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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX 5**

of the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Mozambique for 2022 – Part 1

**Action Document for ‘VaMoz Digital!’**

**ANNUAL PLAN**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans of Article 23(2) of NDICI-Global Europe Regulation.

**1 SYNOPSIS**

**1.1 Action Summary Table**

<b>1. Title OPSYS business reference Basic Act</b>	VaMoz Digital! OPSYS number: ACT-60671 Financed under the Neighbourhood, Development and International Cooperation Instrument ( <u>NDICI-Global Europe</u> )
<b>2. Team Europe Initiative</b>	Yes ‘e-Youth’
<b>3. Zone benefiting from the action</b>	The action shall be carried out in Mozambique.
<b>4. Programming document</b>	Multi-annual Indicative Programme (MIP <sup>1</sup> ) for Republic of Mozambique for 2021-2027
<b>5. Link with relevant MIP(s) objectives / expected results</b>	The proposed action intends to contribute to MIP Priority area 2 ‘Growing youth’, more specifically to:  <u>Specific Objective 3</u> ‘Foster digital transformation for inclusive growth’,  <u>Expected results</u> : enabled environment for high quality access to broadband communication networks and services at affordable prices for all; youth’s digital skills improved; enhanced digital entrepreneurship and use of digital technologies, including in creative industries; and youth prioritised as innovators and creators.  <u>Specific Objective 4</u> ‘Greater opportunities for young women and men to secure decent employment and income against a background of increased trade and investment’.  <u>Expected results</u> : enhanced access to finance and capacities for start-ups and SMEs, with a particular focus on digital, renewable energy, green, and creative industries; and boosted inclusive employability of youth by equipping them with labour relevant skills and accompanying their transition from school to work.
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	Priority area 2 ‘Growing Youth’ – Digital transformation

<sup>1</sup> MIP 2021-2027 for Republic of Mozambique (C(2021)9271)

<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG: 9 (Industry, Innovation and Infrastructure). The action will also contribute to SDGs: 4 (Quality Education), 5 (Gender Equality), 8 (Decent work and Economic growth) and 11 (Sustainable cities and communities).			
<b>8 a) DAC code(s)</b>	DAC code 1 – Communications – 220 DAC code 2 – Social Infrastructure and Services (employment creation) – 160			
<b>8 b) Main Delivery Channel</b>	Third Country Government (Delegated cooperation) – 13000 United Nations Agency – 41000			
<b>9. Involvement of multilateral partners</b>	Yes			
<b>10. Targets</b>	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>11. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
	Connectivity @ Tags: transport people2people energy digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>13. Amounts concerned</b>	Budget line: BGUE-B2022-14.020122-C1-INTPA Total estimated cost: EUR 10 000 000 Total amount of EU budget contribution: EUR 10 000 000			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>14. Type of financing</b>	<b>Indirect management</b> with the entities to be selected in accordance with the criteria set out in section 4.4.1. and 4.4.2			

## 1.2 Summary of the Action

Mozambique remains one of the bottom ten countries in the world in terms of human development<sup>2</sup>, aggravated by increasing inequality in recent years<sup>3</sup>, including significant gender differences, Gini-coefficient rose to 0.56 (2014/15) from 0.47 (2008/9), placing Mozambique among the most unequal countries in Sub-Saharan Africa, substantial disparities between north and south and urban versus rural areas.

Despite its remarkably young age structure, its potential to contribute to the country's socio and economic development is far from being reached. Rapid population growth is exerting extra pressure on job creation and service delivery. In order to unleash the full potential of the youth, Mozambique needs to kick-start its digital transformation. Although the country has made some visible progress over the last years, there are still major constraints such as little investment in connectivity and weak capacities of the government, fragile legal and regulatory digital framework and corresponding enforcement, lack of digital literacy, gender and urban-rural divides, low affordability of broadband-enabled devices, low education levels and low electrification rate. Furthermore, Mozambique's digital ecosystem for enterprises is dynamic, but the opportunities for start-ups are limited due to financial and business enabling environment constraints.

<sup>2</sup> Ranked 181(out of 188) in the 2019 Human Development Index.

<sup>3</sup> Gini-coefficient rose to 0.56 (2014/15) from 0.47 (2008/9), placing Mozambique among the most unequal countries in Sub-Saharan Africa.

The COVID-19-related acceleration in digitalization makes it clear that it is crucial to close the digital divide with least developed countries (LDCs) since harnessing digital technologies is crucial for sustainable development and inclusive growth. The experience indicates that when appropriately applied, digital technologies can improve lives by empowering youth, women and girls, enhancing democratic governance and transparency, and boosting productivity and job creation<sup>4</sup>. The EU will not only mainstream digital technologies in all its interventions in Mozambique over the coming years, as recommended by the diagnostic of the information and communication technologies sector in Mozambique commissioned in 2021<sup>5</sup>, but will also actively contribute to Mozambique's digital transformation through support to the emergence of digital technology focusing on policy and regulatory frameworks, connectivity, e-services, digital skills and entrepreneurship.

Digital skills and entrepreneurship are engines for social and economic development and thus crucial for the youth's entry into the job market. To this end, the Overall Objective (Impact) of this action contributes to Mozambique's inclusive growth by facilitating digital transformation. In particular, it aims to improve efficiency, effectiveness and accessibility of digital services supported by an appropriate policy and regulatory framework for gender responsive digital transformation across sectors; moreover, it intends to stimulate innovation and digital entrepreneurship for youth (women and men), enabled by the appropriate skills, with a focus on those living in vulnerable situations.

This action is fully in line with priority area 2 'Growing Youth', as defined in the Multi-annual Indicative Programme (MIP) for Republic of Mozambique for 2021-2027. The action will contribute to achieving the United Nation's 2030 Agenda for Sustainable Development, more specifically SDG 4 (Quality Education), 5 (Gender Equality), 8 (Decent work and Economic growth), 9 (Industry, Innovation and Infrastructure) and 11 (Sustainable cities and communities). The action strongly subscribes to the 'leaving no one behind' principle. It is aligned with the EU-Africa Global Gateway framework (JOIN/2021/30 final) since it helps Mozambique address the digital divide and further integrate into the global digital ecosystem. Besides, the action focuses on digital education, paying particular attention to the inclusion of girls, women and those living in vulnerable situations. The action will also work with Mozambique to strengthen cooperation on research and innovation. VaMoz Digital! is clearly embedded in the Team Europe Initiative 'e-Youth' aiming at harnessing the potential of youth through education, employment and empowerment. The action will contribute to the EU Gender Action Plan (GAP III) 2021-2025 (JOIN/2020/17 final), specially to the thematic engagement 'Addressing the challenges and harnessing the opportunities offered by the digital transformation'.

Furthermore, it contributes to the implementation of the EU Digital Agenda (COM(2020) 67 final) and the African Union Digital Transformation Strategy for Africa in general. Three other actions included in the 2022 Annual Action Plan – Part 1 also contribute to digital transformation: Education, Culture and the National Control Centre for Energy.

## 2 RATIONALE

### 2.1 Context

Mozambique is one of the world's least developed and most unequal countries in the world, and rapid population growth is exerting extra pressure on job creation and basic services delivery. Mozambique's economic development model has been relying on foreign direct investment (FDI) in extractive-led, capital-intensive sectors, with limited linkages to the local economy. This has not so far been conducive to greater social and economic inclusion. Poverty levels decreased to 63 % in 2014. However, the absolute number of poor people increased by 30 % between 1996 and 2014. With a population estimated at more than 32 million (2021) and a fertility rate of 4.9 children per woman (2018 figures)<sup>6</sup>, current demographic trends estimate that 500,000 youth will join the labour force every year between 2018 and 2050<sup>7</sup>. The Gross Enrolment Ratio (GER) was 116 % for primary education in 2019; 35 % for secondary

<sup>4</sup> European Commission, Commission Staff Working Document, Digital4Development: mainstreaming digital technologies and services into EU Development Policy, [https://ec.europa.eu/international-partnerships/system/files/swd-digital4development-part1-v3\\_en.pdf](https://ec.europa.eu/international-partnerships/system/files/swd-digital4development-part1-v3_en.pdf)

<sup>5</sup> Potet, L. & Lishan, A. (September, 2021) *Mozambique Digital State of Play and Proposal for EU Intervention*. Digital4Development Advisory Services.

<sup>6</sup> In: <https://documents1.worldbank.org/curated/en/248561541165040969/pdf/Mozambique-Poverty-Assessment-Strong-But-Not-Broadly-Shared-Growth.pdf>

<sup>7</sup> World Bank, 2016. Searching for the demographic dividend in Mozambique: an urgent agenda.

education in 2017 and 7 % for higher education in 2018<sup>8</sup>. The literacy rate of youth in the age group 15-24 years is currently below 70 %, affecting also their capacity to find decent employment<sup>9</sup>.

In order to unleash the full potential of the youth, Mozambique needs to kick-start its digital transformation. Although the country has made some progress in the digital sector over the last years, it is still a long way from achieving universal broadband access. Internet data tariffs are trending downward thanks to Mozambique's connection to two international undersea links and increased competition in the market. However, internet is still not affordable to the majority of the population that has a low purchasing power. The proportion of individuals using the internet is only 21 % compared to an African average of 28 % or a world average of 54 %. In 2020, 83 % of the population lived within reach of a 3G mobile network and 40 % within 4G<sup>10</sup>. High gender and urban-rural divides persist. Nevertheless, regulatory improvements have nurtured competition in the telecom market, half of the population was using mobile phones in 2021 and mobile broadband penetration has experienced rapid growth in recent years. Between 2021 and 2022, mobile connections saw an increase of 7.7 % to 52.5 % of the population in January 2022 (GSMA, 2022). Apart from the high cost of internet access and mobile subscriptions, other major constraints to access to digital services in Mozambique are the affordability of internet-enabled devices, digital illiteracy and the low electrification rates (access to energy is a challenge in Mozambique and fundamental to reduce the digital gap).

With respect to the regulatory framework, the Government of Mozambique has developed a series of policies and strategies for promoting the information and communications technology (ICT) sector. The Information Society Policy (2018) is the latest and key government document that lays out the vision, mission, objectives, and framework for ICT to become an economic and social vehicle for Mozambicans. The policy aims to leverage ICT to reduce poverty and improve the quality of life of Mozambicans, boost the efficiency and effectiveness of the public sector and the consequent economic growth, modernisation of the government and the provision of public services towards citizens, as well as improved social justice through increased democracy and transparency of the state. The Information Society Policy is implemented through a Strategic Plan for Information Society (2019-2028) and an Operational Plan for the Information Society. However, digital transformation has been hampered by little investment in connectivity and weak capacities of the government.

The COVID-19 pandemic was a revelation to the importance of safe, reliable and robust digital infrastructure, inclusive access to digital technologies, and the need to accelerate digital transformation across sectors. Mozambican firms and government sensed the urgent need to upscale investments in digital connectivity, technologies and services since they had become essential to ensure business continuity during the COVID-19 pandemic.

The EU, in line with the African Union Digital Transformation Strategy for Africa and in line with the Global Gateway investment package, aims to contribute to harnessing digital technologies and innovation to transform the Mozambican society and economy, generate inclusive economic growth, stimulate job creation and narrow the digital divide. Therefore, the enhancement of digital skills and the strengthening of the Mozambican digital economy ecosystem are key. The fundamentals to ensure progress towards achieving those results are the improvement of the policy and regulatory framework and ensuring access to affordable and accessible digital infrastructure. This action will concentrate first on the policy and regulatory framework, digital public service delivery, digital skills and digital entrepreneurship. Lack of digital infrastructure will be addressed through subsequent actions financed by the Multi-Annual Indicative Plan.

## 2.2 Problem Analysis

### **Short Problem Analysis:**

Although the adoption and effective use of digital technologies have the potential of shaping the Mozambican economy and improving citizens' quality of life, it also introduces new challenges and risks including a growing 'digital divide', risk of cyber-attacks and fraud, threats to privacy, and disruption to markets. A review of the digital state of play in Mozambique indicates a significant gap in the areas of broadband connectivity and affordability, intermediate and advanced digital skills, and the application of ICTs in the delivery of public services. Mozambique still lacks enabling legislation and regulation in data protection, privacy, cybersecurity and frontier technologies and its digital infrastructure is still a long way from achieving broadband universal access, contributing to high gender

<sup>8</sup> UNESCO Institute for Statistics ([uis.unesco.org](https://uis.unesco.org)). Data as of September 2021.

<sup>9</sup> In: <https://data.worldbank.org/indicator/SE.ADT.1524.LT.ZS?locations=MZ>

<sup>10</sup> ITU 2019. Measuring Digital Development: Facts and Figures.

and urban-rural divides. The affordability of broadband-enabled devices, the level of digital illiteracy, the lack of local content and low electrification rates are some of the major barriers to internet access (and use) in Mozambique. Furthermore, Mozambique's digital ecosystem for enterprises is dynamic, but the opportunities for start-ups are limited due to financial and business enabling environment constraints. In addition, the following specific challenges exist:

### **Legal and Regulatory Frameworks**

Mozambique still lacks enabling legislation and regulation in the ICT sector. The legal and regulatory digital framework has a robust, though complicated, institutional set-up, and, on top of it, ICT policy, regulation and implementation are spread across multiple government agencies thus creating some overlaps and inefficiencies. Furthermore, the government has limited capacity to develop in-house solutions as well as to procure appropriate external solutions while institutional capacity of public servants is also a critical barrier to the improvement of the enabling environment and adequate implementation of policies and delivery of digital services in the public sector.

### **Education and Digital Skills**

The majority of those entering the workforce need both foundational skills as well as basic digital skills. Over 50 % of Mozambican children still do not complete primary education, which puts Mozambique's educational levels among the lowest in the world. Technology plays a crucial role in our every-day life and will increase to do so going forward, therefore, if we want to harness youth's potential, we need to prepare them for the society and economy of the future. Inhibitors for digital skills improvement are limited technical skills and digital skills across the workforce and amongst teachers; limited opportunities for advanced skills, especially in emerging technologies; curricula not market-oriented; limited access to affordable devices; digital gender gap (persistent challenges: to retain girls in their transition from primary to secondary education, only 11 % continue to secondary school and the link between sexual abuse and education attainment and discriminatory social norms); rural gap; lack of training courses appropriate for and accessible to persons with disabilities; and, the unreliable and unaffordable access to internet.

### **Digital Entrepreneurship**

Entrepreneurship is becoming increasingly and particularly important in Mozambique because of its positive impact on job and wealth creation. However, the environment for start-up of (digital) businesses is not particularly conducive. In 2020, Mozambique held the 138th place of 190 economies in the Doing Business ranking, with scores particularly poorly on starting a business (176th) and getting credit (165th). Competencies to build an inclusive digital ecosystem and financing to kick-start a digital economy are thus extremely challenging. Most relevant inhibitors are limited opportunities for start-ups' incubation and acceleration outside the capital; limited access to finance due to high-interest rates and collateral requirements; lack of available and accurate information on procedures to start a business; inability of Micro, Small and Medium-Sized Enterprises/informal sector to leverage digital tools; jobs created through ICT and its contribution to the economy are unknown; and the gender gap with few female-led start-ups due to discriminatory social norms and unequal access to economic resources (land, credit, etc.).

### **Digital Services and Platforms of Public Interest**

The Government of Mozambique has made significant progress in rolling out digital applications and creating institutions to coordinate e-government strategy (National Institute of Electronic Government) and develop the legal and policy framework (National Institute of Information Technologies). Yet, efforts to date mainly focused on internal automation of the Ministries, Departments and Agencies than creating e-services to deliver efficient services to businesses and citizens. The Digital public sector is still inward looking and with some fragmentation reflected in the lack of coordination between Ministries, Department Agencies. Progress in the areas of cybersecurity and data protection has also been slow, high-level civil servants, policymakers, policy advisers on digital transformation lack specialised training and the high costs of devices is one of the Government's major challenges. Finally, there is a lack of digital platforms and services of general interest worth promoting (whether they are public or private).

### **Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:**

The Ministry of Transport and Communications (MTC) is responsible for the telecommunications, postal and broadcasting sectors. The Communications Regulatory Authority (INCM), which reports to MTC, is tasked with regulating, sanctioning and representing the postal and telecommunication sectors. The Ministry of Science, Technology and Higher Education (MCTES) has the overall role of promoting and overseeing the implementation

of the ICT policy and the e-Government strategy. This Ministry supervises the ICT Regulator – the National Institute of Information Technologies (INTIC) and the National Institute of Electronic Government (INAGE). INAGE is responsible for the implementation of digital transformation programmes and will thus be a partner to this action for the Coding Girls component that will rely on INAGE’s provincial infrastructures and technicians to provide most of the training to the beneficiaries. Non-ICT institutions such as the Central Bank of Mozambique and the Ministry of Economy and Finance also play different roles in the digital economy, especially for the regulation of the financial services.

The action will seek active partnerships with national universities and Technical and Vocational Education and Training institutions. As per example with the ICT Centre of the Eduardo Mondlane University, a partner in supporting researchers and PhD candidates to acquire advanced programming competences, as well as in providing advanced coding courses for young women with an engineering/technical background and entrepreneurs in need of incubation services and coaching. The action will also stimulate partnerships with European universities with experience in specialised support to African institutions and technical assistance, such as the Milan-based *Polytechnic Institute* and the Rome-based *La Sapienza University*. Besides, capacity building will be provided and partnerships encouraged for universities to present proposals to both Erasmus+ capacity-building and mobility programs as well as to Horizon Europe (PE/12/2021/INIT), the EU's key funding programme for research and innovation. Regional and Global EU higher education programmes such as Intra-African mobility will also be considered under the action.

Concerning the private sector, the Mozambican Association of Information Technology Professionals and Enterprises (AMPETIC) has expressed a clear willingness to work collaboratively with the National Institute of Electronic Government (INAGE) to support the development of digital government in the country. Other business associations that will be closely associated with the Action are the Confederation of economic associations (CTA) and EuroCam.

Civil society organisations (CSOs) and local authorities will be involved from the identification and definition of activities to the implementation and monitoring. The Mozambican network of the persons with disabilities’ associations and other organisations (such as women’s CSOs) will be actively consulted and involved in the intervention. Rights-holders (women and men) will actively participate in the action.

Finally, other Development Partners active in the ICT sector such as the World Bank, UN agencies, and Member States will be regularly consulted on their actions and so will other partners like Brazil, India and People’s Republic of China. In particular, the World Bank is supporting digital infrastructure development, skill development, economic linkages between micro, small and medium enterprises and consumers, as well as with upstream larger companies, support for digital public services, among other initiatives.

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to **contribute to Mozambique’s inclusive growth focused on digital transformation.**

The Specific Objectives (Outcomes) of this action are to:

- 1. Contribute to an enabling environment for an inclusive digital transformation**
- 2. Enhance opportunities for youth (women and men) for decent employment, innovation and digital entrepreneurship**

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are the following:

Contributing to Outcome 1 (or Specific Objective 1):

- 1.1 Improved policy-making and regulatory capacity of the stakeholders
- 1.2 Strengthened institutional capacity of the government bodies responsible for digital transformation
- 1.3 Improved efficiency, quality and accessibility of private and public services to clients/citizens, with a strong focus on persons with disabilities and gender perspective

- 1.4 Enhanced capacity of training institutions and employment-support services
- 1.5 Strengthened and inclusive digital and innovation ecosystems

Contributing to Outcome 2 (or Specific Objective 2):

- 2.1 Enhanced digital literacy, digital skills and business skills for youth, with a focus on girls and those living in vulnerable situations
- 2.2 Increased number and of new innovative businesses and jobs, through the incubation and acceleration of sustainable and inclusive digital start-ups with a focus on girls and those living in vulnerable situations

## 3.2 Indicative Activities

**Activities related to Output 1.1:** Assess the digital policy and regulatory landscape (review of existing policies and regulation). Support the development of specific policy and regulatory measures to facilitate a human-centred, secure and open digital transformation across sectors, in line with international best practices, including for inclusive digital entrepreneurial opportunities. Review and support authorities to align their national governance structures for digital transformation. Provide capacity development and training to staff of relevant constituents (ministries, duty bearers and regulators).

**Activities related to Output 1.2:** Support Government institutions for the implementation of the Strategic Plan for the Information Society. Provide capacity development and training to strengthen the Government institutions' ability to develop, implement, monitor and evaluate digital policies and strategies, aligned with the democratic values, norms and standards for a human-centred digital agenda and supported by lessons learned on the digital transformation journeys of the EU and other countries in the region for inspiration and ideas (field visits are part of this activity).

**Activities related to Output 1.3:** Participative identification of necessary digital services for a human-centred and inclusive digital future to be developed or improved, through the involvement of entrepreneurial, institutional and academic actors from Mozambique, Europe and international. Select the best proposals and award financing for their development through open and innovative methodologies (e.g. open call for ideas, hackathons for young programmers, etc.). The winning proposals should ideally have a chance to be adopted and implemented by the relevant public institutions (with allocation of funding in the State Budget).

**Activities related to Output 1.4:** Assist training institutions in formulating and implementing clear protocols and guidelines on inclusive and accessible digital services for training delivery (e.g. distance learning) and job offer/demand matching, also with a specific focus on the needs of persons with disabilities and women empowerment. Undertake a comprehensive assessment of demand and supply of digital skills (through systematic involvement of the private sector, which shall express the market needs in terms of competence profiles). Design curricula and implement specific digital skills training to meet the needs of the action's target groups. Provide training to 'connectors' such as teachers and employment agencies on digital tools, applications aimed at providing job career guidance, matching job seekers and vacancies, etc.

**Activities related to Output 1.5:** Assess the digital economy (vision, policy/regulation, infrastructure, talent, resources, market and networks, culture and community) and develop a roadmap considering good practices from other countries; empower stakeholders to conceptualise, develop sustainable projects and incorporate digital technologies to develop appropriate solutions. Deliver digital innovation training courses (with the support of academic institutions, training institutions and the private sector) to policy makers, innovators, ecosystem builders and entrepreneurs so that they can understand and apply concepts, frameworks and tools to assess and enhance the country's innovation capacity.

**Activities related to Output 2.1 and 2.2:** Establish and operationalise two inclusive tech-hubs through public-private partnerships, one in the Centre and one in the North of the country, to provide the appropriate facilities for training activities (at various levels), incubation and acceleration services to digital (or digitalising) start-ups and small entrepreneurs. The tech-hubs will ideally organise and host the hackathon events (mentioned under Output 1.3), the training courses for institutions and 'connectors' (mentioned under Output 1.4), as well as other related activities organised and financed outside the Action, thus acting as sustainable assets for Government, private sector and the community in general.

The location of each tech-hub (e.g. university campus, industrial compounds, state buildings availed for the programme by the Government) and its specific juridical nature (e.g. private-public partnership, non-profit entities created by consortia of universities, international NGO's, companies) will be defined through a competitive tendering procedure to select the creators and operators (women and men) of the tech-hubs.

**Activities related to Output 2.1:** Organise awareness-raising campaigns for high schools on digital literacy, digital skills, digital rights and principles (e.g. on cyber-security) and promote STEM disciplines (Science, Technology, Engineering and Mathematics), targeting young people in the provinces where the tech-hubs will be established.

Provide inclusive digital literacy basic courses for digital users, with special attention to people with disabilities, with the technical support of partner universities and training institutions. Enhance digital skills of teachers. Provide training on digital technologies, tools and devices for job seekers (e.g. hardware maintenance, use of mobile phones as a working tool, AutoCAD, management software, website creation, software for digital marketing, etc.) and for advanced ICT technicians (accessibility, digital inclusion, universal design; cyber-security; advanced use of open source software development tools). Promote first on the job experience to ensure students acquire hands on experience and develop soft skills and other relevant competences needed to find employment in the digital economy. Provide in a limited number of schools training on basic digital literacy and coding for high school students, with a strong focus on girls (also through social innovative tools such as the so called ‘coding clubs’ and similar initiatives). Put in place financial mechanisms (transport subsidies, scholarships, etc.) to facilitate access to courses for low-income learners and young persons with disabilities (including adequate measures to ensure accessibility of courses and the provision of relevant equipment).

**Activities related to Output 2.2:** Organise workshops, business plan competitions, networking events (involving enterprises and universities/research institutions). Identify and select through competitive bidding, support (coaching, pre-incubation services) and train to enable the development of new start-ups (in the digital sector or in other sectors by increasing digitalisation of business processes). Provide start-ups with incubation and small entrepreneurs with acceleration services (e.g. hosting facilities, coaching, tutoring, support in access to funding, etc.).

The commitment of the EU’s contribution to the Team Europe Initiative foreseen under this action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners’ meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

### 3.3 Mainstreaming

#### **Environmental Protection and Climate Change**

Bringing digital solutions to the society at large, from global logistics and production issues to learning, interacting, or marketing issues, is generally helping to reduce our carbon footprint and to manage more effectively the unbalanced and turbulent environment due to climate change, e.g. by forecasting and preventing the worst consequences of the more and more frequent natural disasters.

It is worth highlighting that the Team Europe Initiative ‘e-Youth’ (which aims to unleash Mozambican youth potential through education, employment and empower) is being developed alongside the Team Europe Initiative ‘Green Deal’, which aims to better prepare Mozambique's society as a whole to adapt to climate-induced events, contribute to climate change mitigation and reap the fruits of a green growth and energy transition in a health-promoting biodiverse environment. This specific Action will contribute to both TEIs by stimulating the mobilisation of youth and entrepreneurs for a greener and smarter society.

#### **Outcomes of the SEA screening**

N/A

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#### **Outcomes of the EIA (Environmental Impact Assessment) screening**

N/A

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#### **Outcome of the CRA (Climate Risk Assessment) screening**

N/A

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#### **Gender equality and empowerment of women and girls**

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the interventions in this action contribute to the advancement of gender equality and women's empowerment through appropriate analysis of inequalities in the specific digital sector and, in general, of the economy, as well as through concrete measures to ensure that the benefits of the digital transformation process are available to all citizens. Equal access for women to empowering platforms and services will be enhanced under several aspects: e.g. by promoting the expansion of user-friendly mobile and online financial services (crucial for informal traders and micro-

entrepreneurs), by devising and setting up time-saving services (women have more pressure to devote time to the domestic tasks), etc.

A positive impact on gender equality and power balance will be pursued by actively promoting STEM (Science, Technology, Engineering and Mathematics) studies for girls following the ‘Coding Girls’ model, which requires setting up ‘Coding clubs’ in order to combine skill transfer, professional growth opportunities, motivation, protection and social empowerment of young women. Digital transition is widely recognised as an opportunity to reduce the gender divide in basic literacy as well as discrimination in recruitment dynamics and pay levels, as so, the Action will create conditions to specifically support (e.g. coaching) start-ups and small businesses led by young women. Further systematic assessment of the particular needs and strengths of girls for the planned activities will be conducted and sex-disaggregated data will be collected and presented at all levels.

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### **Human Rights**

Education/learning is a universally accepted basic human right that plays a decisive role in determining the society’s capability to survive and thrive in the digitalised global world, as noted in the African Union’s Digital Transformation Strategy. The digital skills components in this Action serve this same aim. The EU can also play a role in some aspects of its global effort towards ethical and right-based digital technologies. Through its human-centric approach to digitalization and technologies, the EU has developed the world’s most advanced policy and regulatory framework in many aspects of digitalization. This model has led to a more inclusive and fair digital transformation reducing the impact of the inherent challenges and threats. The Action will respect the 5 human rights-based approach principles: i) respect to all human rights, ii) participation, iii) non-discrimination, iv) accountability and v) transparency.

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### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the intervention contributes to promote, protect and ensure the full and equal enjoyment of all human and fundamental rights of all persons with disabilities and promote respect for their inherent dignity, in line with the UN Convention on the Rights of Persons with Disabilities. As stated in section 2.1, the current digital transformation has an enormous potential of the inclusion of those living in the most vulnerable situations, in particular persons with disabilities, who could really benefit from widespread access to technologies and accessible services (e.g. increased training and work for persons with disabilities, through accessible ‘virtual’ platforms). Taking this into account, the inclusion of people with disabilities is mainstreamed across all activities, results and objectives. This will be done at two different levels:

- (i) At the level of the enabling environment, e.g. by identifying the actions needed to include accessibility requirements for persons with disabilities in sectoral policies, regulations, training and job-matching services protocols/guidelines and implementing them;
- (ii) At the level of opportunities and access, by designing and offering inclusive and accessible training courses, implementing reasonable accommodation measures to facilitate the participation of persons with disabilities in the activities, building/rehabilitating accessible spaces (virtual/physical), promoting universal design, etc.

The Mozambican umbrella Disabled Persons’ Organisations (DPO) will be involved in data collecting, monitoring and consultations.

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### **Democracy**

The interventions under this action are participatory in nature. They serve to empower youth and their right to opportunity and wellbeing, through access to education and by paving the way for decent wage- or self-employment. Enabling participation in the digital economy promotes the social empowerment of individuals who may traditionally have been excluded.

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### **Conflict sensitivity, peace and resilience**

While this action focuses more specifically on digital transformation as an engine for social and economic development, it will apply a conflict sensitive approach by promoting the employability of youth, identified to be one of the sources of conflict in the Northern region of Mozambique. The lack of economic opportunities and high unemployment rates, especially among Cabo Delgado’s province youth, is widely cited, as a source of resentment

fuelling widespread grievances, together with perceptions of exclusion and discrimination in society. The action will contribute to empower the youth through skills development and opportunities for better employment.

**Disaster Risk Reduction**

N/A

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
Planning, processes and system	Perception of political risks linked to the empowerment of individuals traditionally excluded from decision-making	Low	Medium	Definition of specific technical criteria to target beneficiaries regardless of their political affiliation. Definition of goals and indicators in line with Government's strategic plans to ensure harmonisation.
	Institutional sustainability of the programme	Medium	Medium	Coordinated advocacy actions to enhance state investments in operation and maintenance of digital tools. Close consultation with the authorities at all stages of planning and implementation of the activities. Establish and test the tech-hub model for further replication and scaling up as a flagship Government tool for putting into practice digital transformation. The promotion of public-private partnerships will support both institutional and economic sustainability.
	Financial sustainability of the tech-hubs	Medium	Medium	The operators will be selected on the basis of their management skills to ensure correct implementation of the business plans of the tech-hubs. Continuous involvement of the local private sector in the steering organs of the tech-hubs.
	High numbers of school dropouts, child labour and household responsibilities	High	Medium	The action is aligned with EU support to the ongoing education reform in the country which will address school dropouts, with a stronger focus on girls which will promote awareness campaigns and advocacy initiatives with government aiming to build up on youth's education and digital training. This specific Action will ensure synergies with the EU support to the education sector. Specific gender-sensitive measures will be explored to mitigate this particular risk.
Legality and regularity aspects	Risks associated with the implementation of new policies and regulations, standards	Medium	Medium	There is an ongoing effort from development partners in accompanying the Government into the compliance with new policy regulations. This project will consolidated ongoing efforts to assist

	and norms (e.g. quality certification, taxation)			technically government organs in the path to achieve the SDG. Decision-making processes of adherence of authorities to the Sustainable Development Goals of the United Nations 2030 Agenda will be promoted, complemented by coordination efforts among cooperation partners.
External environment	A possible worsening of the COVID-19 pandemic, or natural disasters	Medium	Low	By focusing on the digital sector, it is possible to take advantage of innovations (existing or emerging) that will help mitigate the consequences of these risks by reducing the limitations of the physical separation between people, the distance created by the inability to travel, etc. All activities will be designed in such a way that they can be switched easily to less in-person and more on-line modalities.

### Lessons Learnt

This will be the first fully-fledged EU-funded action in Mozambique in the digitalisation sector. Past actions, especially in the field of governance and institutional capacity building, have used technology as an enabler, focusing on mainstreaming ICT in the areas of gender-based violence, agriculture, rule of law and good governance. Some of the lessons learned are:

- Digitalisation needs to be an inclusive process that also takes into account women's and girls' specific needs, challenges and potential;
- Institutions (Government, Development Partners, Civil Society Organisations, etc.) need orientation as to how to make digital solutions accessible for persons with disabilities;
- There is lack of internal digital expertise and capabilities within public institutions;
- Failure of companies to comply with the rules of origin in the digitalisation field (mainly due to the fact that IT products are mainly produced in non-eligible countries) lead to systematic cancelation of procurement processes to comply with EU procedures;
- Risks of corruption in IT contracts are high.

Some lessons learned from Implementing Partners show that it is important to:

- Support digital skills, especially for women and girls to close the gender digital gap;
- Support tech-hubs and incubators and accelerators to provide mentorships for young women and men who devise competitive business models, but lack opportunities to get the adequate financial boost;
- Support projects that help bring technologies to SMEs and individuals to sell or improve their products, internal processes and complementary services, especially in partnership with private sector entities interested in making the business environment more dynamic;
- Strengthen the administrative (and digital) capacities of key ministries and agencies;
- Assist the Government of Mozambique to improve its enabling legal and regulatory framework, while also equipping the public administration with minimum internal network (GOVNET, supported mainly by Italy), when possible with the support of European universities (such as the Italian ones mentioned in Section 2.2) and public specialised agencies (such as the Italian Agency for the Digital Transformation);
- Ensure that actions taken to accelerate change are coordinated and government agencies and stakeholders (e.g. ecosystem builders, civil society, academia, private sector) are engaged and empowered in such actions;
- Provide direct finance to Government institutions tasked with ICT (and employment creation) regulatory, technical implementation and supervision roles (e.g. INAGE), in order to get a more active participation and genuine ownership of the development processes.
- Raise awareness among decision-makers, along with preliminary and comprehensive training of vocational trainers and other service providers around disability issues and inclusion is fundamental to the success of inclusive skills transfer and employment-creation programmes;
- Organise proper consultations with organisations and federations of associations of persons with disabilities ensuring their meaningful participation and the subsequent increased impact of interventions. Digital applications can make a substantial difference in the inclusion of persons with disabilities.

The study on ‘ICT accessibility assessment for Africa region’ conducted in 2021 by the International Telecommunication Union (ITU) – the United Nations specialised agency for ICTs and has a longstanding experience in addressing regulatory challenges worldwide and supporting countries on their digital transformation journeys – will further inform the interventions.

### 3.5 The Intervention Logic

While COVID-19 was an eye-opener to the importance of digital access to services across every domain in our daily life it also contributes to highlight that Mozambique’s digital transformation is still hampered by a number of challenges in the ICT sector. Evidence indicates that when appropriately applied, digital technologies can improve lives by empowering youth, women and girls, enhancing democratic governance and transparency, and boosting productivity and job creation. Harnessing digital technologies is vital for sustainable development and inclusive growth. Yet, for this to happen in Mozambique, it is crucial to pay attention to the digital divide. This means a strong focus on those living in the most vulnerable situations (women, girls, persons with disabilities, rural communities) to equip them with the necessary capabilities to thrive and improve their lives in the digital economy and society.

For that, the Action will work to ensure that all the stakeholders (duty bearers, civil society and private sector) stay engaged and committed and that Government takes ownership of the initiative. VaMoz Digital! seeks to ensure that Mozambique is not left behind in the digital transformation of the world by addressing some of the major constraints faced in the country’s ICT sector. The Action will work simultaneously on the enabling environment for digital transformation, with a particular focus on the legal and regulatory framework, and on the preparation of youth (women and men) to increase their opportunities for decent employment, digital entrepreneurship and become drivers of innovation.

The underlying **theory of change for this Action** is that:

**If** there is an improved policy and regulatory framework; **if** the institutional capacity of the Government bodies responsible for digital transformation is reinforced; **if** efficiency and quality of private and public digital services are improved; **if** training institutions and employment-support services are capacitated; **if** inclusive digital and innovation ecosystems are available; **if** tech-hubs play their role and are inclusive; **if** digital and business skills of young people (women and men) are improved; and, **if** more innovative businesses and (digital) jobs emerge through incubation and acceleration programmes, **then**, there will be an enabling environment for digital transformation and an increase in the employability of Mozambican youth (women and men).

This will contribute to the **sustainable socio-economic development and inclusive growth in Mozambique** as the broad impact of the action.

The impact of the interventions is sustainable as the measures put in place to strengthen the enabling environment are appropriate to the country-specific context and forward looking in terms of their design. The underlying assumption to this programme is that the Government – with the help of partners – keeps investing in digital infrastructure and connectivity to allow affordable and inclusive access to digital services. Complementary actions of both EU and other partners will also focus on providing children and youth with foundational literacy and numeracy skills through the formal education system.

The establishment of **tech-hubs** in two provinces (Centre and North), operationalised through public-private partnerships is aimed at contributing to the sustainability of this Action as these will be sustainable facilities that will continue supporting its users even after the end of this action. The focus on those living in the most vulnerable situations (women, girls, persons with disabilities, rural communities) aims at addressing the digital divides and equipping these groups with the necessary capabilities to thrive and improve their lives in the digital economy and society. For that, the action will work to ensure that all the stakeholders stay engaged and committed and that Government takes ownership of the initiative.

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention. On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action. The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (e): Main expected results (maximum 10)	Indicators (e): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
<b>Impact</b>	Contribute to Mozambique's inclusive growth through digital transformation	1 Human Development Index and GINI  2 Poverty headcount ratio at national poverty lines (% of population)  3 SDG 4.4.1. Percentage of youth and adults with ICT skills, by type of skill (disaggregated by sex, age, employment status and type of skill)  4 SDG 17.8.1 proportion of individuals using the internet (disaggregated by sex and age)	1 0.456 (2019)  2 46.1 % (2014)  3 To be defined in the first year  4 20.774 per 100 inhabitants (2017)	1 To be defined in the first year  2 To be defined in the first year  3 To be defined in the first year  4 To be defined in the first year	1 UNDP Human Development Reports <sup>11</sup>  2 World Bank Reports and on-line data base <sup>12</sup>  3 Global SDGs Indicators Database <sup>13</sup>  4 Global SDGs Indicators Database	<i>Not applicable</i>

<sup>11</sup> <http://www.hdr.undp.org/en/indicators/137506>

<sup>12</sup> <https://data.worldbank.org/country/MZ>

<sup>13</sup> <https://unstats.un.org/capacity-development/UNSD-FCDO/mozambique/>

<p><b>Outcome 1</b></p>	<p>Contribute to an enabling environment for an inclusive digital transformation</p>	<p>1.1 (PQG 2020-2024) No of beneficiaries accessing digital public services</p> <p>1.2 (PQG 2020-2024) No. of digital public services available</p> <p>1.3 EURF 2.10. Number of countries supported by the EU for implementing digital-related policies/strategies/laws/regulations</p>	<p>1.1 12.717 (2020)</p> <p>1.2 0 (2020)</p> <p>1.3 To be defined for Mozambique during first year (current number does not include Mozambique)</p>	<p>1.1 26.000 (2024)</p> <p>1.2 15 (2024)</p> <p>1.3 To be defined during first year</p>	<p>Ministério da Ciência, Tecnologia e Ensino Superior (MCTES)/ Instituto Nacional De Governo Electrónico (INAGE)/ Ministério da Administração Estatal e Função Pública (MAEFP)/ Instituto Nacional das Comunicações de Moçambique (INCM) reports and data</p> <p>(Instituto Nacional de Estatística) INE statistics (possible ad hoc surveys)</p> <p>1.3 This EU interventions monitoring and reporting systems: annual and final reports, ROM reviews, evaluations.</p>	<p>Military political framework in the country stable or stabilised;</p> <p>Macroeconomic situation maintained relatively stable.</p>
<p><b>Outcome 2</b></p>	<p>Enhance opportunities for youth (women and men) for decent employment, innovation and digital entrepreneurship</p>	<p>2.1(PQG 2020-2024) Level of employability of graduates in the national, regional and international market, with breakdown by sex</p> <p>2.2 (PESI 2019-2028) Number of citizens reached by digital literacy programme, with breakdown by sex, age, disability</p>	<p>2.1 1 (2020)</p> <p>2.2 Not available</p>	<p>2.1 5 (2024)</p> <p>2.2 15.000 (2024)</p>	<p>MCTES/INAGE/MAEFP/INCM/ <i>Ministério do Trabalho e Segurança Social</i> (MITESS) reports and data</p> <p>INE statistics (possible ad hoc surveys)</p>	

<p><b>Output 1</b> <b>related to Outcome 1</b></p>	<p>Improved policy-making and regulatory capacity of the stakeholders</p>	<p>1.1.1 Gap analysis and regulatory impact assessment conducted, priorities and regulatory roadmap established and consulted with stakeholders</p> <p>1.1.2 Number of policy/regulatory reviews undertaken and implementation initiated (% of policy/regulatory which are gender sensitive)</p> <p>1.1.3 Number of platforms and mechanisms for information sharing established and strengthened for collaboration across stakeholders</p> <p>1.1.4 Training material developed on identified priority areas and staff of the Ministry and regulator trained, with breakdown by sex, type of post</p>	<p>1.1.1 0, Not available</p> <p>1.1.2 0, Not undertaken</p> <p>1.1.3 To be confirmed</p> <p>1.1.4 To be confirmed</p>	<p>1.1.1 2, available</p> <p>1.1.2 To be confirmed, undertaken and available</p> <p>1.1.3 Available; increased</p> <p>1.1.4 20 % (2024)</p>	<p>MCT/INCM</p> <p>Final external evaluation</p>	<p>Government's orientation towards the 2030 Agenda maintained.</p> <p>The institutional counterparts and project stakeholders remain committed and engaged in the Action thanks to a local ownership oriented approach.</p>
<p><b>Output 2</b> <b>related to Outcome 1</b></p>	<p>Strengthened institutional capacity of the government bodies responsible for digital transformation</p>	<p>1.2.1 Indicators of PESI rate of implementation (to be selected with Government)</p> <p>1.2.2 Mapping of telecom/ICT infrastructure conducted</p> <p>1.2.3 % of public officials trained or fully informed on the implementation and M&amp;E of digital policies and strategies (disaggregated by sex and positions)</p>	<p>1.2.1 To be confirmed</p> <p>1.2.2 0 (2022)</p> <p>1.2.3 0 (2022)</p>	<p>1.2.1 To be confirmed</p> <p>1.2.2 1 (2024)</p> <p>1.2.3 90 % relevant organs of MCTES and MTC (2024)</p>	<p>MCTES/INAGE/MAEF P/INCM/MITESS reports and data</p> <p>Implementing agencies' reports and databases</p> <p>Final external evaluation</p>	<p>COVID-19 pandemic contained in the 3-year period in its impact on training and economic activities.</p>

<p><b>Output 3</b> <b>related to Outcome 1</b></p>	<p>Improved efficiency, quality and accessibility of private and public services to clients/citizens, with a strong focus on persons with disabilities and gender perspective</p>	<p>1.3.1 Number of digital services improved, created or made accessible with the support of the programme</p> <p>1.3.2 % of digital services developed that are adopted by public administration</p> <p>1.3.3 Number of people using digital applications, systems and tools developed under the programme (% women, % young people, % persons with disabilities)</p>	<p>1.3.1 0</p> <p>1.3.2 0</p> <p>1.3.3 0</p>	<p>1.3.1 10</p> <p>1.3.2 70 %</p> <p>1.3.3 to be defined</p>	<p>Tech-hub registers</p> <p>Implementing agencies' reports</p> <p>Internal stakeholders' and beneficiaries' reports</p> <p>Collaboration on International ICT Policy in East and Southern Africa (CIPESA) / Forum das Associações Moçambicanas de Pessoas com Deficiência (FAMOD) reports for Mozambique</p> <p>Final external evaluation</p>	
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<p><b>Output 4</b> <b>related to Outcome 1</b></p>	<p>Enhanced capacity of training institutions and employment-support services</p>	<p>1.4.1 Number of new curricula in the ICT sector submitted for certification (national or international)</p> <p>1.4.2 Number of target beneficiaries trained with a successful end-test (disaggregated by sex and age)</p>	<p>1.4.1 0</p> <p>1.4.2 0</p>	<p>1.4.1 3</p> <p>1.4.2 to be defined</p>	<p>Implementing agencies' reports and databases</p> <p>Internal MCTES/INAGE/MCT/INCM reports</p> <p>Final external evaluation</p>	
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<p><b>Output 5</b> <b>related to Outcome 1</b></p>	<p>Strengthened and inclusive digital innovation ecosystems</p>	<p>1.5.1 Country assessment and specific sectors digital innovation ecosystem recommendations made to strengthen digital innovation in a number of key sectors of the economy</p> <p>1.5.2 Number of initiatives focused on key thematic areas conceptualised, prototyped and developed ready for scale-up using a digital innovation ecosystem approach with multi stakeholder and multi sector impact</p> <p>1.5.3 Capacity development is delivered to number of institutions and/or number of stakeholders on using innovation tools and framework that help assess and develop sustainable project using digital innovation ecosystem approach</p>	<p>1.5.1 0</p> <p>1.5.2 0</p> <p>1.5.3 0 institutions and 0 stakeholders</p>	<p>1.5.1 2 sectors</p> <p>1.5.2 At least 3 key initiatives focused on key thematic</p> <p>1.5.3 50 institutions and/or 500 stakeholders</p>	<p>Implementing agencies' reports</p> <p>Internal reports of stakeholders/beneficiaries</p> <p>Final external evaluation</p>	
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<p><b>Output 1 and Output 2 related to Outcome 2</b></p>	<p><i>(Establishment and operationalisation of 2 tech-hubs)</i></p> <p>Enhanced digital and business skills for youth, with a focus on girls and those living in vulnerable situations</p> <p>&amp;</p> <p>Increased number of new innovative businesses and jobs, through the incubation and acceleration of sustainable and inclusive digital start-ups with a focus on girls and those living in vulnerable situations</p>	<p>2.0.1 Number of public-private partnerships created for the establishment and management of tech-hubs (% of which are women led - private sector)</p> <p>2.0.2 Number of multi-functional tech-hubs renovated, equipped and made accessible to students with disabilities</p> <p>2.0.3 % of persons with disabilities attending the tech-hubs who consider the level of accessibility of facilities and equipment satisfactory (disaggregated by sex)</p>	<p>2.0.1: 0</p> <p>2.0.2: 0</p> <p>2.0.3: 0%</p>	<p>2.0.1: 2</p> <p>2.0.2: 2</p> <p>2.0.3: 90 %</p>		
<p><b>Output 1 related to Outcome 2</b></p>	<p>Enhanced digital and business skills for youth, with a focus on girls and those living in vulnerable situations</p>	<p>2.1.1. Number of young people whose digital literacy (including digital rights awareness, cyber security - data security, cashless payment fraud, cyberbullying, cyberterrorism, online harassment, online gender-based violence) has increased as a result of the support of the intervention (% girls, % persons with disabilities)</p> <p>2.1.2 Percentage of participants in the various courses provided by the tech-hubs who complete training with a positive final evaluation - disaggregated by type of courses (digital literacy, advanced digital skills), % women, % persons with disabilities</p>	<p>2.1.1 To be defined</p> <p>2.1.2 0 %</p> <p>2.1.3 0</p> <p>2.1.4 Not available</p>	<p>2.1.1 To be defined</p> <p>2.1.2 80 %</p> <p>2.1.3 to be defined</p> <p>2.1.4 5</p>	<p>Ad Hoc survey results and final evaluations of course participants</p> <p>Tech-hub registers</p> <p>Implementing agencies' reports</p> <p>Internal stakeholders' and beneficiaries' data and reports</p> <p>CIPESA/FAMOD reports for Mozambique</p> <p>Final external evaluation</p>	<p>Government's orientation towards the 2030 Agenda maintained.</p> <p>The institutional counterparts and project stakeholders remain committed and engaged in the action thanks to a local ownership oriented approach.</p> <p>COVID-19 pandemic contained in the 3-</p>

		<p>2.1.3 Number of internships activated as a result of the programme activities</p> <p>2.1.4 Number of new inclusive digital services for training delivery (e.g. disability-inclusive distance learning platforms and tools), applications for job offer/demand matching, etc.</p>				<p>year period in its impact on training and economic activities.</p> <p>Interest of young Mozambicans to enhance their digital skills and to develop their own start-ups.</p>
<p><b>Output 2</b> <b>related to Outcome 2</b></p>	<p>Increased number of new innovative businesses and jobs, through the incubation and acceleration of sustainable and inclusive digital start-ups with a focus on girls and those living in vulnerable situations</p>	<p>2.2.1 Number of new start-ups launched on the market thanks to the support of the initiative (% of which are women led)</p> <p>2.2.2 Number of young people trained in ICT-related disciplines and subjects (denominator) hired by companies or institutions (numerator) with the support of the programme (% women, % persons with disabilities)</p> <p>2.2.3 Number of digital start-ups incubated or accelerated in the Tech Hub that receive funding from the private sector as a result of support provided under the initiative (% of female-led, % of start-ups with at least 1 person with disabilities among the staff)</p>	<p>2.2.1 0</p> <p>2.2.2 0</p> <p>2.2.3 0</p>	<p>2.2.1 60</p> <p>2.2.2 to be defined</p> <p>2.2.3 to be defined</p>	<p>Tech-hub registers</p> <p>Ad Hoc surveys</p> <p>Implementing agencies' reports</p> <p>Internal stakeholders' and beneficiaries' data and reports</p> <p>Final external evaluation</p>	

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>14</sup>.

#### 4.3.1 Indirect Management with a Pillar Assessed Entity

This action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria:

- Technical competence in the ICT sector and experience in supporting countries' digital transformation efforts;
- Proven experience and knowledge in the areas of regulatory frameworks for the development of the ICT sector, on the one hand, and digital skills and digital entrepreneurship, on the other hand;
- Administrative capability and the experience to implement this type of intervention due to its mandate and expertise;
- The envisaged entities Experience with management of delegated funds from the EU;
- Strategic relevance for EU multilateral engagement;
- Demonstrated capacity to coordinate with various stakeholders, including academia and private sector;
- Proven experience and knowledge in supporting the development of the ICT sector in Mozambique (in the field of digital policy and regulation).

This implementation entails all activities described in section 3.2 (more specifically related to the establishment and operationalisation of the tech-hubs and all associated activities, the skills delivery and the incubation and acceleration of start-ups) contributing to part of outputs 1.4. Enhanced capacity of training institutions and employment-support services; and part of 1.5 Strengthened and inclusive digital and innovation ecosystems; 2.1 Enhanced digital and business skills for youth, with a focus on girls and those living in vulnerable situations and 2.2 Increased number of new innovative businesses and jobs, through the incubation and acceleration of sustainable and inclusive digital start-ups, described in section 3.1.

If negotiations with the envisaged entity fail, that part of the action may be implemented in indirect management with another entity using the same criteria as mentioned above. If the entity is replaced, the decision to replace it needs to be justified.

<sup>14</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

#### 4.3.2 Indirect Management with an Pillar Assessed Entity

This action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria:

- Technical competence in the ICT sector and experience in supporting countries' digital transformation efforts;
- Proven experience and knowledge in the areas of regulatory frameworks for the development of the ICT sector, on the one hand, and digital skills and digital entrepreneurship, on the other hand;
- Administrative capability and the experience to implement this type of intervention due to its mandate and expertise;
- The envisaged entities Experience with management of delegated funds from the EU;
- Strategic relevance for EU multilateral engagement;
- Demonstrated capacity to coordinate with various stakeholders, including academia and private sector;
- Proven experience and knowledge in supporting the development of the ICT sector in Mozambique (in the field of digital policy and regulation).
- Expertise and demonstrated experience in supporting a human-centred, secure and open digital transformation, aligned with the democratic values and inspired by EU norms and standards for a human-centred digital agenda.

This implementation entails all activities described in section 3.2 (more specifically related to the strengthening and improvement of the digital enabling environment legal and regulatory frameworks and training of government institutions) contributing to outputs 1.1 Improved policy and regulatory frameworks; 1.2 Strengthened institutional capacity of the government bodies responsible for digital transformation; 1.3 Improved efficiency, quality and accessibility of private and public services to clients/citizens, with a strong focus on persons with disabilities; part of 1.4. Enhanced capacity of training institutions and employment-support services; and part of 1.5 Strengthened and inclusive digital and innovation ecosystems, described in section 3.1.

If negotiations with the envisaged entity fail, that part of the action may be implemented in indirect management with another entity using the same criteria as mentioned above. If the entity is replaced, the decision to replace it needs to be justified.

#### 4.6 Indicative Budget

<b>Indicative Budget components</b>	<b>EU contribution (amount in EUR)</b>
<b>Implementation modalities</b>	
<b>Indirect management with an International Organisation</b> (Specific Objective 1 and part of Specific Objective 2) – cf. section 4.4.1	<b>2 300 000</b>
<b>Indirect management with Member State agency</b> (Specific Objective 2 and part of Specific Objective 1) – cf. section 4.4.2	<b>7 500 000</b>
<b>Evaluation</b> – cf. section 5.2	<b>200 000</b>
<b>Audit</b> – cf. section 5.3	
<b>Totals</b>	<b>10 000 000</b>

#### 4.7 Organisational Set-up and Responsibilities

A Steering Committee will be established after the signature of the contracts and shall meet once a year for oversight and overall coordination and monitoring of the action's implementation process. This Steering Committee will be responsible for the strategic orientation of the programme's activities and high-level supervision of their progress. It will be composed of representatives from the EU Delegation, from the Mozambican Institutions involved in the programme (at central level), and Implementing partners.

A Joint Management Committee (JMC) will also be established after the signature of the contracts. It shall be composed of representatives of the EU delegation, implementing partners, sub-delegated partners, sub-implementing agents at central and provincial level and - whenever required – and other relevant stakeholders (especially Youth organisations' representatives). It shall meet monthly and each partner shall report on its technical and financial progress against the operational planning. The main objective of the Joint Management Committee is to function as an operational coordination platform among the actors involved for the ordinary management and joint monitoring of the activities. Among the tasks of the management committee, there will be the final definition of the indicators' framework, sources and periodicity of data collection.

To ensure an active and meaningful participation of key stakeholders, including Government institutions, Women organisations, Youth associations/organised movements and Organisations of Persons with Disabilities, stakeholder's consultation meetings will be organised periodically to review the actions implemented and elaborate suggestions and recommendations to be discussed by implementing partners at the JMC meetings. A representation of these stakeholders shall always be invited as observers to the JMC meetings, as a measure to ensure accountability.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partners' responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix. Indicators shall be disaggregated at least by sex. All monitoring and reporting shall assess how the action is taking into account the human rights-based approach and gender equality.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Each implementing entity (and their sub-delegated partners, sub-implementing agents) will be responsible for data collection, analysis and monitoring of the respective project activities. They may draft a joint monitoring plan (with data collection methods and tools) which will encompass all programme components, with a special attention to the activities and indicators for which both implementing partners are accountable. As stated in section 4.7, the Joint Management Committee will hold monthly coordination meetings, among which one per quarter will devote also to share data, discuss activities' progress and the degree of achievement of programme's outputs. Besides periodical technical and financial reporting to the Commission, the results will be presented annually to the Steering Committee for further discussion and strategic orientation.

The implementing partners will consider using digital collaboration platforms for data storage and sharing, also through automatically updating dashboards, so that all stakeholders (EU, Government, civil society, private sector, etc.) will be informed and up-to-date about the programme progress and results, also allowing meaningful participation of the beneficiaries throughout the programme.

### 5.2 Evaluation

Having regard to the nature of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular that this is an innovative and pilot action and as such, it may inform future EU initiatives in the field.

The Commission shall inform the implementing partner at least 2 months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation

experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

All evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

Additionally, all evaluations carried within this action will establish links with the Team Europe Initiatives developments, to the possible extent.

Evaluation services may be contracted under a framework contract.

### 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multi-annual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## Appendix REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as:

<b>Action level</b>		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action
<b>Group of actions level</b>		
<input type="checkbox"/>	Group of actions	Actions reference (OPSYS#): <Present action> <Other action>
<b>Contract level</b>		
<input checked="" type="checkbox"/>	Single Contract 1	Indirect Management with an International Organisation
<input checked="" type="checkbox"/>	Single Contract 2	Indirect Management with Member State Agency
	(...)	
<input type="checkbox"/>	Group of contracts 1	<foreseen individual legal commitment (or contract) 1> <foreseen individual legal commitment (or contract) 2> <foreseen individual legal commitment (or contract) #>