Financing Agreement
(National Statistics and Data for Development Project)

between

REPUBLIC OF MOZAMBIQUE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 17, 2017
GRANT NUMBER D228-MZ

FINANCING AGREEMENT

AGREEMENT dated July 17, 2013 entered into between REPUBLIC OF MOZAMBIQUE ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to forty-five million and three hundred thousand Special Drawing Rights (SDR 45,300,000) ("Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Payment Dates are June 15 and December 15 in each year.

2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause INE to carry out Parts 1 and 2 of the Project and shall implement Part 3 of the Project through MTC and Part 4 of the Project through MEF, all in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient
shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following:
INE’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of INE to perform any of its obligations under this Agreement.

4.02. The Additional Event of Acceleration consists of the following:
The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following, namely, that the Subsidiary Agreement has been executed on behalf of the Recipient and INE.

5.02. The Additional Legal Matter consists of the following:
The Subsidiary Agreement has been duly authorized or ratified by the Recipient and INE and is legally binding upon the Recipient and INE in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.04. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its minister at the time responsible for economy and finance or any successor thereto.

6.02. The Recipient’s Address is:

Ministry of Economy and Finance
Praça da Marinha Popular
Av. 10 de Novembro nº 929
Maputo, Caixa Postal 272
Republic of Mozambique

Facsimile:
+258 21313747

6.03. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: Facsimile:
248423 (MCI) 1-202-477-6391
AGREED at July 17, 2017, as of the day and year first above written.

REPUBLIC OF MOZAMBIQUE

By

[Signature]

Authorized Representative

Name: Adriano Madelaine

Title: Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Marc R. Lunden

Title: Country Director
SCHEDULE 1

Project Description

The Project development objective is to improve the production and dissemination of quality socioeconomic statistics. The Project will also support the use of data in evidence-based policy making, through improved capacity for spatial development planning and aid data management.

The Project consists of the following parts:

Part 1: INE Institutional Strengthening and Capacity Building

(a) Support NSS strategy, coordination and quality assurance, including: (i) carrying out the evaluation of the current NSDS; (ii) production of a new strategic plan; (iii) updating quality standards and manuals for the NSS; (iv) quality assurance professional services provided to other members of the NSS; (v) support mechanisms such as workshops to facilitate communication, knowledge exchange, coordination and sensitization with actors of the NSS and users of statistics; and (vi) study tours and exchange visits between INE and more advanced NSSs both regionally and internationally.

(b) Support INE skills development and technical capacity, including; (i) update existing staff competences and training needs assessments; (ii) develop a training plan for staff of INE and the NSS; (iii) train staff in relevant areas of statistics, information management, quality systems for statistics, leadership and motivation; (iv) improve the human and physical infrastructure of the ENE; (v) develop a language lab at the ENE; and (vi) a scholarship program.

(c) Support investment in information and communication technology, including: (i) elaboration of INE’s strategic information and communication technology plan; (ii) train relevant staff on information and communication technology management, coordination, maintenance, systems development and client support services; and (iii) upgrade information and communication technology infrastructure at INE and regional statistics offices.

(d) Enabling INE: (i) to prepare annual work plans and budgets; (ii) carry out all disbursements and financial management and procurement related activities in accordance with World Bank approved procedures (iii) prepare and consolidate periodic progress reports; (iv) monitor and evaluate project activities.
Part 2: Data Collection, Analysis and Dissemination

(a) Support the 2017 Population and Housing Census including: (i) preparatory activities for census enumeration; (ii) census enumeration; (iii) post-enumeration survey; and (iv) data processing, analysis and dissemination.

(b) Support the welfare monitoring system including carrying out: (i) household budget survey 2018-2019; (ii) household budget survey 2021-2022; (iii) technical assessment on underreporting expenditures in the household budget survey; and (iv) light household survey 2019-2020 and a high frequency poverty measurement system.

(c) Support national accounts, consumer price indicators and economic statistics through: (i) technical assistance for INE to rebase the national accounts and updating the series to 2014; (ii) improving availability and quality of economic statistics used for the national accounts; and (iii) improving the data and geographical coverage of the production of the CPI.

(d) Improving data accessibility through: (i) reviewing and updating the micro-data access and dissemination policy; (ii) technical assistance and training on micro-data anonymization; and (iii) develop an online micro-data portal to make micro-data and aggregated data publicly available.

Part 3: Mainstreaming Spatial Development Planning

(a) Supporting the mainstreaming of the spatial planning and the utilization of the spatial development planning platform in priority national agencies where demand, ownership and impact have been identified, including: mainstreaming of spatial planning in relevant sectoral policy formulation, development planning, and monitoring and evaluation across the selected national institutions; developing new tools, applications, and methodologies to integrate spatial data, analysis and planning in the national planning processes across the selected national institutions.

(b) Carrying out technical support to Mozambique’s authorities towards the permanent insertion of the PDE platform within the country’s public sector including: the development of national strategy, norms and standards for GIS infrastructure and spatial data, the development of a business plan, a governance statutory framework, and the institutional, legal and financial arrangements to ensure the sustainability of the PDE system in the medium and long-term; the formulation and initial implementation of a 5- to 10-year national spatial development infrastructure strategy; the creation of a detailed annual plan for mainstreaming spatial planning across national agencies, sub-national governments, the services providers, private sector, and civil society organizations;
and the design and implementation of a communication strategy to increase the outreach of the PDE system.

(c) Support the selected academic institutions (i.e., the Faculty of Geography, and Faculty of Architecture and Physical Planning at the Eduardo Mondlane University) for the development of high quality (accredited or tailor-made) training programs on spatial planning and analysis, and training of technical staff, mid-career, and senior government officials of the selected national institutions.

(d) Supporting the operation and the management of the GIS Platform including: GIS platform software licenses and maintained costs; spatial planning, GIS, and communication technical team.

(e) Supporting the functions of the core project implementation unit including: overall planning, management, coordination and reporting; financial management and procurement; monitoring and evaluation and PIU office management costs.

Part 4: Aid Data Management for Enhancement Planning Budgeting and Monitoring

(a) Supporting the enhancement of data accessibility and dissemination practices within the Recipient’s Directorate of Cooperation. This includes ensuring efficient work flows for data collection, cleaning, analysis, and dissemination, including through the design and implementation of a new aid information management system.

(b) Supporting hands-on guidance to MEF on best practices for using aid and other data (e.g., data analysis, visualization, and interpretation for policy making) to increase the efficiency and effectiveness of national, sectoral, and geographic resource allocation and use.

(c) Supporting the training of MEF staff involved in data collection, management, and use, as well as skills enhancement around data management, manipulation, visualization, and analysis.

(d) Supporting training of trainers to support the Government in establishing and implementing regular trainings for development partners and select Project implementation units on proper data reporting, as well as for other Government officials on proper data use.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Project Implementing Entities. The Recipient shall be responsible for overall implementation of the Project and shall cause each Project Implementing Entity to be responsible for implementation of its Respective Part of the Project. Implementation of a Respective Part of the Project shall include responsibility for the financial management and procurement aspects of that Part of the Project.

2. Project Steering Committee

(a) The Recipient shall establish, and thereafter maintain at all times throughout the implementation of the Project, a Project Steering Committee with composition, mandate and resources satisfactory to the Association, responsible for providing strategic guidance, and oversight of Project implementation.

(b) The Recipient shall ensure that the Project Steering Committee serves as a coordination mechanism for the Project Implementing Entities.

(c) The Recipient shall ensure that the Project Steering Committee shall be chaired by the Ministry of Economy and Finance and include representatives from each Project Implementing Entity. Other members may be appointed by the Ministry of Economy and Finance at its discretion.

3. Project Implementation Units. The Recipient shall, and shall cause each Project Implementing Entity to maintain, until the completion of the Project, a Project implementation unit (collectively “the PIUs”) within their own structure, with functions, staffing, resources assigned to it, and terms of reference satisfactory to the Association. Each PIU shall be responsible for: (a) the coordination, implementation, and management (including, fiduciary aspects) of day-to-day Project activities related to the Respective Part of the Project for which they are responsible; (b) prepare annual work plans and budgets; (c) carry out all disbursements and any financial management and procurement-related activities; (d) monitor and evaluate Project activities related to the Respective Part of the Project for which they are responsible; (e) prepare and consolidate periodic reports; (f) coordinate with other stakeholders on issues related to the Project; and (g) provide administrative support for the Project.
4. Project Implementation Manuals

(a) The Recipient, not later than ninety (90) days after the Effectiveness Date, shall prepare, adopt and thereafter carry out the Project in accordance with: (a) a manual for Parts 1 and 2 of the Project (the “INE Implementation Manual”); (b) a manual for Part 3 of the Project (the “MTC Implementation Manual”) and (c) MEF's existing Manual - *Administração Financeira e Procedimentos Contabilísticos* ("MAF"), (collectively “the Implementation Manuals”), all in form and in substance satisfactory to the Association, providing details of arrangements and procedures for the implementation of each of their Respective Parts of the Project, including capacity building activities for sustained achievement of the Project’s objective; institutional administration, coordination and day-to-day execution of Project activities; monitoring, evaluation, reporting, information, and communication; financial management and procurement sections providing details of financial management arrangements and procurement, including policies and procedures on procurement, disbursements and accounting systems; and such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

(b) In case of any conflict between the provisions of any of the Implementation Manuals and those of this Agreement, this Agreement shall prevail.

(c) Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Implementation Manuals if, in the opinion of the Association, such amendment or waiver may materially and adversely affect the implementation of the Project.

5. Annual Work Plan

(a) The Recipient shall prepare and furnish to the Association not later than November 30 of each Fiscal Year during the implementation of the Project, an annual work plan covering all activities proposed to be carried out in the following calendar year, including: (i) a detailed timetable for the sequencing and implementation of such activities; and (ii) a proposed budget and financing plan for such activities, including any counterpart contribution required for the purpose.

(b) The Recipient shall cause each Project Implementing Entity to afford the Association a reasonable opportunity to exchange views with it on such proposed plan and budget, and thereafter make any necessary counterpart contribution available and implement or cause to be implemented the Project during such following calendar year in accordance with such annual work plan, and on the basis of such budget, as shall have been approved by the Association.
B. Subsidiary Agreement

1. To facilitate the carrying out of Parts 1 and 2 of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Category (1) of the table set forth in Section IV.A.2 of this Schedule available to the INE under a subsidiary agreement between the Recipient and the INE, under terms and conditions approved by the Association ("Subsidiary Agreement").

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.

3. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Scholarship Program

For the purpose of awarding scholarships under the Scholarship Program under Part 1(b)(iv) of the Project, the Recipient shall cause INE to: (a) select eligible students in accordance with eligibility criteria, selection methods and procedures acceptable to the Association, set forth in the INE Implementation Manual; and (b) review, appraise and evaluate the award of scholarships, all in accordance with transaction, control and clearance processes and the procedural mechanisms and other provisions acceptable to the Association, as further set forth in the INE Implementation Manual.

D. Maintenance of Vehicles Financed Under the Project Preparation Advance

1. The Recipient shall cause INE to ensure that the vehicles purchased as part of the preparation activities for the 2017 Population and Housing Census under the Preparation Advance, are adequately and properly maintained and all necessary repairs are made as promptly as needed throughout the duration of Project implementation.

2. The Recipient shall cause INE not to, without the consent of the Association, sell, lease, transfer, assign or otherwise dispose of any of the vehicles financed under the Preparation Advance, and unless the Association otherwise agree, shall use them exclusively for the purposes of the Project.

3. The Recipient shall cause INE to display in each of the purchased vehicles a decal showing the institutional logo of INE.
E. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association. Each Project Report shall cover the period of one calendar year, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional
instructions as the Association shall specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Non-Consulting services, consulting, Training, Operating Costs required for Parts 1 and 2 of the Project</td>
<td>27,765,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, Non-Consulting services, consulting, Training, Operating Costs required for Part 3 of the Project</td>
<td>7,306,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, Non-Consulting services, consulting, Training, Operating Costs required for Part 4 of the Project</td>
<td>1,461,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Unallocated</td>
<td>4,368,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Refund of Preparation Advance</td>
<td>4,400,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>45,300,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

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B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 9,060,000 may be made for payments made prior to this date but on or after May 24, 2017, for Eligible Expenditures under Category (1).

2. The Closing Date is December 30, 2022.
APPENDIX

Section I. Definitions


2. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

3. "ENE" means Escola Nacional de Estatística, the Recipient’s National School of Statistics.

4. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.


6. "INE" means Instituto Nacional de Estatística, the Recipient’s national institute of statistics established further to Presidential Decree No. 9/96 of 28 August 1996.

6. "INE’s Legislation" means the legislation establishing and governing INE, or any other legislation relating to INE.

7. "MEF" means the Recipient’s Ministry of Economy and Finance or any successor thereto.

8. "MTC" means the Recipient’s Ministry of Transport and Communications or any successor thereto.


12. "PIU" means any of the three Project implementation units referred to in Section 1.A.3 of Schedule 2 to this Agreement.
13. "Preparation Advance" means the advance referred to in Section 2.07 of the General Conditions, granted by the Association/Bank to the Recipient pursuant to the letter agreement signed on behalf of the Association on April 12, 2017, and on behalf of the Recipient on April 13, 2017.

14. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 24, 2017, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.


16. "Project Implementing Entities" means collectively INE (with respect to Parts 1 and 2 of the Project), MTC (with respect to Part 3 of the Project) and MEF (with respect to Part 4 of the Project).

17. "Subsidiary Agreement" means the agreement referred to in Section 1.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to INE for the implementation of Parts 1 and 2 of the Project.