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ANNEX 1

of the Commission Decision on the financing of the Annual Action Programme 2018 in favour of the Republic of Mozambique

Action Document for Supporting Trade and Development in Mozambique

1. Title/basic act/ CRIS number	Supporting Trade and Development in Mozambique – "PROMOVE Comércio" CRIS Number: MZ/FED/2017/040-904 financed under 11 th European Development Fund			
2. Zone benefiting from the action/ location	Republic of Mozambique			
3. Programming document	National Indicative Programme (NIP) for Mozambique 2014-2020 Regional Indicative Programme (RIP) for Eastern Africa, Southern Africa and the Indian Ocean (EA-SA-IOC)(2014–2020			
4. Sector of concentration/ thematic area	NIP Sector 1: Good Governance and Development RIP Sector 2: Regional Economic Integration	DEV. Aid: YES		
5. Amounts concerned	Total estimated cost: EUR 12 050 000 Total amount of EDF contribution EUR 12 000 000 (NIP: EUR 6 000 000 and RIP EUR 6 000 000). This action is co-financed in joint co-financing by UNIDO for an amount of EUR 50 000.			
6. Aid modality and implementation modalities	Project Modality Indirect management with United Nations Industrial Development Organisation (UNIDO) Indirect management with the Republic of Mozambique			
7 a) DAC code(s)	33110 - Trade policy and administrative management 33120 - Trade facilitation			
b) Main Delivery Channel	41000 United Nations agency, fund or commission (UN) 52000 Other			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	X

	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A			
10. Sustainable Development Goals (SDGs)	Goal 17: Revitalize the global partnership for sustained development Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all			

SUMMARY

Recent trade commitments, namely the European Union – Southern African Development Community (EU–SADC) Economic Partnership Agreement (EPA) and the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA), are powerful means to improve the business environment in Mozambique. They provide for a stable legal framework, with clear trade facilitation agendas to be implemented. The EPA offers Mozambique secured duty-free and quota-free access to the EU market, even when it will eventually become a middle income country, once revenues of the gas sector are secured. It is also a renewed opportunity for Mozambique to diversify its exports towards the EU market, once simplified rules of origin will be in use. By implementing the EPA, Mozambique will eliminate tariffs on about 74% of imports from the EU and align several trade related taxes, fees and procedures to EPA requirements. Lower tariffs on EU goods will contribute to cheaper importation of intermediate goods which are important for industrial and rural development.

Mozambique is one of the two Least Developed Countries (LDCs) among the SADC EPA group and it is the only country which is not part of SACU (Southern African and Customs Union); it therefore lacks experience in dealing with similar agreements.

The present programme contributes to improve trade facilitation aspects of the Ease of Doing Business by reinforcing government capacity to implement trade facilitation reforms (EPA and WTO TFA), addresses Technical Barriers to Trade (TBT) quality infrastructure weaknesses and reinforces the knowledge and capacity of private sector stakeholders regarding EPA opportunities. The programme will focus on the following components:

Component 1: Support implementation of EPA and WTO TFA trade facilitation reforms

Support the government, through technical assistance and training, to effectively implement trade facilitation reforms, so that importers/exporters can effectively make use of the foreseen EPA benefits/provisions, and benefit from easier trade across borders.

Component 2: Improve market-driven Quality Infrastructure and relevant services

This component will address key Quality Infrastructure (QI) weaknesses, enabling producers to improve the quality and competitiveness of their products and eventually meet international requirements of export markets. In particular, through a market-driven approach, it will support testing laboratories and the creation of calibration services, enabling them to provide internationally recognized testing services for the priority value chains in the provinces of Nampula and Zambézia linking with the upcoming 11th EDF Rural Development Programme.

Component 3: EPA Outreach and awareness raising to various private sector stakeholders

Increase EPA awareness among private sector stakeholders and bring attention to EPA trade and investment opportunities. Through information events, training on EPA related aspects, studies and visibility events in the capital and in provinces, the component aims to increase knowledge and develop the capacity of business associations (Mozambican and EU), private sector, NSAs and trade and investment promotion agencies.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

Mozambique is one of ten countries with the lowest Human Development¹ and **among the ten poorest countries** in the world with an annual per capita gross domestic product (GDP) of USD 1,217. Over 46% of the population live below the national poverty line and the absolute number of poor has remained relatively constant (approx. 11.8 million people)². A feminization of poverty is apparent, 63% of female headed households are poor, compared to 52% of male-headed households³. According to the 2016 Ministry of Gender Country Profile, the most relevant gender issues for poverty reduction relate to women's limited access to skills, opportunities, and to resources to overcome inequalities in education and employment.

Although promising **natural resource** discoveries (coal, minerals and gas) led to impressive economic growth averaging 7% annually over a decade until 2015, this trend has slowed. External factors such as droughts, floods, lower commodity prices and lower Foreign Direct Investment (FDI) contributed to this contraction. Internal factors aggravated the slowdown; including politico-military tension and particularly the discovery of undisclosed state-guaranteed loans representing 10% of GDP in 2016 (approx. USD 1.4 billion). The lack of fiscal transparency, evidence of poor governance and weak accountability caused a serious breach of trust in the national systems and led the IMF to discontinue its programmes. Lower investor confidence is apparent with FDI contraction since (20% fall in 2016). Nonetheless, considering the expected gas megaprojects from mid-2020s, Mozambique has the potential to become a middle income country.

Presently, economic diversification is weak, with a high dependence on primary sectors: mining, forestry, fisheries, natural energy. Manufacturing contributes minimally to GDP, 8% in 2016. Mozambique's exports of goods are mainly unprocessed or semi-processed basic or raw products (mining, agriculture and fisheries). The opportunities that value-chains could provide are not exploited. Real value addition and transformation have not really developed; value addition remains limited to primary steps only.

The high pace of population growth (3.5% per year) makes it challenging for Government to extend basic services to a population now estimated at 28.9 million habitants and projected to reach 40 million by 2030⁴. Literacy is very low (55.1%) with substantial disparity between illiteracy rates for men 30.1% and women 57.8% , characterised by the second lowest primary completion rate in the world (37%)⁵ and one of lowest education attainment levels in Africa⁶.

Numerous constraints to competitiveness affect the business environment; from lack of adequate infrastructure (roads, electricity, and water) to low productivity and low skilled

¹ UNDP Human Development Report 2016: Mozambique occupies rank 181 out of 188 globally.

² Latest household survey: Fourth National Poverty Assessment "Poverty and Wellbeing in Mozambique, October 2016.

³ Final report of Mozambique Household Survey 204/15, December 2015.

⁴ Mozambique 2017 General Census of Population and Housing.

⁵ National retention rate in grade 3 is 70%, in grade 5 is 50% and only 1 out of 3 children make it to grade 7.

⁶ 2016 National Learning Assessment: learning results deteriorated with only 4.9% of the grade 3 students mastering basic literacy skills.

labour, low number of private sector companies, excessive cost of borrowing and finally a business environment marked by rent seeking behaviour, corruption and inefficiencies. Few companies are currently able to meet EU market's requirements, in terms of product quality, and international environmental and health and safety requirements. In-country services that could support private sector in improving quality for specific value chains and to reach export standards are presently very basic.

Business environment pace of reforms is slow and implementation challenging. Mozambique's international rankings are weak and decreasing for perceived levels of public sector corruption⁷. Progress in the Global Competitiveness and Doing Business rankings stagnated. Nonetheless, Mozambique recently entered into a number of commitments, such as the WTO's TFA and the EPA; these commitments provide a catalyst to improve the trade facilitation aspects of the business environment, to enhance business opportunities, job creation and growth.

The EU **SADC EPA**⁸ provides a legal framework with clear trade facilitation objectives. It solidifies Mozambique's duty-free and quota-free access to the EU market, even once Mozambique graduates to a middle-income country. It also allows for more flexible rules of origin to facilitate value-addition in Mozambique. The access to the European market offers increased opportunities once local production capacity grows. For EU imports to Mozambique, tariffs on about 74% of imports from the EU will be gradually removed and several trade related taxes, fees and procedures clarified. Lower tariffs will contribute to more competitive goods such as equipment, chemical products and machinery, with potential to support rural and industrial development in Mozambique.

Mozambique is one of the two LDC countries among the SADC EPA group and it is the only country which is not part of SACU, thus having less experience in dealing with similar agreements. Government capacities are a challenge, compounded by a slow pace of reform implementation. In order to address such weaknesses and identify capacity gaps, a National EPA Implementation Plan (NEIP) was adopted by the Government of Mozambique in April 2018, detailing the necessary government actions to maximise private sector opportunities. Consultations took place with government, business associations and development partners. Areas requiring capacity building include: reinforcing government technical capacity, facilitating customs particularly on major regional trade routes, establishing trade safeguard capacity, supporting quality infrastructure services⁹, raising awareness of EPA opportunities.

1.1.1 Public Policy Assessment and EU Policy Framework

In order to guide Mozambique's overall approach to using trade as a tool for economic development and job creation, a myriad of strategies are relevant tackling various aspects and led by different institutions. The most directly relevant to the present action are the Industrial Policy and Strategy, the National Export Strategy and the Trade Policy and Strategy. Business associations, donors, civil society were/are consulted in the strategies elaboration process.

The **Trade Policy and Strategy (2017-2021)** updates the 1998 strategy; looks into updated Government trade policy commitments, such as the SADC EPA and as well as the African

⁷ Transparency International Corruption Perceptions Index, January 2017: Mozambique occupies position 142/176 in 2016 with a score of 27 (0 most corrupt - 100 least corrupt) - perception of corruption has increased to the level of 2011.

⁸ With EPA application in Mozambique from 4th February 2018, the SADC EPA is the first EPA to enter into application in Africa for the entire group of partner countries (six SADC EPA countries are: South Africa, Swaziland, Lesotho, Mozambique, Namibia, and Botswana).

⁹ Quality Infrastructure can be defined as the system comprising the organisations (public and private) together with the policies, relevant legal and regulatory framework, and practices needed to support and enhance the quality, safety and environmental soundness of goods, services and processes. Producers recur to Quality Infrastructure services to ensure that their products meet various quality requirements.

Growth and Opportunity Act (AGOA), and takes into account regional and multilateral developments. It identifies priority value chains and the constraints along the value chains.

The **Industrial Policy and Strategy 2016-2025** aims to: a) increase industrial production through attracting investment, b) increase labour-intensive industries and support to SMEs, c) increase exports and reduce imports, d) expand value chains and add value of industrial products through increased use of domestic materials. Seven priority industries were selected, including agro-industry which is supported by this action. Of its eight strategic development pillars, the present action contributes to the pillars related to quality infrastructure and certification, and to the simplification of customs. The strategy is relevant and identifies priority industries, however, it does not analyse which sectors could benefit from trade agreements. Capacity building to better identify EPA opportunities is required.

The **draft Second National Export Strategy** identifies priority sectors for export promotion, as well as needs analysis. The EPA was taken into consideration. The need to enhance national capacities to improve the quality of products is raised and to develop capacity to add value and identify specialised niche markets. This strategy also highlights the need to develop trade capacities for trade coordination and implementation.

The present project will support several EU Policy Frameworks. It supports the 2017 Communication on **Aid for Trade Strategy**¹⁰, by putting into practice the NEIP. It supports quality infrastructure, a key area of Aid for Trade, and it aims to strengthen key partners (e.g. business associations) for promoting economic opportunities. The 2017 **European Consensus on Development**¹¹ contributes to the attainment of the SDGs; the present action contributes to SDGs 17 and 8. It supports the Consensus' objectives regarding trade policy, to ensure that developing countries reap the benefit of inclusive growth for enhanced participation in regional integration and in the multilateral trading system. It supports the Aid for Trade implementation of the **2030 Agenda**, including support for EPA implementation to better address the trade and productive capacity needs of developing countries. It contributes to the **EU Gender Equality Policy 2016-2020**¹², objective 15 "Equal access by women to financial services, productive resources including land, trade and entrepreneurship".

The present action supports the **External Investment Plan (EIP) third pillar**, aimed to address key constraints to the business and investment environment complementing the Sustainable Business for Africa (SB4A) dialogue.

The present action is in line within the **11th EDF National Indicative Programme (NIP)** first priority sector - Good Governance and Development – which aims to contribute to poverty alleviation, sustainable and inclusive growth and consolidation of democracy. It contributes to the relevant NIP expected results aimed at the improvement of the business environment.

1.1.2 Stakeholder analysis

The **Ministry of Industry and Trade (MIC)** has leadership responsibility for elaborating and monitoring implementation of the business environment strategy and of trade policies. Trade policy implementation is the responsibility of sector ministries or specialised government bodies e.g. **Customs Authorities** and **Tax Authority**. Strengthening the Ministry's capacity

¹⁰ Communication from the Commission to the European Parliament, the Council, the European Economic And Social Committee and the Committee of the Regions "Achieving Prosperity through Trade and Investment, Updating the 2007 Joint EU Strategy on Aid for Trade" COM(2017) 667 final of 13.11.2017

¹¹ OJ C 210 of 30.6.2017

¹² Joint Staff Working Document: Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020 SWD(2015)182 final of 21.9.2015

(personnel, training and specialised knowledge) for monitoring and guiding implementation, especially with a view of ensuring strikingly weak inter-ministerial coordination is key. It is an essential basis to accompany the smooth implementation of the EPA. Moreover, support for key implementing institutions such as Customs Authorities and Tax Authority is essential, to enable these government bodies to implement new reforms and modernise systems.

The **National Institute for Standardization and Quality (INNOQ)** is responsible for standardization, metrology and conformity assessment. It is also the national enquiry point for Technical Barriers to Trade (TBT). The enquiry point for Sanitary and Phytosanitary Standards (SPS) is in the Ministry of Agriculture. In recent years, with EU support, INNOQ made significant strides in developing its services. Capacity for several calibrations was developed, the number of accredited tests was increased, the number of standards in the country tripled. Shortcomings remain, as found by recent evaluations; at its current developmental stage, INNOQ misses what could be its major revenue source: no product certification body and no inspection capacity. Moreover, INNOQ's training unit is still in its infancy and the marketing unit – which would be key for raising awareness of government and private sector – lack the necessary capacity.

Business associations in general are active but are strikingly limited in resources, resulting in dispersed efforts and in limited capacity to enter into the details of the EPA. Business associations lack capacity to provide services to their members (e.g. identifying EPA trade and investment opportunities, market intelligence, knowledge of rules of origin). Limited capacity of the private sector to engage in a solid and constructive dialogue with Government is also apparent. The largest **Confederation of Economic Associations of Mozambique (CTA)** is long established and is systematically involved in public private dialogue but it does not represent all private sector; specifically micro, small and medium enterprises, youth business associations and women entrepreneur associations are underrepresented in dialogue forums, which limits their impact on policy. A **European Business Club** is active since three years and includes business associations from 8 EU Member States¹³, however, its recent creation and limited resources are real challenges, in order to expand its sphere of influence and capacity to actively promote potential investment opportunities. Last but not least, in Mozambique, where 80 % of the population work in the agriculture sector and 80 % of the economy is informal, the issue of the representation of such sectors is still pending.

1.1.3 Priority areas for support/problem analysis

The priority areas for support are a result from several analyses. Most notably the EU-financed study for the NEIP identifies the following main constraints and opportunities to improve inclusive and sustainable growth:

- **Lack of Government capacity** for implementing and monitoring economic policies, specifically trade related policies. Policies and strategies appear to be developed in silos, with no or minimal inter-ministerial coordination. This results in overlapping and often contradicting policies. In addition, capacity to engage effectively on trade safeguards including monitoring capabilities and early warning systems are non-existent.
- **Limited capacity of the private sector** to engage in a solid, SME and gender inclusive constructive dialogue with Government; lack of resources, lack of specialised expertise, lack of specialised EPA knowledge or knowledge of EU market.
- **General lack of awareness of the EPA** amongst the business community and public institutions; capacity to identify practical trade and investment potential is lacking within

¹³ Business associations from EU Member States participate in the European Business Club, namely associations from France, Germany, Netherlands, Austria, Portugal, Spain, UK, and Italy. Swiss association is also a founding member.

both public and private sector, one example is the limited practical market intelligence as regards potential value chains. Government also lacks sector knowledge on how to identify and promote EPA opportunities, in particular regarding rules of origin.

- **Cumbersome customs and administrative procedures** is one of the main hurdles to economic activity. Lack of clarity and transparency when applying procedures, related delays in customs clearing and related opportunistic corruption are main hurdles undermining economic potential. Trade facilitation reform is part and parcel of several trade agreements, including the EPA and the WTO TFA. Mozambique solicited donor assistance to implement various customs reforms of the WTO TFA ratified in 2016. Customs reforms for trade facilitation are a cornerstone for the success of various trade agreements, trade facilitation provisions of the EPA were mapped against the WTO TFA provisions and clear overlaps and synergies exist between the two sets of reforms.
- **Quality infrastructure and laboratories capacities are basic, in need of upgrading or entirely inexistent.** Quality Infrastructure (QI) services are required to facilitate businesses to adhere to quality and standards requirements of local and export markets. Producing in sufficient quantity and quality are significant challenges in Mozambique, especially for small and medium size enterprises. Support to QI could support businesses to improve productive capacity (volume), productivity, resource efficiency and quality of products among other benefits. The absence of calibration equipment outside the capital city is a notable weakness. The absence of laboratories which can provide accredited tests critical to meet export requirements is notable, especially for sectors with export potential such as agriculture.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
<ul style="list-style-type: none"> • Limited political leadership for reforms, especially to tackle high-corruption 	High	<ul style="list-style-type: none"> • Continue advocacy for reforms throughout various policy dialogue forums • The programme proposes to work with professional associations including youth business associations and women entrepreneur associations as well as civil society to increase the responsibility/accountability of each partner
<ul style="list-style-type: none"> • Fragmented coordination (among the different reformers) 	High	<ul style="list-style-type: none"> • Capacity building foreseen to the Ministry of Industry and Trade to undertake its monitoring and coordination mandate to improve inter-ministerial overview and coordination
<ul style="list-style-type: none"> • Human Resources capacity issues (high turn/over, lack of career management, etc.) 	High	<ul style="list-style-type: none"> • TA to work closely with stakeholders and provide on-the-job training and focus TA and capacity building on achieving tangible outputs for targeted reforms
<ul style="list-style-type: none"> • Long delays for reforms to be institutionalised 	High	<ul style="list-style-type: none"> • Capacity building foreseen to key Government authorities to support implementation
<ul style="list-style-type: none"> • Limited capabilities, resources and commitment on the part of the SMEs to participate in the project activities 	Low	<ul style="list-style-type: none"> • Sensitization of the enterprises on the benefits of quality upgrading and careful selection procedure for the SMEs who will receive technical assistance
Assumptions		
<ul style="list-style-type: none"> • Election processes of 2018 and 2019 lead to a stable and fully operational public administration • Macroeconomic stability is improved • No major external shock impacts the economy • Political engagement from Government of Mozambique to work with all the stakeholders to advance trade and development issues • Good coordination amongst donors (through Private Sector and Trade working Groups) 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

EU support to quality infrastructure through the *Competir com Qualidade* project was successfully implemented by UNIDO until June 2016. The main quality infrastructure body (INNOQ) started from a very low staff and equipment capacity and proved to have high absorption capacity. Several objectives were successfully implemented and the number of QI services offered increased substantially. Achievements included the establishment of a new metrology laboratory, capacity for several calibrations developed, and metrology function reached accreditation for mass, temperature, and volume. The number of accredited tests was increased and the number of standards in the country tripled. However, substantial needs persist in order to bring institutions to a level capable to support private sector in improving quality for specific products/sectors. Support for quality infrastructure linked to value chains at central and local levels is very much needed.

In addition, as part of EPA dissemination, several events were organised on the EPA opportunities and Implementation Plan through 2016-2018 and government and private sector showed great interest and participation. Several business associations and businesses (youth, women, SMEs, European, among more established business associations) participated and expressed interest in further specific topics (e.g. rules of origin, cumulation, identifying specific sectors of potential).

3.2 Complementarity, synergy and donor coordination

The present project links to the 11th EDF NIP project (in formulation) which addresses agriculture competitiveness and food security in two provinces (Nampula and Zambezia). The present project supports several trade facilitation reforms and specifically supports the increased availability of Quality Infrastructure services in those provinces, so as to enable producers in the targeted value chains to improve the quality of their products.

Within the Trade Related Facility 10th EDF RIP, EUR 2.6 million was approved in 2017 to support complementary aspects of the SADC Trade Protocol and EPA in Mozambique, focusing on:

- Supporting the development of an on-line system for e-certificate of origin
- Strengthening of the TBT national enquiry point and reviewing the national quality policy
- Developing veterinary and plant health strategies and strengthening the SPS enquiry point
- Enhancing private sector awareness of regional and international quality and standards market requirements
- Development of a legal framework on trade remedies
- Develop strategies for cotton-textile sector and forestry-wood sector value-chains.

The FAO-EU FLEGT (Forest Law Enforcement, Governance and Trade) on-going call for proposals for Mozambique aims to support the reduction of illegal logging and enhance trade in legal forest products.

Through regional support managed by the SADC Secretariat, a regional EPA implementation plan is being developed, as well as regional and national EPA communication strategies. A global programme of the German Cooperation, implemented by GIZ (*Gesellschaft für Internationale Zusammenarbeit*), is developing an EPA monitoring system and is supporting Export Promotion through outreach to potential exporters, B2B, matchmaking with EU importers, study tours, and trade fair participation for selected exporters. A UK regional programme is looking into possible support for EPA related implementation. Several donors are also active at national level in supporting specific doing business reforms (e.g. DFID (UK), Netherlands, Norway) which is complementary with the present trade facilitation

targets. The EU Delegation is regularly associated with the various initiatives to ensure coordination.

USAID is the main donor supporting trade facilitation through its four-year SPEED+ programme. It provides technical assistance since 2016 for agriculture, trade, business enabling environment, energy, water and biodiversity. It supports several reforms of the WTO TFA and the AGOA strategy. Several trade reforms supported are also related to EPA, thus the present programme would directly complement and coordinate with the USAID project.

For donor coordination, the Private Sector Working Group, chaired by Norway, is the main forum for dialogue on business environment issues amongst donors, government, private sector operators and civil society. One of its subgroups, the Trade Sub-Committee, co-chaired by the EU and USAID, brings together government, donors and private sector operators and aims at integrating trade into national development policies, coordinating trade partners and seizing opportunities of trade. The EU Delegation also participates in the European Business Club meetings and hosts EU Trade Counsellors meetings.

3.3 Cross-cutting issues

The SADC EPA reaffirms the commitment to sustainable development (EPA Article 7); to apply the agreement taking into account the human, cultural, economic, social, health and environmental best interests of their respective populations and of future generations. Moreover, the present project will encourage and provide conditions for producers to improve the quality of their products so as to reach export quality standards, which are stricter in terms of human health and safety, environmental impact than those in force in Mozambique.

Given the existing biases and inequalities of access to opportunities for women's and youth business associations, this programme addresses those through the following: 1) EPA outreach and capacity building activities (component 3) include a focus on support for women and youth business associations in particular; 2) for all training activities, a particular effort shall be made to ensure participation of women business associations and young business associations, as well as SMEs associations; 3) Activities supporting public-private dialogue on business environment shall endeavour to include particular gender, youth and SMEs business concerns as those are less prominent in public-private dialogue and policies. 4) Addressing the conformity assessment needs of industries with high shares of female employment; 5) Moreover project monitoring arrangements will make sure that indicators within the control of the project are disaggregated by gender.

On good governance, capacity building for business associations and non-state actors (NSA) will contribute to increased capacities, advocacy and accountability. Strengthening of platforms for interaction between the public and the private sector, will contribute to improved governance of business environment issues (including trade facilitation issues) affecting companies.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

This programme is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of Goal 17: Revitalize the global partnership for sustained development, but also promotes progress towards Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. This does not imply a commitment by the country benefiting from this programme.

The **overall objective** is to improve trade and the business environment.

Specific objective 1: To improve Government coordination and implementation of the EPA and WTO TFA trade facilitation reforms

Specific objective 2: To increase sustainable market-driven Quality Infrastructure services to support the production of quality products

Specific objective 3: Promote EPA trade opportunities among investors

Expected results:

The expected results are grouped into three main components closely reflecting the specific objectives.

Component 1: Implementation of EPA and WTO TFA trade facilitation reforms

- 1.1. Reinforced Ministry of Industry and Trade capacity for coordinating, monitoring and implementing obligations and provisions arising from the EPA and WTO TFA
- 1.2. Key Customs EPA commitments ready to be adopted and to be made publicly available¹⁴
- 1.3. Enhanced Government capacity to participate in trade policy decision-making discussed at the joint EU-SADC EPA states meetings
- 1.4. Enhanced government knowledge on the legal and institutional framework required to apply EPA trade defence/safeguards articles

Component 2: Improved market-driven Quality Infrastructure and services

- 2.1 Good governance and core quality infrastructure services at the institutional level (INNOQ) upgraded to ensure international recognition
- 2.2 Increased technical competences of the conformity assessment service providers (e.g. testing laboratories) and ensuring international recognition
- 2.3 Increased availability and quality of Business Development Services

Component 3: EPA Outreach and awareness raising to various stakeholders

- 3.1 Improved EPA awareness within private sector, NSA, trade promotion agencies
- 3.2 Enhanced capacity of business associations to promote EPA trade and business opportunities
- 3.3 Enhanced capacity of non-state actors for EPA monitoring and reforms advocacy in view to seizing EPA opportunities.

4.2 Main activities

Component 1: Implementation of EPA and WTO TFA trade facilitation reforms

The component will tackle weaknesses in inter-ministerial coordination, as well as weaknesses in knowledge of relevant technical issues. A combination of TA advisory services and training for government officials will be provided to support the Ministry of Industry and Trade in its trade policy and implementation coordination role. The component will also include training and advice to other key government institutions, in particular Customs and the Tax Authority, to implement trade facilitation reforms. The NEIP and the WTO TFA

¹⁴ The work plan of customs measures is detailed in the EPA Implementation Plan, some examples of required measures are: EPA tariff reduction schedules adopted and published, use of export taxes clarified, rules of origin implemented, procedures, fees and charges clarified, follow-up on market access issues.

detail the trade facilitation measures which Mozambique committed to. TA will support government functions such as:

- Regularly review adherence to obligations and commitments of the EPA and its Implementation Plan and address follow-up actions with all stakeholders
- Coordinate the implementation of the different aspects of the EPA and WTO TFA through support to the National Trade Facilitation Committee
- Establish trade facilitation contact points for different stakeholders, as a minimum including: Revenue authority (customs) & single window, Ministries of Fisheries, Agriculture & Forestry, Foreign Affairs, INNOQ, Private Sector Organisations
- Create a mechanism for dialogue involving all above mentioned stakeholders
- Support key government institutions to prepare Mozambique's participation to regional SADC EPA meetings (e.g. Joint Council, Trade and Development Committee, Special Committee on Customs and Trade Facilitation) which aim to advance trade facilitation reforms from a coordinated regional level
- Training for capacity building of government officials on relevant topics
- Support government to establish an Action Plan to build capacities to be able to apply EPA/WTO compliant trade safeguards
- TA for the achievement of 7 out of 10 WTO TFA category C provisions

TA will support the Customs and Tax Authority in particular, as a significant portion of reforms is customs related. E.g. Mozambique committed to progressively eliminate tariffs on about 74% of imports from the EU and to clarify several trade related taxes, fees, procedures with EPA requirements. For exports from Mozambique to the EU, the new rules of origin are a main novelty for which capacity building of government officials will be provided.

Component 2: Improved market-driven Quality Infrastructure and services

The component addresses technical barriers to international trade. It aims to support access to Quality Infrastructure services, which can help producers, improve the quality and competitiveness of their products and meet quality requirements of export markets (including environmental and health and safety requirements).

The development of services such as testing, certification and calibration will be supported, focusing on services required along the priority value-chains of nuts and oil seeds (with particular focus on cashew and seeds value chains) and fruits and vegetables in line with the National Export Strategy. Cashew and seeds are also the priority value-chains of the EU Rural Development Programme, supporting rural competitiveness and agriculture in the provinces of Nampula and Zambezia. Other value chains might be also considered for assistance, to be further refined at the project inception phase e.g. shrimps and aquaculture could be a quick-win which requires heavy metal testing capabilities to be reinforced. Cashew is a strategic crop for the Government of Mozambique with sufficient private sector initiatives and has a major economic and social role in the targeted provinces as a lever for local job creation and growth. Cashew production is dominated by small farmers and has a large potential for increased in-country value addition, expansion of exports (including to the European market) and job creation. The seed value chain has a key role in the development of the agriculture sector in general and is particularly crucial for supporting an increase of smallholder farmers' productivity and transition to market integration and raising incomes.

The aim is for relevant QI institutions to become service providers for the private sector, with the particular focus on supporting key value chains. The services to be developed will benefit other sectors as well, as they are also useful for various products.

a) Quality Infrastructure core institution strengthened (INNOQ)

Activities include:

- To promote good governance of QI, INNOQ will be assisted in finalizing an updated Quality Policy with a related Implementation Strategy
- Provide expertise to INNOQ to develop and adopt industry-driven national standards
- Provide legal advice, supporting INNOQ and MIC to improve technical regulations for priority value chains
- Provide TA, training and purchase of services to increase the scope and the regional reach of accredited certification required by private sector in the targeted value chains
- TA and training for INNOQ to adopt and implement marketing strategies to raise awareness on the usefulness of QI services, to reinforce the sustainability of INNOQ

b) Quality Infrastructure services (testing and calibration services)

Testing:

- TA, training and equipment to selected laboratories in Nampula, Zambezia and Maputo provinces to enable them to provide internationally recognized testing services for the priority value chains. Some of the accredited tests which are strongly required by value chains but are still not available in the country include aflatoxin¹⁵, heavy metals and pesticides residues testing. Those tests are critical for domestic health and exports facilitation. Such support will be provided with due consideration to ensuring economic sustainability and maintenance prospects. Support regarding environment certification would also be considered.
- TA in introducing business principles into their operations (e.g. through the development of the marketing and business plans).

Calibration:

- TA, training and equipment for calibration services to be permanently available in Nampula and Zambezia (where the producers are). In order to address the absence of calibration equipment outside the capital city, as referred in section 1.1.3 above. Such support will be provided with due consideration to ensuring economic sustainability and maintenance prospects.

c) Business Development Services, related to standards and quality

Support SMEs to identify key quality gaps in order to reach their export potential and provide TA to address shortcomings. Export potential entails meeting EU market compulsory quality requirements, buyers' common requirements and market requirements (e.g. fair trade, organic). This will act as a trigger for SMEs to understand the benefits of QI services and to start utilizing such services more pro-actively and strategically.

- TA for SME quality gap identification to reach their export potential.
- TA advisory services on the steps and sequencing needed by SMEs to address the gaps.
- TA and training to SMEs to address gaps in certain specific standards to upgrade the quality of their products. Upgrading services might include: on the job trainings for standards compliance, TA/training on EU market analysis and consumer analysis, training on required quality management systems, TA on labelling and packaging requirements, training on hygiene requirements, acquiring of services to assist SME in complying with quality requirements, mentoring between companies, TA on resource

¹⁵ Aflatoxins are a class of toxic compounds produced by certain moulds, which can cause liver damage and cancer. Aflatoxins are commonly found in improperly stored staple commodities such as cassava, chili peppers, corn, cotton seed, millet, peanuts, rice, sesame seeds, sorghum, sunflower seeds, tree nuts, wheat, and a variety of spices.

efficient technologies, eco-innovative processes and technologies, and TA on environmental certification.

- Train institutional business development service providers to improve their capacity to counsel companies on how to meet export requirements. Service providers such as MIC's Directorate of Private Sector Support, and its associated network of Single Windows, APIEX, and business associations could be targeted.

Component 3: EPA Outreach and awareness raising to various stakeholders

In line with the needs identified in the NEIP, the component aims to increase EPA awareness among private sector stakeholders and bring attention to EPA trade and investment opportunities. A combination of activities will be mobilised including EPA information events, training on EPA related aspects (e.g. rules of origin), studies, and visibility events in the capital and in provinces. The following activities are foreseen for knowledge and capacity development of business associations (Mozambican and EU), private sector, NSAs, and trade and investment promotion agencies:

General dissemination events

- General EPA dissemination events in the capital and in provinces, especially in provinces with main trade corridors and significant production
- Production of informative EPA communication and visibility material

Capacity building of business associations and trade promotion agencies

- Support business associations in marketing the EPA: Training of Trainers (ToT) for business associations' key staff on EPA specific aspects e.g. EPA rules of origin, procedures on how to export to the EU, how to deal with quality export requirement procedures
- Training business associations and trade promotion agencies on how to advocate the EPA to foreign missions, especially in preparation for missions to EU countries
- Training/information sessions to support business associations and private sector to understand technical requirements to export to the EU
- Support business associations to improve knowledge of EU market e.g. market intelligence studies, training and coaching on how to target the EU market
- Support business associations and trade promotion agencies to improve capabilities to identify reforms helping to seize the benefits of the EPA, and advocacy capacities to promote those with Government and donors

Studies on business environment dialogue and opportunities

- Studies on EPA business opportunities regarding specific sectors
- Studies on relevant business environment issues, with a view to contribute to informed public-private dialogue, prioritising issues relevant for sectors with trade potential

Specific targets shall be formulated to ensure that the activities include issues specifically related to gender and to youth employment and entrepreneurship, as those are less prominent in public-private dialogue and policies. For all training activities, a particular effort shall be made to ensure inclusion of women's business associations and young business associations, as well as SMEs associations. The activities' financial allocation shall specifically reserve a minimum financial allocation for supporting women's and youth business associations.

4.3 Intervention logic

The action's intervention would support the effective implementation of EPA provisions, which would allow importers to Mozambique to benefit from a reduced import duty on a wide of products from the EU; and would allow exporters from Mozambique to be able to apply the EPA rules of origin to add value more easily on exports to the EU. In addition, effective

implementation of EPA and WTO TFA provisions would improve the ease of trading across borders in Mozambique, assuming continued Government commitment to implement the relevant trade facilitation commitments.

The improved availability of QI services (including testing laboratory services and SME support) would provide the means for producers to improve the quality of their products. The hypothesis is that there is continued private sector demand for quality infrastructure services and continued interest from producers to invest in improving the quality of their products to eventually meet EU market requirements.

The improved awareness of EPA business opportunities promoted by the action has the potential to contribute to increasing EU-Mozambique-SADC trade, to increase investment, growth and employment creation, assuming no major shock impacts the economy.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) 2015/322.

5.3 Implementation of the budget support component

N/A

5.4 Implementation modalities for an action under project modality

Both in indirect and direct management, 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 affecting the respective countries of operation¹⁶.

5.4.1 Indirect management with an international organisation

A part of this action may be implemented in indirect management with UNIDO. This implementation entails implementing all the activities related to component 2 on QI and implementing the activities for component 1 expected result 4 for creating conditions to build trade safeguard capacity. The entrusted entity would carry out the following budget-implementation tasks: procurement to provide technical assistance, advisory services, training and equipment. UNIDO's core mandate and thematic expertise is directly related to quality infrastructure. UNIDO aims to achieve inclusive and sustainable industrial development objectives, inter alia through the diverse contribution of the quality infrastructure system and the resulting international trade. Support to QI and industrial statistics is also part of UNIDO's proposed areas of intervention for its Country Programme 2016-2019. Moreover, UNIDO successfully implemented a Contribution Agreement to strengthen the main quality

¹⁶ https://eeas.europa.eu/sites/eeas/files/restrictive_measures-2017-04-26-clean.pdf

infrastructure bodies, under the 10th EDF *Competir Programme*. With the project's support, the capacity for several calibrations was developed and metrology function reached accreditation for mass, temperature, and volume. The number of accredited tests was increased and the number of standards in the country tripled as per final project evaluation. Moreover, EU visibility was adequately ensured. To implement activities of component 1 expected result 4, UNIDO will associate UNCTAD's expertise, through Inter-Agency Agreement (IAA) between UNIDO and UNCTAD, as the issues related to EPA and safeguards are directly linked to UNCTAD's mandate and UNCTAD has a record in implementation of similar projects in other countries.

5.4.2 Indirect management with the Republic of Mozambique

A part of this action with the objective of "improving Government coordination and implementation of the EPA and WTO TFA trade facilitation reforms" (Component 1, except Result 4) and "increasing awareness of EPA trade opportunities among various stakeholders" (Component 3) may be implemented in indirect management with the Republic of Mozambique according to the following modalities:

The partner country will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement and grant procedures.

Payments are executed by the Commission.

The partner country shall apply the Commission's rules on procurement and grants. These rules will be laid down in the financing agreement concluded with the partner country.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

	EU contribution (in EUR)	Indicative third party contribution (in EUR)
5.4.2 Indirect management with the Republic of Mozambique: Component 1.1, 1.2, 1.3 and 3	4 300 000	0
5.4.1 Indirect management with UNIDO: Component 1.4 and 2	6 500 000	50 000
0 Evaluation, 5.10 Audit	200 000	0
0 Communication and visibility	300 000	0
Contingencies	700 000	0
Total	12 000 000	50 000

5.7 Organisational set-up and responsibilities

A Steering Committee co-chaired by the National Authorising Officer, the Ministry of Industry and Trade and the EU Delegation, will assess the overall implementation of the programme and will approve the annual work plans, risk analysis and mitigation measures. Meetings will be organised yearly and when requested by one of the chairs. Representatives from the main stakeholders, including the Customs and Tax Authorities, the National Institute for Standardization and Quality, ministries, laboratories, business associations (Mozambican and EU), NSAs, trade & investment promotion agencies will be invited to attend the Steering Committee for the relevant matters of their responsibility.

A Technical Committee will be established in order to quarterly discuss implementation of technical issues: monitor programme implementation, decide how to manage challenges and share information. Other partners and donors could be invited to both groups as observers if considered necessary. The TA service provider will assist the organisation of both groups.

5.8 Performance 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 partner's responsibilities. To this aim, the implementing partner 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 log frame. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

5.9 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 the results of the action.

A mid-term evaluation could be carried out for problem solving and learning purposes.

The Commission shall inform the implementing partner at least 3 months in advance of the dates foreseen 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 shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under a framework contract in 2023.

5.10 Audit

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 audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded under a framework contract in the second half of the implementation period.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations; indicatively one services contract for maximum duration of 24 months.

APPENDIX - INDICATIVE LOGFRAME MATRIX¹⁷

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Improve trade and the business environment.	1. Real GDP growth rate 2. GDP per capita 3. Investment level in Mozambique 4. Volume of Agricultural production and productivity (including cashew production) 5. Mozambique's overall trade in goods volumes (imports/exports) 6. EU-Mozambique trade volumes (imports/exports)	1. Growth rate: 3.7% in 2017. 2. GDP/capita at PPP (current international \$): USD 1,217 in 2016. 3. Accumulated FDI inflows 2005-2016 (USD): 31 billion 4. TBC 5. 2017: Mozambique with world: EUR 5.2 billion imports, EUR 5 billion exports. 6. EU with MZ: EUR 1.7 billion imports, EUR 0.5 billion exports.	1. Increase per year 2. Increase per year 3. Increase per year 4. Annual growth of agriculture (and of cashew) production and productivity by 7%/year (Strategic Plan for Agriculture Development (PEDSA) 2011-2020 5. Maintain and increase Mozambique-world trade 6. Maintain and increase EU-Mozambique trade	1. IMF 2. World Bank 3. Central Bank statistics / Government reports 4. Ministry of Agriculture reports/Central Bank statistics/ National Statistics Institute 5. Eurostat and Central Bank of Mozambique statistics 6. Eurostat and Central Bank of Mozambique statistics	

¹⁷ Indicators aligned with the relevant programming document '*' and indicators aligned to the EU Results Framework '**'.

<p>Specific objective(s): Outcome(s)</p>	<p>Specific objective 1: To improve Government coordination and implementation of the EPA and WTO TFA trade facilitation reforms</p> <p>Specific objective 2: To increase sustainable market-driven Quality Infrastructure services to support the production of quality products</p> <p>Specific objective 3: Promote EPA trade opportunities among investors</p>	<p>1.1 Capacity to trade across borders improved in Mozambique**</p> <p>1.2. Doing Business environment improved*+**</p> <p>2. 1 Number of quality schemes offered to economic operators**</p> <p>2.2 Number of quality certifications issued</p> <p>2.3 # of accreditation ready certification services available to priority value chains</p> <p>2.4 # of national standards and technical regulations developed following international best practice</p> <p>3. # of companies responding that they are aware of EPA trade opportunities</p>	<p>1.1 Logistics Performance Index (LPI) rank 84 of 160, LPI score 2.68 in 2016</p> <p>1.2. Distance to frontier (DTF) 53.03, Ease of doing business rank 137 of 190 countries, DTF trading across borders 67.25, in Doing Business 2017</p> <p>2.1-2.4. None</p> <p>3. No baseline</p>	<p>1.1 Improvement in the scores and rankings of LPI index</p> <p>1.2. Doing Business Indicators: Improvement in the Doing Business Index and in Distance to Frontier and specifically improving the component Distance to Frontier on trading across borders</p> <p>2.1-2.4. TBC</p> <p>3. Increased positive responses</p>	<p>1.1 Logistics Performance Index of the World Bank</p> <p>1.2. World Bank Doing Business Report</p> <p>2.1-2.4. Project reporting, INNOQ Annual report, surveys</p> <p>3. Project questionnaires/survey to private sector with range of questions on their level of awareness of EPA trade opportunities</p>	<p>Election processes of 2018 and 2019 lead to a stable and fully operational public administration</p> <p>Macroeconomic stability is improved</p> <p>No major shock impacts on the economy</p> <p>Government commitment to advance trade facilitation issues</p>
	<p><i>Component 1: Implementation of EPA and WTO TFA trade facilitation reforms</i></p> <p>Outputs for specific objective 1</p> <p>1. Reinforced Ministry of Industry and Trade capacity for coordinating, monitoring and implementing obligations and provisions arising from the EPA and WTO TFA</p> <p>2. Key Customs EPA commitments ready to be adopted and to be made publicly available</p> <p>3. Enhanced Government capacity to participate in trade policy decisions making at joint EU and SADC EPA states regional</p>	<p>1.1 Status of EPA Implementation Plan's measures undertaken (compulsory/ necessary/ ideal actions undertaken)</p> <p>1.2 TA provided for WTO TFA category C provisions: (i.e. supporting at least 7 of the 10 reform areas)</p> <p>1.3 # of government officials trained (of which #men/women) on EPA and WTO trade facilitation</p>	<p>1.1 Status of various actions are described in the EPA Implementation Plan (not quantitative)</p> <p>1.2. Targeted reform provisions not currently receiving TA or receiving TA for partial implementation</p> <p>1.3 No recent relevant training recorded</p>	<p>1.1 Targets in the EPA Implementation Plan on track</p> <p>1.2 Provisions: 1.3, 3.1, 6.1, 6.2, 7.8, 10.4, 10.5 implemented. E.g. EPA relevant information ready to be included in Trade Portal and Single Window; advance ruling procedures formulated; trade related fees and</p>	<p>1.1 Project reports, and EPA Implementation Plan follow-up reports</p> <p>1.2 Project reports and Mozambique reports on WTO TFA Implementation</p>	<p>Government and stakeholders' commitment.</p> <p>Sufficient Human Resource capacity available at the Government institutions</p>

	<p>meetings</p> <p>4. Enhanced government knowledge on the legal and institutional framework required to apply EPA trade defence/safeguards articles</p>	<p>measures to be implemented</p> <p>2. EPA customs measures ready to be implemented</p> <p>3. # of SADC EPA meetings for which Government officials benefited from TA support to prepare relevant topics/position papers</p> <p>4. # government officials trained on the legal and institutional structure, required statistics, inventory of safeguards and existing legal framework (of which #men/women)</p> <p>Status of an Action Plan with clear vision and sequencing of activities, on how trade safeguard capacity can be developed in Mozambique</p>	<p>2. No EPA customs measures in effective application yet in Mozambique</p> <p>3. No related TA support currently provided</p> <p>4. Non-existent national structures, procedures, capacity, no Action Plan exists for developing trade safeguard capacity</p>	<p>charges reviewed are EPA consistent and ready for publication; procedures for Expedited Shipments on postal services formulated.</p> <p>1.3 TBC in project inception</p> <p>2. Targets are defined in the EPA and its Implementation Plan e.g. EPA tariff reduction schedules ready to be put in application for imports and to be published in the Single Window, use of export taxes clarified, rules of origin ready to be implemented, procedures, fees and charges clarified.</p> <p>3. TBC</p> <p>4. TA and training for government officials, recommendations on legal and institutional structure and other requirements established and</p> <p>Action Plan for developing trade</p>	<p>1.3 Project reports</p> <p>2. Project reports and EPA Implementation Plan follow-up reports</p> <p>3. Project reports</p> <p>4. Project reports</p>	
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				safeguards capacity established (identifying various needs (e.g. statistics), steps, timeframe to be provided)		
	<p><i>Component 2: Improved market-driven Quality Infrastructure and services</i></p> <p>Outputs for specific objective 2</p> <p>5. Good governance and quality infrastructure services at the institutional level (INNOQ) upgraded to ensure international recognition</p> <p>6. Increased technical competences of the conformity assessment service providers (e.g. laboratories) and ensuring international recognition</p> <p>7. Increased availability and quality of Business Development Services</p>	<p>1. # of accreditation ready certification services available</p> <p>2. # of national standards and technical regulations developed following international best practice thanks to support from this Action</p> <p>3. Status of the Quality Policy</p> <p>4. Status of the training department</p> <p>5. Status of Business Strategy and Plan and Marketing Plan</p> <p>6. # People informed by this Action about on the quality services offered for the actors of the priority value chains</p> <p>7. # of accreditation ready metrology services available to priority value chains</p> <p>8. # of accreditation ready testing and inspection services available</p> <p>9. # of SMEs benefitting from coaching and mentoring support (of which: SMEs owned by male/female entrepreneurs)</p>	<p>1. 1 (ISO 9001)</p> <p>2. tbc at the inception phase</p> <p>3. Outdated Quality Policy</p> <p>4. Training Department not active</p> <p>5. Strategy and Plans in need of updating</p> <p>6. 0</p> <p>7. 3 (tbc)</p> <p>8. Testing: tbc at the inception phase, Inspection: 0</p> <p>9. 0 with the support of this action</p> <p>10. 0 with the support of this Action</p> <p>11. and 12. tbc at the inception phase</p> <p>13. tbc at the inception phase</p>	<p>1. +2 additional scopes (tbc)</p> <p>2. +5 (tbc)</p> <p>3. New Quality Policy together with Implementation Plan developed</p> <p>4. Training department operational</p> <p>5. New strategic documents developed</p> <p>6. 2 events per year with strong private sector presence (tbc)</p> <p>7. +4 new scopes or old ones extended (tbc)</p> <p>8. Testing: +6 new scopes or old ones extended, Inspection: 1</p> <p>9. tbc at the inception phase</p> <p>10. Target: tbc at the inception phase</p>	<p>Project reports,</p> <p>Report from quality infrastructure institutions local, regional and international</p> <p>Beneficiaries Annual Reports</p>	<p>INNOQ continues to be supported by the Government.</p> <p>INNOQ is committed and demand driven.</p> <p>Sufficient Human Resource capacity available at the beneficiary institutions</p> <p>Continued private sector demand for quality infrastructure services</p> <p>Interest from producers to invest in improving the quality of their products to meet EU export market requirements</p>

		<p>10. # of business development support service providers strengthened with the support of this action (of which: # male/female participants)</p> <p>11. # of institutional trainers/coaches (of which # male/female) empowered through this action for SME upgrading support</p> <p>12. # Companies using various QI services supported by this action, of which # in priority value chains/provinces geographic distribution (# of male/female owned SMEs)</p> <p>13. # of lab testing/calibration services internationally recognised with the support of this action</p>		<p>11. Minimum of 10 institutional trainers/coaches on the ground</p> <p>12. and 13. tbc at the inception phase</p>		
	<p><i>Component 3: EPA Outreach and awareness raising to various stakeholders</i></p> <p>Outputs for specific objective 3</p> <p>8. Improved EPA awareness within private sector, NSA, trade promotion agencies</p> <p>9. Enhanced capacity of business associations to promote EPA trade and business opportunities</p> <p>10. Enhanced capacity of non-state actors for EPA monitoring and reforms advocacy in view to seizing EPA opportunities</p>	<p>1. # of persons attending dissemination events (disaggregated by # attending events in provinces, events co-organised with/for women's business associations, youth business associations or SME associations)</p> <p>2. EPA communication material developed</p> <p>3. # business associations' key staff trained (male/female) / topic (topics: trade, business environment, EPA), of which from women's associations, youth</p>	<p>1. At least 6 EPA general dissemination events were organised in 2017 targeting private sector, of which two events took place in provinces and the rest in the capital. One event was co-organised with a young entrepreneurs' organisation.</p> <p>2. One Mozambique targeted EPA information pamphlet disseminated in English and</p>	<p>Targets for indicators 1-4 TBC in project implementation</p>	<p>1. Project reports</p> <p>2. Project reports</p> <p>3. Project reports</p> <p>4. Project reports</p>	<p>Continued interest from various stakeholders regarding trade with the EU</p>

		<p>associations or SME associations</p> <p>4. # studies (/topic (topics: trade, business environment, EPA)) undertaken on EPA business opportunities and on relevant business environment issues. Of which including consideration of gender issues, youth issues and SME issues</p>	<p>Portuguese in 2017</p> <p>3 .& 4. 0 with the support of this action</p>			
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