed (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes



Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
▶ Number of ASMs who have received targeted training (of which female %) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	480.00	2,000.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
Comments:	Evaluation report on technical proposals finalized. 480 miners trained within the state budget.			
▶ Health and safety and environmental regulations, including standards and monitoring procedures updated (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
Comments:	Ongoing selection of consultants			
▶ Local law enforcement and judicial personnel trained on mining law and regulations under the project (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	0.00	200.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
▶ Number of geological blocks surveyed and number of sheets mapped of which publicly disclosed and available (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1 geological block surveyed and zero sheets mapped	1 geological block surveyed and zero sheets mapped	zero	33/100%
Date	06-Dec-2017	17-Jun-2019	28-Feb-2020	31-Dec-2021
Comments:	Survey started.			
<input type="checkbox"/> Number of blocks surveyed of which publicly disclosed and available (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1 block surveyed	1 block surveyed	zero	3/100%
Date	06-Sep-2017	17-Jun-2019	28-Feb-2020	31-Dec-2021
<input type="checkbox"/> Number of sheets mapped of which publicly disclosed and available (Text, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	Zero	zero	zero	30/100%
Date	06-Sep-2017	17-Jun-2019	28-Feb-2020	31-Dec-2021

Component B: Natural Gas Capacity Building and Governance Reform

► Number of studies assessing economic and financial feasibility for development of gas infrastructure carried out (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	4.00	5.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
Comments:	(1) Feasibility study for the Farm in the PSA; (2) Business Plan for ENHLogistic; (3) Financial Advisory Services for ENH, (4) Initial Phase of the LNG Project; (5) Pre-feasibility study for the transport of natural gas from Palma to South			

► Emergency response procedures for INP developed (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	06-Sep-2017	17-Jun-2019	28-Feb-2020	31-Dec-2021

► Staff of gas sector management institutions trained through MAGTAP to manage, regulate and monitor gas sector (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	48.00	48.00	100.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-Dec-2021

► Tools and mechanisms to attract financing for the State participation are in place (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
Comments:	Ongoing refinancing of Area 1, where LH was appointed the consultant.			

► Pemba Regional Office equipped and operational to undertake health and safety, and environmental inspections of gas field operations (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes



Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
Comments:	Already equipped.			

Component C: Cross-cutting Mining/ Natural Gas Capacity Building and Reforms

► Computerized Environmental and Social Management Information System developed (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-Dec-2021

► Results of Strategic Environmental and Social Assessment publicly disclosed by GoM in papers and through workshops and public outreach (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-Dec-2016

Comments: Workshop held to launch SESA Action Plan. The objectives were to make stakeholders aware regarding the work being performed to implement the SESA Action Plan. Stakeholders were invited to make comments and suggestions, and were involved in the implementation of the SESA Action Plan progress.

► SESA Action Plan implementation is tracked continuously by the Recipient with engagement of stakeholders through public consultation process and feedback mechanism (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	10-Oct-2017	17-Jun-2019	28-Feb-2020	31-Dec-2021

Comments: Workshops to be organized for consultation and feedback on the activities.

► Number of pilot CIA data collection and analysis completed and capacity building action plans under implementation (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	2.00
Date	06-Sep-2017	17-Jun-2019	28-Feb-2020	31-Dec-2021

Comments: Under the TA approval process. Guidelines for cumulative impact assessment process to be prepared as pilot CIA to be implemented in Tete province. On hold with Pilot test in Cabo Delgado.

► Annual disclosure of reports on extractive industries revenues and revenue allocation at national level (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
--	----------	-------------------	------------------	------------



Value	0.00	7.00	7.00	8.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-Dec-2021
Comments:	7th EITI report disclosed in December 2017.			
► Provincial Directorates of Mineral Resources equipped & capable to monitor and inspect mining & exploration operations in their jurisdictions (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	1.00	10.00	10.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
► Number of CSO/CBOs trained on transparency monitoring across the extractive sector value chain (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	180.00	180.00	50.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020

Component D: Cross-Sectoral Reforms				
► Gender-focused strategy specific to mining formulated (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	06-Dec-2017	17-Jun-2019	28-Feb-2020	31-Dec-2021
► Total number of community pilots implemented in extractives areas and lessons learnt made public (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	06-Sep-2017	17-Jun-2019	28-Feb-2020	31-Dec-2021
► Number of studies with specific recommendations completed and adopted to stimulate linkages between mining and gas projects and Mozambican economy (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	2.00	2.00
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-Dec-2021
Comments:	Contribution on:			



(1) Draft of National Content Law; (2) Recommendations to the "Review of New Matrix of the SME Development Strategy and Operational Strategic Plan 2019-2021"; (3) Recommendation of "Revision of policy instruments and incentives for the improvement of the doing business environment"				
► Sector specific regulations and action plan for local content developed and adopted (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
Comments:	MIREME to prepare Local Content Policy.			
► Number of SMEs participating in tenders and providing goods and services to gas and mining operations (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	7.00	7.00	20.00
Date	06-Sep-2017	17-Jun-2019	28-Feb-2020	31-Dec-2021
Comments:	"Technip: Information sent to more than 150 companies strayed from the study database 1 and 2 funded by MAGTAP and 07 companies applied; Exxon Mobil: Provided list of 25 companies, strayed from the database of study 1 and 2 funded by MAGTAP; no info yet of how many applied.			
► Standards & procedures for oil & gas contingency planning & emergency preparations developed (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	01-May-2013	17-Jun-2019	28-Feb-2020	31-May-2020
Comments:	This was done through the project "Review and Operation Contingency Plan for oil spill" funded by MAGTAP.			

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P129847	IDA-51990	Effective	USD	50.00	50.00	0.00	39.81	6.34	86%
P129847	IDA-D2390	Effective	USD	28.00	28.00	0.00	4.35	22.99	16%
P129847	TF-16113	Effective	USD	6.80	6.80	0.00	7.43	0.01	100%

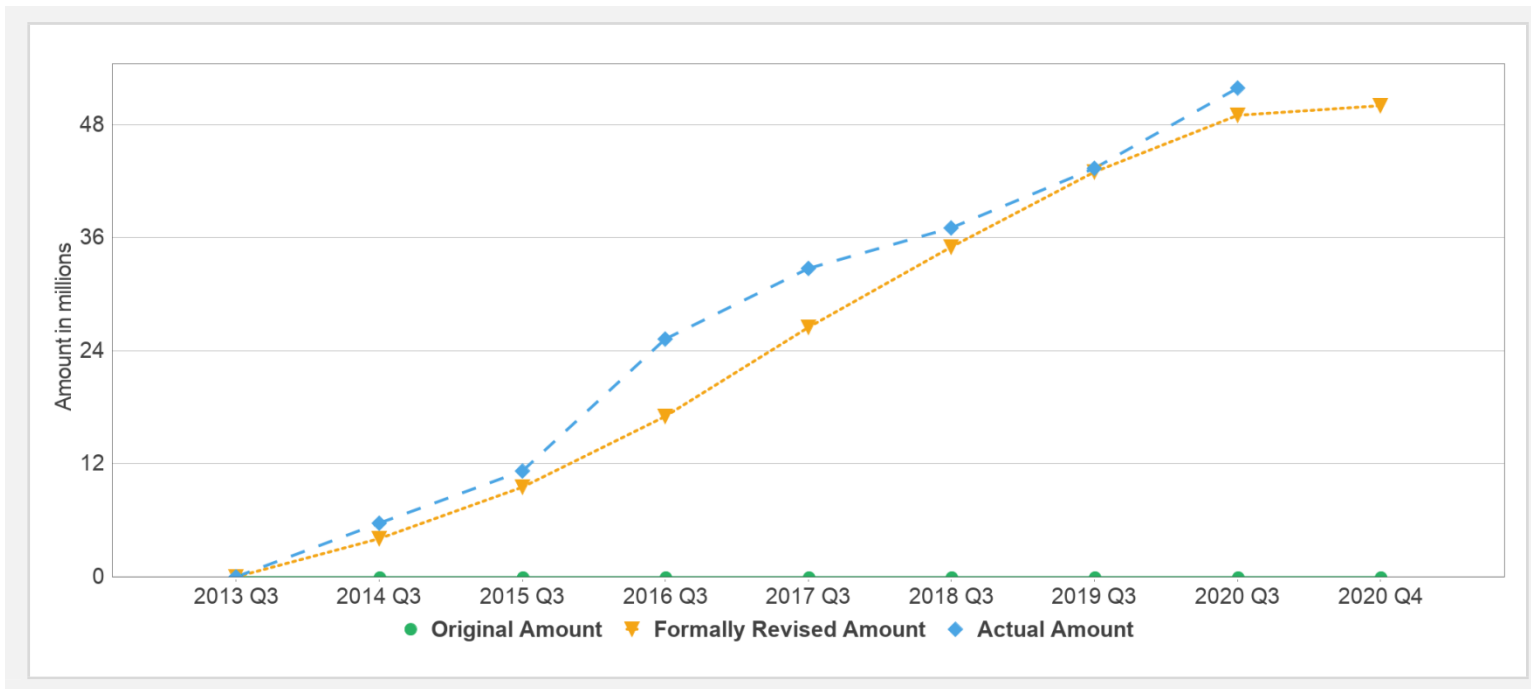


P129847	TF-A8583	Effective	USD	1.00	1.00	0.00	0.32	0.69	<div style="width: 32%; height: 10px; background-color: #2e8b57;"></div>	32%
---------	----------	-----------	-----	------	------	------	------	------	--	-----

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P129847	IDA-51990	Effective	28-Mar-2013	19-Apr-2013	22-Aug-2013	31-May-2020	31-Dec-2021
P129847	IDA-D2390	Effective	01-Nov-2017	15-Dec-2017	15-Mar-2018	31-Dec-2021	31-Dec-2021
P129847	TF-16113	Effective	27-Jan-2014	27-Jan-2014	27-Jan-2014	30-Nov-2018	30-Sep-2020
P129847	TF-A8583	Effective	18-Sep-2018	22-Oct-2018	22-Oct-2018	30-Sep-2020	30-Sep-2020

Cumulative Disbursements



Restructuring History

Level 2 Approved on 15-Sep-2016

Related Project(s)

P161683-Mining and Gas Technical Assistance Additional Financing