



MAPS

Methodology for Assessing
Procurement Systems

ASSESSMENT OF MOZAMBIQUE'S PUBLIC PROCUREMENT SYSTEM

2022





MOZAMBIQUE

Assessment of the Public Procurement System Main Report Volume I

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Table of Contents

Volume I – Main Report

The Executive Summary is presented as a separate document.

Acknowledgements.....	v
Acronyms	6
Chapter 1: Introduction.....	9
Strategic Context and Rationale of the Assessment	9
Objective of the Assessment.....	9
Methodology of the Assessment	9
Chapter 2: Analysis of Country Context.....	12
Political, Economic, and Geostrategic Situation of the country	12
The Public Procurement System and Its Links with the Public Finance Management and Public Governance Systems	13
National Policy Objectives, Sustainable Development Goals, and Public Procurement	16
Public Procurement Reform Progress So Far	18
Challenges and Opportunities to Advance the Public Procurement Reform Agenda	21
Chapter 3: Assessment.....	22
Pillar I: Legal Regulatory and Policy Framework.....	22
Indicator 1: The public procurement legal framework achieves the agreed principles and complies with applicable obligations	23
Indicator 2: Implementing regulations and tools to support the legal framework.....	27
Indicator 3: The legal and policy frameworks supporting the sustainable development of the country and the implementation of international obligations.....	28
Pillar II: Institutional Framework and Management Capacity	29
Indicator 4: The public procurement system is mainstreamed and well integrated with the public financial management system.....	31
Indicator 5: The country has an institution in charge of the normative/regulatory function.....	33
Indicator 6: Procuring entities and their mandates are clearly defined.....	34
Indicator 7: Public procurement is embedded in an effective information system.....	36
Indicator 8: The public procurement system has a strong capacity to develop and improve	38
Pillar III: Public Procurement Operations and Market Practices	40
Indicator 9: Public procurement practices achieve stated objectives.....	42
Indicator 10: The public procurement market is fully functional	46
Pillar IV: Accountability, Integrity and Transparency of the Public Procurement System.....	51

Indicator 11: Transparency and civil society engagement strengthen integrity in public procurement.....	52
Indicator 12: The country has effective control and audit systems	53
Indicator 13: Procurement appeal mechanisms are effective and efficient	56
Indicator 14: The country has ethics and anti-corruption measures in place.....	57
Chapter 4: Consolidated Recommendations.....	62
Pillar I: Legal Regulatory and Policy Framework	62
Pillar II: Institutional Framework and Management Capacity	63
Pillar III: Public Procurement Operations and Market Practices	67
Pillar IV: Accountability, Integrity and Transparency of the Public Procurement System.....	69
Chapter 5: Summary Action Plan	71
Chapter 6: Information Regarding Validation Process.....	77

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Acronyms

AEMC	Association of Mozambican Consultancy Companies/ <i>Associação de Empresas Moçambicanas de Consultoria</i>
AfDB	African Development Bank/ <i>Banco Africano de Desenvolvimento</i>
APME	Association of Small and Medium Enterprises/ <i>Associação de Pequenas e Médias Empresas</i>
APPROCUR	Association of Procurement Specialists/ <i>Associação de Profissionais de Procurement</i>
AR	Parliament/ <i>Assembleia da República</i>
ASCIS	Association for the Commerce Industry and Services/ <i>Associação para a Indústria e Serviços Comerciais</i>
CCEP	Central Public Ethics Commission/ <i>Comissão Central de Ética Pública</i>
CEDSIF	Center for Development of Finance Information Systems/ <i>Centro de Desenvolvimento de Sistemas de Informação de Finanças</i>
CBS	Catalogue of Goods and Services/ <i>Catálogo de Bens e Serviços</i>
CIP	Center for Public Integrity/ <i>Centro de Integridade Pública</i>
CSO	Civil Society Organization/ <i>Organização da Sociedade Civil</i>
CTA	Confederation of Business Association/ <i>Confederação das Associações Económicas de Moçambique</i>
CUT	Single Treasury Account/ <i>Conta Única do Tesouro</i>
DAF	Department for Financial Administration/ <i>Departamento da Administração e Finanças</i>
DFID	Department for International Development/ <i>Departamento para o Desenvolvimento Internacional</i>
DGCS	General Directorate for Cooperation and Development/ <i>Direzione Generale per la Cooperazione allo Sviluppo/Direcção Geral para o Desenvolvimento e Cooperação</i>
DP	Development Partner/ <i>Parceiro do Desenvolvimento</i>
EGFAE	General Statute of Civil Servants and State Agents/ <i>Estatuto Geral dos Funcionários e Agentes do Estado</i>
ENABEL	Belgian Development Agency/ <i>Agência Belga de Desenvolvimento</i>
EU	European Union/ <i>União Europeia</i>
FAQ	Frequently Asked Question/ <i>Pergunta Mais Frequente</i>
FME	Federation of Contractors/ <i>Federação Moçambicana de Empreiteiros</i>
GAC	Global Affairs Canada/ <i>Assuntos Globais Canada</i>
GCCC	The Central Anti-Corruption Agency/ <i>Gabinete Central do Combate à Corrupção</i>
GDP	Gross Domestic Product/ <i>Produto Interno Bruto</i>
GIZ	German Agency for International Cooperation / <i>Deutsche Gesellschaft für Internationale Zusammenarbeit/ Corporação Alemã para a Cooperação Internacional</i>

IFAPA	Training Institute for Public Administration/ <i>Insituto de Formação e Administração Pública</i>
IGAE	General Inspectorate for State Administration/ <i>Inspecção Geral da Administração Pública</i>
IGEPE	State-owned Equity Holding Management Institute/ <i>Instituto de Gestão das Participações do Estado</i>
IGF	General Inspectorate of Finance/ <i>Inspecção Geral de Finanças</i>
IMF	International Monetary Fund/ <i>Fundo Monetário Internacional</i>
INE	National Institute of Statistics/ <i>Instituto Nacional de Estatística</i>
IPEME	Institute for the Promotion of Small and Medium Enterprises/ <i>Instituto para Promoção de Pequenas e Medias Empresas</i>
LM	Long Term/ <i>Longo prazo</i>
MAEFP	Ministry of State Administration and Public Function/ <i>Ministerio da Administração Estatal e Função Publica</i>
MAPS	Methodology for Assessing Procurement System/ <i>Metodologia para Avaliação do Sistema de Aquisições</i>
MDM	Mozambique Democratic Movement/ <i>Movimento Democrático de Moçambique</i>
MEF	Ministry of Economy and Finance/ <i>Ministério da Economia e Finanças</i>
MEX	Budget Execution Module of SISTAFE/ <i>Módulo de Execução Orçamental (MEX) do SISTAFE.</i>
MOPHRH	Ministry of Public Works, Housing and Water Resources/ <i>Ministério das Obras Públicas, Habitação e Recursos Hídricos</i>
MPE	State Asset Module/ <i>Módulo de Património do Estado</i>
MSMEs	Micro, Small and Medium Enterprises/ <i>Micro, Pequenas e Médias Empresas</i>
MT	Medium Term/ <i>Medio prazo</i>
MZN	Mozambican Metical (currency)
PDEF	Provincial Department for Economy and Finance/ <i>Direcção Provincial de Economia e Finanças</i>
PEFA	Public Expenditure and Financial Accountability/ <i>Despesas Públicas e Responsabilidade Financeira - 2015</i>
PEFP	Public Finance Strategic Plan/ <i>Plano Estratégico de Finanças Públicas</i>
PFM	Public Finance Management/ <i>Gestão de Finanças Públicas</i>
PGR	Attorney General Office/ <i>Procuradoria Geral da República</i>
PPP	Public-Private Partnership/ <i>Parceria Pública Privada</i>
PQG	Government Five-Year Plan/ <i>Plano Quinquenal do Governo</i>
QBS	Quality-Based Selection/ <i>Seleção Baseada na Qualidade</i>
Regulamento	Procurement Regulation/Decree nº 5/2016, dated March 8/ <i>Regulamento/Decreto Nº 5/2016, de 08 de Março</i>

SADC	Southern Africa Development Community/ <i>Comunidade para o Desenvolvimento da África Austral</i>
SBD	Standard Bidding Documents/ <i>Modelos de Documentos de Concurso</i>
SDG	Sustainable Development Goal/ <i>Objectivo de Desenvolvimento Sustentável</i>
SEE	State Enterprise Sector/ <i>Sector Empresarial do Estado</i>
SISTAFE	Public Sector Financial Management System/ <i>Sistema de Administração Financeira do Estado</i>
SOE	State-owned Enterprise/ <i>Empresas Estatais</i>
SPP	Sustainable Public Procurement/ <i>Aquisições Públicas Sustentáveis</i>
SI	Sub-indicator/ <i>Subindicador</i>
ST	Short Term/ <i>Curto prazo</i>
TA	Administrative Tribunal/ <i>Tribunal Administrativo</i>
TAG	Technical Advisory Group/ <i>Grupo Técnico Consultivo</i>
TI	Transparency International/ <i>Transparência Internacional (TI)</i>
UFSA	Functional Unit for Procurement Supervision/ <i>Unidade Funcional de Supervisão das Aquisições</i>
UGB	Beneficiary Management Unit (of budget)/ <i>Unidade Gestora Beneficiária (do Orçamento)</i>
UGEA	Procurement Implementing Unit/ <i>Unidade Gestora Executora das Aquisições</i>
UN	United Nations/ <i>Nações Unidas</i>
UNCITRAL	United Nations Commission on International Trade Law/ <i>Comissão das Nações Unidas sobre Direito do Comércio Internacional</i>
UNICEF	United Nations Children Fund/ <i>Fundo das Nações Unidas para a Infância</i>
USAID	United States Agency for International Development/ <i>Agência dos Estados Unidos para o Desenvolvimento Internacional</i>

Chapter 1: Introduction

Strategic Context and Rationale of the Assessment

1. **The Mozambique Government**, through its procurement regulatory body, the Functional Unit for Procurement Supervision (*Unidade Funcional de Supervisão das Aquisições* - UFSA), launched in September 2018—with the support of the World Bank, Department for International Development, DFID), German Agency for International Cooperation (*Deutsche Gesellschaft für Internationale Zusammenarbeit*, GIZ), and other Development Partners (*Parceiros do Desenvolvimento*, DPs)—the Country Procurement Assessment of Mozambique using the latest Methodology for Assessing Procurement Systems 2018 (*Metodologia para Avaliação do Sistema de Aquisições*), further called MAPS II or MAPS.
2. **The MAPS II analytic framework** is a universal tool based on a set of quantitative and qualitative indicators reflective of leading international procurement practice that serves as a guide toward sustainable and inclusive public procurement reform. While the previous MAPS I methodology was effective in establishing legal and regulatory frameworks, institutions, and training programs (that is, first-generation reforms), MAPS II is mainly geared toward implementing the reform agenda by building institutional capacity, professional procurement cadre, efficient procurement practices supported by information technology, and effective control/audit and performance monitoring systems (that is, second-generation reforms).
3. **Given the importance of public procurement** in the efficient use of Mozambique public expenditures (public procurement over the last 5 years accounted between 54 and 33 percent of the public sector expenditures), the government wanted to benefit from the upgraded MAPS II analytic framework to get more insights on the existing challenges and also on the opportunities that lie ahead and, as a result, formulate a comprehensive and inclusive strategic plan to guide the way forward.

Objective of the Assessment

4. **The broad Development Objective of this MAPS II** assessment, as defined in the Project Concept Document, is to support the Government of Mozambique to further improve the performance of the country's public procurement system. The assessment will support the above objective through (a) identifying bottlenecks that negatively affect the quality and performance of the country's public procurement system; (b) making recommendations to enhance the public procurement system and develop an action plan to support this agenda; and (c) helping steer donors' investment decisions in supporting the improvement of the Mozambican procurement systems.

Methodology of the Assessment

5. **The methodology followed the MAPS guidance** including applying the MAPS II analytic framework, establishing a Steering Committee, setting in place a joint government/World Bank/DP team, conducting extensive stakeholders' consultation, and collecting qualitative and quantitative information through surveys of the government's procurement implementing units (*Unidade Gestora e Executora das Aquisições*, UGEAs) and private sector companies.
6. **The MAPS II analytic framework** rests on four pillars: (a) Pillar I: Legal, Regulatory and Policy Framework; (b) Pillar II: Institutional Framework and Management Capacity; (c) Pillar III: Procurement Operations and Market Practices; and (d) Pillar IV: Accountability, Integrity and Transparency of the Public Procurement System. Within the four pillars, the analysis is further divided into 14 indicators,

55 sub-indicators, and 210 criteria and follows the three-step approach of review: (a) review of the system, applying assessment criteria expressed in qualitative terms; (b) review of the system, applying a defined set of quantitative indicators; and (c) identification of substantial or material gaps (gap analysis).

7. **The Assessment Team consisted of a joint evaluation team led by the government and included representatives of the government/World Bank/DFID/GIZ.** The evaluation team comprised a team leader, representing the World Bank who was supported by a World Bank legal expert and international and local consultants. Valuable technical input was provided by the Mozambique World Bank Country Team representing the areas of governance, public finance management, private sector, economic sustainable development, and e-government.

8. **The establishment of a Steering Committee** was important to this MAPS assessment as it provided guidance and contributed to the validation of its results through a ‘reality check’. Established under the UFSA leadership, the Steering Committee comprised key stakeholders representing the procurement agencies, oversight agencies, and private sector.

9. **DPs represented in Mozambique** (European Union, EU; Department for International Development, DFID; GIZ; African Development Bank, AfDB; International Monetary Fund, IMF; Global Affairs Canada, GAC; United States Agency for International Development, USAID; Swiss Embassy; Belgian Development Agency, ENABEL; General Directorate for Cooperation and Development, DGCS) provided useful feedback. Thus, donors’ group meetings were organized during preparation to discuss findings and obtain valuable insights. These meetings with the DPs were also an opportunity to identify synergies between the assessment and the donors’ work programs in the area of procurement or with impact on the area of procurement, for instance, DFID’s support to education and water sectors; USAID’s to the health sector; and GIZ’s to the external audit and infrastructure.

10. **Engaging stakeholders was central to the development of this assessment** to ensure that it incorporates the experience and views of the key actors involved in public procurement. Hence, at an early stage in the planning process the team conducted the stakeholders mapping of all actors that are directly or indirectly linked to the procurement agenda in Mozambique. The stakeholders identified include the following:

(a) the UFSA, the lead procurement unit.

(b) the Ministry of Economy and Finance (*Ministério da Economia e Finanças*, MEF) that houses UFSA and formulates and oversees the PFM agenda.

(c) government purchasers (at the national and subnational level) whose operations have a significant impact on how public expenditures are spent.

(d) private firms active in the public procurement market, consultants, and contractors’ associations.

(e) the regulatory body of the civil service: Ministry of State Administration and Public Service (*Ministério da Administração Estatal e Função Pública*, MAEFP).

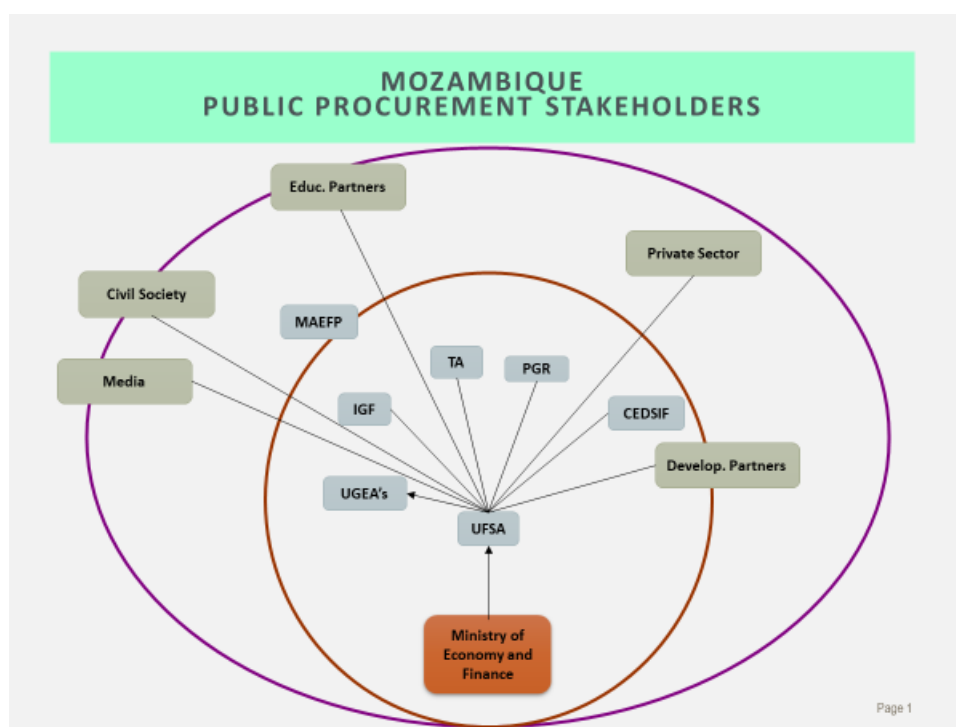
(f) the PFM e-government Agency: Center for Development of Finance Information Systems (*Centro de Desenvolvimento de Sistemas de Informação de Finanças*, CEDSIF).

(g) the oversight bodies for public procurement for both internal and external controls and audit General Inspectorate of Finance (*Inspecção Geral de Finanças*, IGF); and the Administrative Tribunal, (*Tribunal Administrativo*, TA).

- (h) civil society organizations (*Organizações da Sociedade Civil*, CSOs) that are active in PFM.
- (i) institute involved in the capacity building of the civil servants: Training Institute for Public Administration, (*Instituto de Formação e Administração Pública*, IFAPA).
- (j) Association of Procurement Specialists (*Associação de Profissionais de Procurement*, APPROCUR).
- (k) government institutions in charge of the integrity and anti-corruption agenda: Attorney General Office (*Procuradoria Geral da República*, PGR) and the Central Anti-Corruption Agency (*Gabinete Central do Combate à Corrupção*, GCCC).

11. Besides individual meetings with stakeholders, a validation stakeholders' workshop was organized in June 2019. Subsequent to the comments by the MAPS Technical Advisory Group (TAG – namely Global Affairs Canada and African Development Bank) in August 2019, final comments were received from the government in March 2020. The validation steps are presented in Chapter 6 and the topics discussed throughout the validation process are summarized in Volume III, Annex 4.

Figure 1: Stakeholders' mapping



12. To capture how the 'law in the books' is actually implemented in practice, the evaluation team designed and conducted a **Survey of Procurement Implementation Units (further called UGEA Survey)** to collect empirical evidence and substantiate the conclusions and recommendations of this assessment. The sampling was done to include a significant share of Mozambique Public Procurement, including 4 provinces: one in the north (Nampula), one in the center (Sofala) and two in the southern part of the country (Maputo Province and Maputo city Province). The quantitative survey includes 12 UGEAs from the capital (50 percent of total number) – as a significant part of procurement is handled centrally and 12 from province cities, rural districts, and small municipalities to capture the practice at the sub-national level. The survey consisted in the review of 110 contracts (58 in

Maputo city and 52 in provinces, that is: 18 in Sofala, 24 Nampula, 10 Maputo Province). Overall, the Assessment Team interviewed 29 UGEAs (6 in Nampula, 6 in Sofala, 4 in Maputo Province, 13 in Maputo City) to gather qualitative information on how public procurement is implemented in practice.

13. To capture the private sector perspective as key participants to the public procurement market and its views on the way forward, the evaluation team made use of three sources of information: (a) the 2018 Enterprise Sector Survey (further called 2018 ES Survey) that was prepared by the Bank (b) the 2019 Private Sector Focus Group Survey (further called Private Sector Survey FG) that consisted in creating a focus group of 11 private sector representatives to collect insights about their participation in the public procurement market including through the MAPS private sector survey questionnaire; and (c) meetings with the private sector associations' representatives (i.e. Association of Mozambican Consultancy Companies/*Associação de Empresas Moçambicanas de Consultoria*, Association of Small and Medium Enterprises/*Associação de Pequenas e Médias Empresas*, Federation of Contractors/*Federação Moçambicana Empreiteiros*, Confederation of Economic Associations of Mozambique/*Confederação das Associações Económicas De Moçambique*).

Chapter 2: Analysis of Country Context

Political, Economic, and Geostategic Situation of the country¹

14. **Country overview.** Mozambique borders Tanzania, Malawi, Zambia, Zimbabwe, South Africa, and Eswatini. Its long Indian Ocean coastline (of 2,700 km) faces east to Madagascar. About 70 percent of its population of 29.7 million (2017) live and work in rural areas. It is endowed with ample arable land, water, energy, as well as mineral resources and newly discovered natural gas offshore, three deep seaports, and a relatively large potential pool of labor. It is also strategically located with four of the six countries it borders landlocked and hence dependent on it as a conduit to global markets. Mozambique's strategic location, its efforts toward regional integration as Southern Africa Development Community (*Comunidade para o Desenvolvimento da África Austral*, SADC) member, and strong ties with the region's economic engine, South Africa, underscore the importance of its economic, political, and social development to the stability and growth of Southern Africa as a whole.

15. **Political context.** The Front for the Liberation of Mozambique (Frelimo) and the Mozambican National Resistance (Renamo) remain the country's main political forces, followed by the Mozambique Democratic Movement (MDM). While Frelimo won the most recent presidential elections in 2014 and 2019, and retains a comfortable majority in Parliament, the two main opposition parties have both gained ground. For the first time in 2019, provincial governors emerged from provincial elections, this being a radical departure from the past situation where provincial governors were appointed at the central level as members of the executive branch.

16. **Economic outlook.** Mozambique continues a slow growth trajectory that followed the 2016 hidden debt crisis. Real gross domestic product (*Produto Interno Bruto*, GDP) fell below the 7 percent GDP growth achieved on average between 2011 and 2015. The devastating impact of 2019 tropical cyclones Idai and Kenneth on agricultural production and falling commodity prices muted growth prospects for 2019. Real GDP growth is estimated to reach 2 percent, below the average of 3.7 percent experienced between 2016 and 2018, and is the lowest growth recorded since 2000. Growth prospects are further affected by the COVID-19 pandemic. In this context, small and medium

¹ Source: World Bank Country Office Country Overview, 2019. <http://www.worldbank.org/en/country/mozambique>

enterprises have fallen back and their capacity to generate jobs has been restricted even further as credit supply and demand for goods and services remain constrained.

17. **Development challenges.** The main challenges include maintaining the macroeconomic stability considering exposure to commodity price fluctuations, reestablishing confidence through improved economic governance and increased transparency, and promoting the transparent handling of the hidden debt investigation. Moreover, structural reforms are needed in support of the currently struggling private sector. Another major challenge for the economy is to diversify away from the current focus on capital-intensive projects and low-productivity subsistence agriculture toward a more diverse and competitive economy, while strengthening the key drivers of inclusion, such as improved quality education and health service delivery, which could in turn improve social indicators.

18. **Vulnerability to natural disasters.** Mozambique is one of the most vulnerable countries to natural disasters and climate risk given its geographic location and topography. The 2018 IMF Article IV consultation report identifies economic and social factors that magnify the geographic risk: weak socioeconomic infrastructure, high poverty, heavy dependence on rain-fed agriculture, and limited access to insurance. It is further noted that limited preparedness and lack of adequate resources further inhibit the country's crisis adaptation and response capacity. The 2019 cyclones Idai and Kenneth are a case in point.

Table 1: Country key statistics

Country profile	2000	2010	2016	2017	2018
World view					
Population, total (millions)	17.7	23.5	27.8	28.6	29.4
Surface area (sq. km) (thousands)	799.4	799.4	799.4	786.4	786.4
Economy					
GDP (current US\$) (billions)	5.5	11.0	11.9	13.2	14.7
GDP growth (annual %)	1.2	6.5	3.8	3.7	3.4
Inflation, GDP deflator (annual %)	11.1	8.0	13.7	7.6	2.1
States and markets					
Time required to start a business (days)	168	21	21	17	17
Domestic credit to the private sector by banks (% of GDP)	13.0	22.1	31.3	24.3	22.3
Mobile cellular subscriptions (per 100 people)	0.3	30.7	54	41.5	47.7
Foreign direct investment, net inflows (Balance of Payment, current US\$) (millions)		1,020.6	3093.4	2293.1	2692.4
Net official development assistance received (current US\$) (millions)	907.4	1,943.10	1533.8	1806.1	1819.8

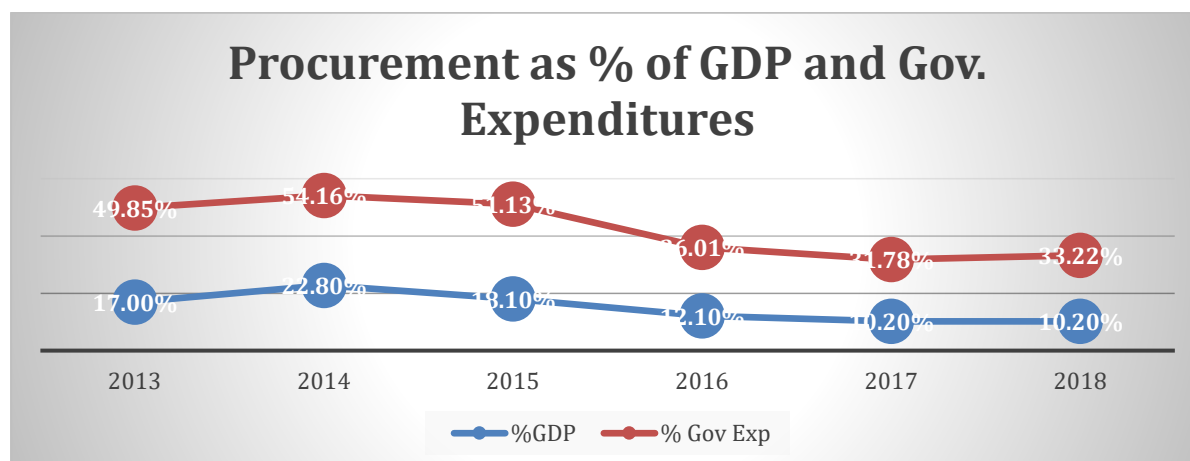
Source: World Development Indicators, May 28, 2020.

The Public Procurement System and Its Links with the Public Finance Management and Public Governance Systems

19. **Scope of public procurement.** Public procurement covers procurement of goods, works, and services, including consulting service, financed from government funds. It is governed by the Procurement Regulation/*Regulamento*, the Decree nº 5/2016, dated March 8 (*Regulamento de Aquisições, Decreto Nº 5/2016, de 08 de Março*) and by specialized laws for public-private partnership (*Parceria Pública Privada*, PPP) and state-owned enterprises (*Empresas Estatais*, SOE) sector. While

on a downward trend because of the crisis, public procurement still accounts for a significant share of the economy: 33 percent of public expenditures and about 10 percent of the GDP in 2018 (versus 54 percent and 22 percent, respectively, in 2014). Even a relatively small increase in efficiency can easily translate into timely, higher quality, and more public services to the citizens. In addition, public procurement is an important source of revenue for the local private sector, in particular at a time when job creation has become a more pressing objective.

Figure 2: Public procurement weight in GDP and government public expenditures²

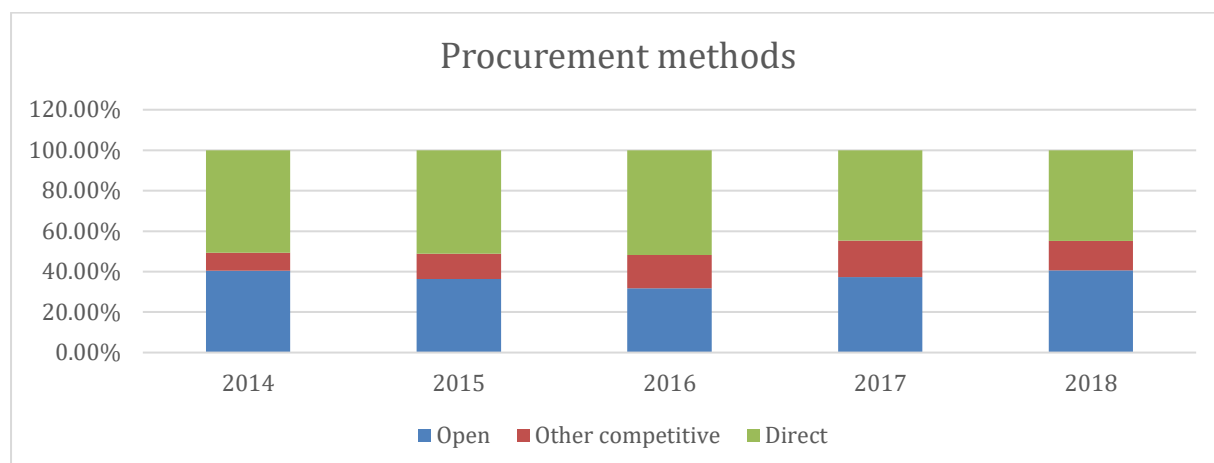


Source: Republic of Mozambique, Ministry of Economy and Finance, State's General Account - various years; República de Moçambique, Ministério da Economia e Finanças, Conta Geral do Estado - vários anos.

20. While there is a slight improvement, the procurement pattern (see Figure 3) continues to show a large share of direct contracting/*Ajuste Directo* despite the removal, in the 2016 Procurement Regulation/*Regulamento*, of a maximum threshold for the exclusive use of direct contracting. This is, to a great extent, the result of the high fragmentation in procurement in particular for recurrent goods and services which limits the opportunities for open competitive procedures. This may be also impacted by the fact that there is no prohibition of fractioning contracts under the Procurement Regulation/*Regulamento* and unsuccessful bidding can automatically fall back on direct contracting or request for quotations/*Concurso por Cotações*. The procurement patterns illustrated in Figure 3 are partly impacted by the donors' procurement procedures since part of their project funds pass through the Single Treasury Account (*Conta Única do Tesouro*, CUT).

² In the absence of national statistics, public procurement is estimated based on the weight of the capital expenditures and recurrent expenditures for goods and services in GDP according to the State General Account.

Figure 3: Public procurement breakdown by procurement methods



Source: UFGA/Public Sector Financial Management System (*Sistema de Administração Financeira do Estado*, SISTAFE) - by value

21. **The largest spending sectors** are education, infrastructure, and health and this aspect has informed the survey and data collection for this assessment.

Table 2: Sectors with largest share in the government public expenditures (%)

Sector	2016	2017	2018
Education	21.7	23.0	22.7
Infrastructure	17.1	17.1	17.6
Health	11.7	10.1	11.5

Source: Government Annual Budget Laws (2016, 2017, 2018)/*Lei Geral do Orçamento* 2016, 2017, 2018.

22. **Public procurement is integrated in the PFM/SISTAFE by design.** Mozambique Financial Management System Law issued in 2002 has placed public procurement in the PFM architecture under the state assets subsystem (State Asset Module, *Módulo de Património do Estado*, MPE), supported by an IT system known as e-SISTAFE. In practice, public procurement is still to be fully integrated in e-SISTAFE. To this end, the piloting of the MPE is under way and constitutes a step ahead toward full integration of procurement as it brings into the PFM systems critical information on the precontractual procurement processes (including the procurement plan) and will secure additional systems' controls for contractual/financial commitments. Not all donors' funds (including for procurement) are channeled through CUT and e-SISTAFE,³ which further contributes to the de facto fragmentation of the PFM system. At the same time, this points to the need for strengthening the PFM system to motivate donors to channel more funds through CUT.

23. **Procurement, consistent with the PFM systems design, should support the budget planning/execution/treasury processes; however, the linkage is still weak.** As identified by 2015 Public Expenditure and Financial Accountability (*Despesas Públicas e Responsabilidade Financeira*, PEFA) and further confirmed through this assessment, there are high variances between the budget and outturns, in particular at the institutional (Beneficiary Management Unit, *Unidade Gestora Beneficiária*, UGB) level. As a result, there are chronic delays in payments to the private sector. This points to the fact that assessment of commitments through, among others, rigorous procurement

³ PEFA 2015: Approximately 70 percent of the externally financed projects reflected in the budget documentation are financed off-CUT (outside of the Single Treasury Account).

planning and contract implementation monitoring is not entirely effective, and this is compounded by weaknesses in the area of cash management and oversight.

24. **Procurement internal controls and internal and external audits are also part of an overall PFM oversight system.** While UFSA is charged with procurement supervision, there are other oversight agencies at the central/provincial and local level that include procurement in their control/audit agenda (TA, IGF, provincial and sectoral inspectorates). Given the large number of agencies (more than 90), coordination among these agencies through information exchange and mutual reliance is a high priority to maximize impact and optimize the cost of oversight.

25. **Governance/integrity agenda.** Mozambique is a signatory of the United Nations (UN) Agreement on anti-corruption and has a comprehensive governance legal framework. However, more needs to be done to ensure its effective implementation. While there are multiple agencies in charge, sometimes there is no clarity as to their role to avoid overlap, help the citizens navigate the system and ensure effective oversight. Compliance with laws is not always enforced, and the perception of corruption is quite high (70 percent⁴ of those interviewed in the private sector consider corruption a barrier to doing business). It is further noted that Mozambique has been on a sliding trend in global governance indicators, for instance, Transparency International (TI) Corruption Perception Index for Mozambique fell from 31 in 2015 to 23 in 2018. Therefore, there is an urgent need for credible outcomes that could shift the downward trend and bring back international and national confidence in the workings of the governance systems in Mozambique. One of the key steps in this respect is the recent assessment conducted by the government with the support of the IMF that resulted in the Report on Transparency, Governance and Corruption of July 2019 (see Pillar IV).

26. **Given the vulnerability of public procurement to corruption, public procurement/UFSA plays a key role in strengthening the anti-corruption agenda** and contributes to a climate of integrity and transparency in PFM. The updated Procurement Regulation/*Regulamento*/Standard Bidding Documents (*Modelos de Documentos de Concurso*, SBDs)/Procurement Manual contain strengthened provisions regarding procurement related to fraud and corruption and conflict of interest. UFSA developed an Ethical Code for Civil Servants working in procurement which provides civil servants guidance on how to address integrity issues in public procurement. Going forward, the implementation of end-to-end e-procurement could enhance accountability and efficiency, and boost transparency making more information available to UFSA and non-state actors for procurement supervision and monitoring. In this context, this assessment identifies actions that can improve further the access to public procurement information, foster due process, build private sector trust in the public procurement systems, (including the challenge/appeal and debarment mechanisms) and strengthen the oversight, including by non-state actors.

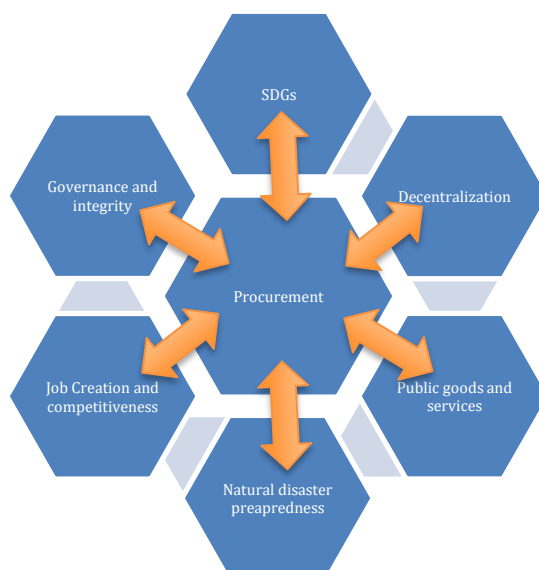
National Policy Objectives, Sustainable Development Goals, and Public Procurement

27. **The government program and medium-term strategy** is articulated in the five-year development plan (*Plano Quinquenal do Governo*, PQG) which was approved by the Parliament in April 2015. The PQG's overarching theme is to achieve more inclusive growth through promoting employment and improving productivity and competitiveness. It has three supporting pillars: (a) consolidate the democratic rule of law, good governance, and decentralization; (b) promote a balanced and sustainable macroeconomic environment; and (c) reinforce international cooperation. The country economic strategy as well as the sectoral strategies incorporate the UN Sustainable

⁴ Enterprise Survey 2018/2018 ES Survey.

Development Goals (*Objetivos de Desenvolvimento Sustentável*, SDGs) as Mozambique is a signatory of the 2015 UN Resolution that approved the 2030 Agenda for Sustainable Development.

Figure 4: Procurement linkage with broader government goals



28. The linkage between public procurement and higher-level government objectives is illustrated in Table 3.

Table 3: Linkage between macro development objectives and public procurement

Macro development objectives	Public procurement
Advance decentralization agenda	Public procurement supports and informs the decentralization process: improved procurement capacity, adequate checks and balances, and decentralization of procurement services by UFSA to the provinces are essential to the delivery of public goods and services at the subnational level.
Improve competitiveness and employment	The Public Procurement Regulation (<i>Regulamento</i>) promotes competition in the national marketplace and supports social objectives by offering preferences for national companies. Furthermore, there are dedicated procurement methods (<i>Concurso de Pequena Dimensão and Concurso Limitado</i>) for micro, small and medium enterprises (<i>micro, pequenas e médias empresas, MSMEs</i>) - thus promoting job creation. Monitoring the impact of these policies is essential to ascertain if their objective is met or if any fine-tuning is needed.
Strengthen governance/integrity	Procurement vulnerability to corruption makes it a focal point in the fight against corrupt, fraudulent, and unethical behavior contributing to the strength of the integrity climate in the country. Significant improvements can be further achieved through public procurement by promoting transparency, controlling discretion, making information available to public, and creating challenge/appeal and debarment mechanisms that ensure 'due process'.
Deliver timely and qualitative public goods and services to the citizens.	Public procurement's overall objective is to deliver timely and qualitative public goods and services to

Macro development objectives	Public procurement
	citizens. Strengthening procurement and contracts' performance monitoring could provide the means to further improve timely and qualitative delivery of public services.
Pursue a sustainable development agenda	By promoting sustainable standards for government procurement, public procurement can be a trendsetter and help shape the national market to support the adoption of sustainable practices in the local industry. This assessment makes recommendations to support the sustainability goals through a more effective application of green procurement, life cycle cost criteria, and national preferences in public procurement.
Ensure natural disaster preparedness and response	Public procurement is a key element in an effective emergency response strategy. Recommendations made under this assessment (for example, adopting framework contracts) could assist in both natural disaster preparedness and response.

29. **PFM strategy and public procurement.** Public Finance Strategic Plan (*Plano Estratégico de Finanças Públicas*, PEFPP) that covers the 2016–2019 period identifies key objectives that are directly or indirectly related to public procurement such as (a) judicious allocation of public resources, (b) robust investment projects' assessment and implementation, (c) implementation by the end of 2019 of the State Asset Module (MPE) of e-SISTAFE leading to the automation of all related processes from procurement, contract implementation, to actual payment; (d) improvement of internal controls and oversight; and (e) making of more public finance data available to citizens including on procurement and contract management.

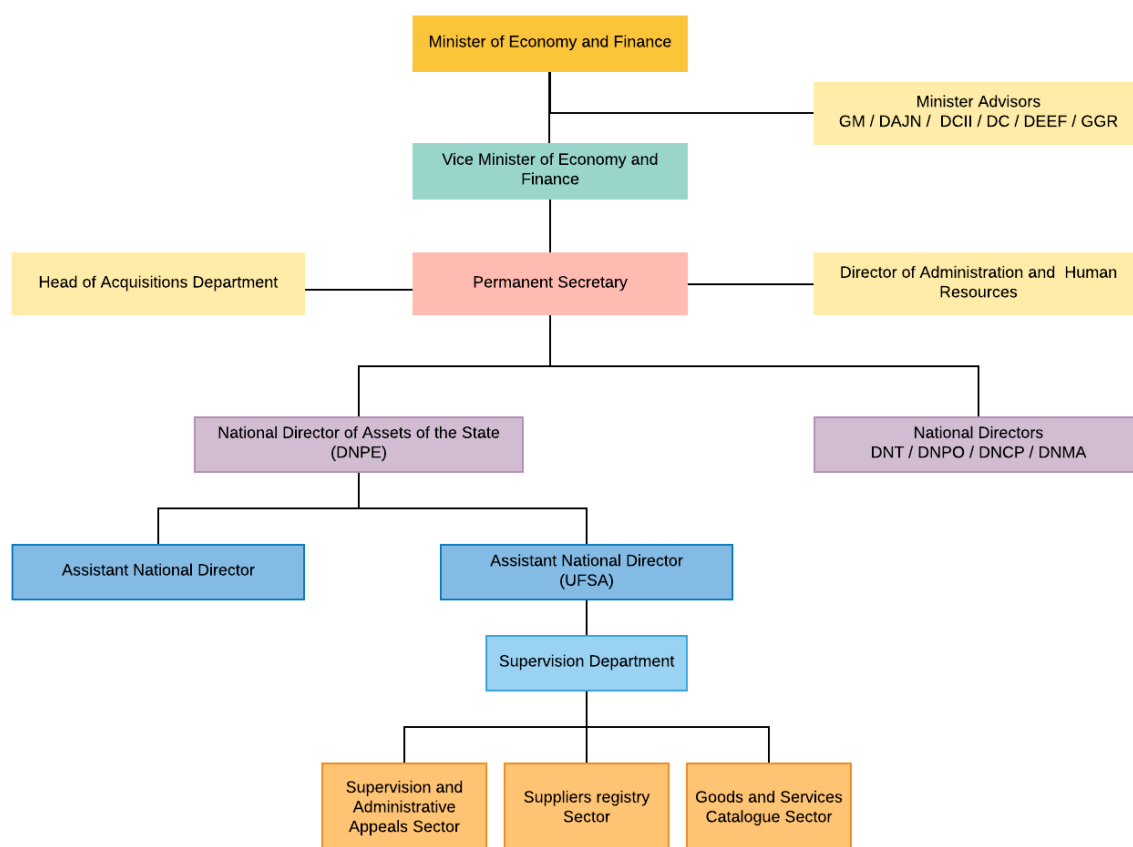
Public Procurement Reform Progress So Far

30. **The foundation of the current modern public procurement system was laid out with the promulgation of Decree 54/2005 that was tailored after the UNCITRAL (United Nations Commission on International Trade Law, *Comissão das Nações Unidas sobre Direito do Comércio Internacional*) public procurement model law.** The Public Procurement Regulation/*Regulamento* of 2005, further updated in 2010 and 2016, introduced principles of economy, efficiency, competition, and transparency supported by requirements for (a) publicizing bidding opportunities; (b) mandating SBDs that contain defined procurement processes, evaluation and award criteria, and standard conditions of contract; (c) promoting bidders' equal access through rules of participation; and (d) giving participants the right to appeal award decisions. Key changes in the 2016 *Regulamento* are introducing sustainable features in procurement to support social and environmental objectives, reducing the opportunities for direct contracting, increasing the transparency of the lower value methods, introducing an additional competitive method (*Concurso por Cotação*), including a robust chapter on civil works, and introducing penalties for late payments.

31. **A lead administrative unit for public procurement was established within the MEF in 2006, UFSA,** under the National Director of Assets of the State/DNPE (see Figure 5). Over the last 14 years or so since its creation, UFSA has made significant efforts to assert itself as the central public procurement authority and has been the driving force behind the operationalization of the first modern Public Procurement Regulation of 2005 (*Regulamento*). The 2002 Country Procurement Assessment Reviews (CPARs) updated in 2008 provided useful guidance in the advancement of Public Procurement reforms. Some significant achievements since then are (a) promoting transparency in procurement by establishing a central portal to disseminate useful information on public procurement

and collecting and publicizing national statistics; (b) preparing tools for practitioners shortly after its creation such as SBDs; the Procurement Manual; Catalogue with technical specifications for goods, services, prices; and a Contractors' Registry (*Cadastro*); (c) launching a training and supervision program for procurement agencies; (d) stepping up the integrity agenda and adopting an Ethical Code for Civil Servants in the area of procurement; and (e) starting to promote coordination and consultation with other agencies involved in the public procurement implementation and oversight including the private sector.

Figure 5: UFSA position in the MEF



32. While UFSA played a central and transformational role in establishing the public procurement system, as described earlier, now when emphasis is shifting toward implementation and performance, professionalization, and improving procurement outcomes, it finds itself in a weak position (hierarchically) and under-resourced (financially) to effectively play its role in this new environment characterized by a growing public procurement network, new supervision and performance monitoring demands, the emergence of technology-driven public procurement, the professionalization and integrity agendas, and the increasing demand to engage with a multiplicity of state and non-state actors in its authorizing environment.

33. Finally, within this public procurement architecture, implementation units (UGEAs) have been established throughout the country. The geographic extensiveness of Mozambique (11 provinces, 128 districts, and 33 urban municipalities) poses a real challenge to UFSA's effective supervision and capacity building of planning and implementation. Currently, there are about 1,600 UGEAs in the country. There is no clear inventory of these units (that is, how many are there, staffing, scope of work, and whether formalized under procuring agencies' organic structure). It is also essential to conduct a rationalization of these units (an initiative the government has already launched) to

ensure that the volume of work justifies the establishment of a procurement unit. In this context, UFSA intends to conduct a mapping of UGEAs to have a grasp on the total population to be able to effectively promote strategic planning, conduct supervision, and improve the overall public procurement systems' efficiency.

34. **While SOE and PPP sectors are not at the core of this assessment** as they are subject to specialized laws, a review of the legal framework was conducted to respond to the MAPS question of whether they follow the public procurement principles. As a result, a succinct summary of the findings and recommendations for the SOE in the area of public procurement is captured in Box 1. Given the significant public resources spent on procurement in the areas of SOEs and increasingly in PPP projects, and the new SOE procurement legal framework, it is recommended that follow-up procurement assessments focus on SOE and PPP sectors possibly using MAPS sector and PPP supplementary modules.

Box 1: Public procurement and the SOE sector

The SOE⁵ sector is governed by specialized legislation, that is, Law no. 3/2018 of June 19 (SOE Law) that rightly follows the key principles for public procurement.⁶ Furthermore, Decree no. 10/2019 of February 26 (SOE Regulation) identifies open bidding as the preferred procurement method and requires that each SOE adopts its own procurement regulations.

SOEs are in the process of adopting specific procurement regulations under the new specialized legislation. Since the adoption of the SOE Regulation is quite recent (February 2019), none or very few of the SOEs have at this point such specific procurement regulations. The absence of such specific regulations as well as clear responsibilities at the government level for monitoring the procurement activity in SOEs is a risk to the effective use of public resources. While this is a short-term objective, in the medium term it is recommended to develop unified SOE procurement regulations.

It is further noted that the SOE sector is deemed to be an area of high risk and receives special attention from the government and DPs. There are concerns about the role of SOEs (other than natural monopolies) in implementing projects without selecting them competitively and the existence of blurred lines in the transfer of funds and responsibilities between the ministries and these companies.

In terms of government financial exposure, the net lending from the government to these entities accounts for 1.4 percent of the GDP in 2018 (3.1 percent in 2017) but they can also benefit from government guarantees for their direct borrowing which may increase government exposure. SOEs are not captured in SISTAFE and they may contract their own independent external audit.

The absence of a consolidated data repository on SOE capital expenditures means that an accurate assessment of the amounts spent on procurement is not possible. However, it is a reasonable assumption given the nature of some of these SOEs (utilities and infrastructure) that procurement accounts for a significant share of their business.

Finally, another area to be addressed to ensure an equal playing competitive field in the public procurement market is the SOEs' participation in bidding for public contracts. The Procurement Regulation/*Regulamento* needs to ensure that participating SOEs are not those that benefit from government support (such as subsidies) that can give SOEs an unfair advantage when competing with the private sector for public sector contracts.

⁵ Currently, there are 12 public enterprises/*Empresas Públicas* and 18 shareholding companies/*Empresas Participadas* with the state as the sole or the majority shareholder (Source: State-owned Equity Holding Management Institute, *Instituto de Gestão das Participações do Estado*, IGEPE).

⁶ See Indicator Matrix, Pillar I.

Challenges and Opportunities to Advance the Public Procurement Reform Agenda

35. The Assessment Team identified a few challenges that may impede the progress of the public procurement agenda and need to be appropriately managed and also key opportunities to be harnessed to drive the agenda forward.

36. **Here are some perceived challenges** that may create headwinds to the public procurement reforms if not timely addressed:

- Lack of adequate resources (financial and human) to enable UFSA to discharge the more demanding functions that lay ahead of it in the implementation of the second-generation reforms.
- Inability to address the root causes that lead to late payments which have a deleterious impact on the private sector's financial health and its interest to participate in public procurement.
- Delays in the certification/professionalization agenda and the inability to create a critical mass of procurement cadre.
- Lack of success in building the coalitions for public procurement.

37. **There are windows of opportunity**, however, that can be leveraged to advance the public procurement agenda.

- The new strategic development plan (PQG) to be developed by the government for the 2020–2024 period offers an opportunity for public procurement to assert its role in fulfilling the government's Development Objectives and to attract more resources and support from the authorizing environment.
- There is an increasing awareness about the need to collaborate across sectors and to make best use of public funds and benefit from the existing synergies (for example, the areas of procurement oversight and integrity).
- There is an understanding both at the practitioners and management level that the current approach to procurement has a high transaction cost and there seems to be a will to move toward a more strategic approach.
- There is growing support for e-procurement implementation that has the potential to enhance accountability and efficiency, boost transparency and will create new opportunities for involvement of non-state actors in procurement supervision.
- Finally, the current MAPS II assessment can create a new momentum by bringing public procurement into focus and its strategic plan can draw support from the government and international community.

Chapter 3: Assessment

Pillar I: Legal Regulatory and Policy Framework

38. *Pillar I assesses the existing legal, regulatory, and policy framework for public procurement. It identifies the formal rules and procedures governing public procurement and evaluates how they compare to international standards. The practical implementation and operation of this framework is the subject of Pillars II and III. The indicators within Pillar I embrace recent developments and innovations that have been increasingly employed to make public procurement more efficient. Pillar I also considers international obligations and national policy objectives to ensure that public procurement lives up to its important strategic role and contributes to sustainability (MAPS Methodology 2018).*

Summary of Pillar I

39. **Mozambique has achieved significant advances in the modernization of its legal public procurement framework by adopting a UNCITRAL-based Public Procurement Regulation which was last revised in 2016,⁷ (the *Regulamento*).** The assessment identified a few areas where the legal framework could be strengthened to support improved procurement outcomes such as (a) filling some gaps in the legislation including the appeal and sanction mechanisms; (b) developing and updating tools for practitioners (for example, implementing rules/*normas complementares*, updated SBDs) for the effective implementation of the *Regulamento*; (c) completing the development of the e-procurement regulatory framework; and (d) positioning procurement on the sustainable development agenda trajectory.

40. **The legal framework for public procurement is generally aligned to international practice** by (a) introducing principles of economy, efficiency, competition, and transparency; (b) being organized hierarchically; and (c) identifying a wide range of procurement methods to meet the diverse sourcing demands of procuring entities. Based on this assessment findings, **additional areas that need to be addressed** to promote transparency and value for money include preventing fractioning of contracts, adopting new procurement arrangements such as framework agreements, clarifying the scope of concessions governed under various acts, and ensuring clarity in balancing access to information and confidentiality.

41. **The legal framework promotes integrity by sanctioning and preventing bidders that are found guilty of corrupt practices to participate in bidding for public contracts and affording bidders the right to challenge and appeal award decisions;** these mechanisms, however, can be strengthened to increase their efficiency, transparency, and stakeholders' confidence in the systems. The gaps identified relate to (a) the absence of an independent administrative procurement appeal body, (b) language in the *Regulamento* that may be subject to interpretation⁸ regarding the entity vested with debarring authority, and (c) the need for implementing rules for debarring bidders and handling challenge/appeals that guarantee 'due process'.

⁷ Regulation for the Procurement of Works, Goods and Services approved by Decree of the Council of Ministers no. 5/2016 of March 8.

⁸ While Art. 14(y) clearly states that UFSA has the responsibility for the list of debarred firms, Art 279 (3) may be reasonably interpreted as giving some authority to UGEAs.

42. **The *Regulamento* mandates the use of SBDs; however, they are not regularly updated to keep up with the changes in the procurement legal framework.** Mozambique has a good range of such documents generally aligned to international practice. There is urgency for issuing the updated SBDs, consistent with the *Regulamento*, and making them available to practitioners.

43. **SOEs governed by specialized legislation⁹ correctly follow key principles of public procurement but there is an immediate need to fill the legal gap created by the absence of specific procurement regulations while SOEs are transitioning to the new legal framework.** The other important aspect that needs to be addressed to ensure an equal playing competitive field in the public procurement market is the **SOEs' participation in bidding for public contracts**. The *Regulamento* needs to ensure that participating SOEs are not those that benefit from government support (such as subsidies) that can give SOEs an unfair advantage when competing with the private sector for public sector contracts.

44. **Mozambique has incorporated the UN SDGs agenda in its country economic strategy, and it should be further integrated in the public procurement strategy.** While some sustainable features (green procurement and domestic and MSME preferences) have been included in the *Regulamento*, sustainable public procurement should be made an integral part of the public procurement strategy to pave the way to a more effective public procurement contribution to Mozambique meeting its targets under the SDG agenda.

45. **The findings by indicator, that is, strengths, substantial gaps, level of risk, and recommendations are summarized in the following paragraphs.**

Indicator 1: The public procurement legal framework achieves the agreed principles and complies with applicable obligations

46. *The indicator covers the different legal and regulatory instruments established at varying levels, from the highest level (national law, act, regulation, decree, and so on) to detailed regulation, procedures, and bidding documents formally in use (MAPS Methodology 2018).*

Findings/Strengths

47. **The legal and regulatory body of norms is adequately recorded, organized hierarchically, and provides for appropriate coverage and procurement methods ensuring a suitable range of options to fit different sourcing strategies** [Sub-indicator (SI) 1a)]. It is organized hierarchically as follows: (a) the overarching SISTAFE law¹⁰ that created the PFM architecture including public procurement; (b) the primary legislative instrument for public procurement, that is, the Regulation for the Procurement of Works, Goods and Services/*Regulamento* (approved by Decree no. 5/2016 of March 8), complemented by (c); (c) implementing rules/*normas complementares* such as a Reverse Auction instruction (approved by *Diploma Ministerial* no. 14/2019 of January 22), SBDs (approved by joint *Diplomas Ministeriais*), and other operational guidance/*orientações* (approved by *Despacho Ministerial* or from the *Direcção Nacional*). **The coverage of the legal framework is comprehensive** including goods, works, services, consulting services, and concessions procured by all public entities except for SOEs and PPP operations. While SOE procurement and PPP operations are regulated

⁹ Law no. 3/2018 of June 19 and Decree no. 10/2019 of February 26 (which approves the implementing Regulation of Law no. 3/2018) set out the principles and rules applicable to the *Sector Empresarial do Estado* (that is, public enterprises/*Empresas Públicas* and shareholding companies/*Empresas Participadas* with the state as the sole or the majority shareholder). It is to be noted that PPPs are also covered by separate specialized legislation.

¹⁰ Law no. 9/2002 of February 12.

outside the *Reglamento*, they are still subject to the key public procurement principles which is consistent with good international practice. **Procurement methods are generally established unambiguously** (SI 1b) at an appropriate hierarchical level along with the associated conditions under which each method may be used. They include a wide range of competitive and less competitive methods generally enabling a fit-for-purpose approach to procurement.

48. **The use of e-procurement is allowed under the *Reglamento*** (SI 1j). The *Reglamento* establishes that UFSA is responsible for analyzing best practices and proposing the use of information and communication technology in procurement processes (Art. 19(1)(s)). Furthermore, a strategy for e-procurement has been elaborated and part of the legislative framework has been passed (that is, e-transaction law).¹¹ Finally, there are active discussions with UFSA/CEDSIF/donors to finalize the road map and identify financing sources.

49. **The legal framework promotes transparency, competition, and objective evaluation rules.** Open bidding is the default method and all procurement opportunities and contract awards are advertised, unless the restriction is explicitly justified. The content to be published provides enough information to allow bidders to determine if they are able/interested to submit a bid (SI 1c). The *Reglamento* establishes the minimum content for procurement documents and it further establishes that the use of SBDs is mandatory (SI 1e). **The evaluation criteria are to be defined in an objective manner** (SI 1f), specified in advance, made known to interested parties, and mandated as the only basis for evaluation; the use of price and non-price attributes is permitted to achieve value for money.

50. **Contract management is well covered in the *Reglamento*** (SI 1i). The *Reglamento* establishes that UGEAs are in charge of contract implementation providing more detailed arrangements for works.

51. **Participants in procurement proceedings have the right to challenge decisions or actions taken by the procuring entity** (SI 1h). The process generally has clear time frames and includes UGEAs (procuring entities) as the first level to lodge a challenge and, subsequently, two levels of appeal: (a) at the administrative level, the hierarchical appeal and (b) at the judicial level, TA.

Findings/Substantial gaps

52. **The assessment has identified gaps in the legal framework** such as the need for further developing e-procurement regulation (SI 1j), the need for more clarity regarding the different definitions of concessions and how concessions are regulated under various legislative instruments (SI 1a/c) and clarity regarding the language on who is the entity vested with debarment authority (which should be UFSA and not the procurement entities/UGEAs) (SI 1d/c). In addition, the *Reglamento* misses key provisions required under the MAPS standard to enable optimal procurement results (for example, including an option for framework agreements (SI 1b/b), explicit prohibition of fractioning contracts (SI 1b/c), optimized publicity requirements including publishing procurement plans and extended time frames for international competition (SI 1c), more clarity on the bid opening time (SI 1g/a) and improved bid securities mechanism (SI 1d/b). Finally, there are provisions in the *Reglamento* that require further guidance, including safeguarding confidentiality during the bidding process (SI 1g/c, SI 1g/d), conditions for using Quality-Based Selection/QBS method and for the use of non-competitive methods when open competition fails (SI 1b/a), application of domestic preference (1 d/b) among others.

¹¹ Law no. 3/2017 of January 9.

53. **Under the integrity mechanisms in public procurement (challenges/appeals and sanctions processes), there is room for improving their effectiveness by addressing the following weaknesses:**

- (a) **There is no independent administrative appeal body to ensure an efficient and transparent review of appeals** (SI 1h/b) before the appeal to TA whose review has a judicial dimension. Furthermore, **there are no implementing rules** to elaborate on the procedures and remedies applicable in the challenge and appeal process at the administrative level.
- (b) **The bidders' sanction process (debarment) is still to be regulated** (SI 1d/c) to guarantee transparency and 'due process' and the language in the *Regulamento* and responsibilities for debarment should be made clearer including in the SBDs.

54. **There is a temporary legal procurement gap for SOEs, till they adopt specific procurement regulations, created by the transition to a new governing legal framework, that needs to be urgently filled** (SI 1l). This gap was created by SOEs being removed from the *Regulamento* to be governed by specialized legislation with the provision that each SOE develops its own procurement regulation. Since the adoption of the SOE Regulation (implementing the SOE Law) is quite recent (February 2019), none or very few of the SOEs have at this point such specific procurement regulations. The absence of such regulations is a significant risk to the effective use of scarce public resources. Furthermore, the participation of SOEs in public procurement processes is not regulated, which may impinge on fair competition (SI 1d/d).

Table 4: Overview of substantial gaps with risks and recommendations

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
Multiple sub-indicators 1a to 1k (see paras 52 and 53).	✓ There are gaps in the legal framework identified in the detailed analysis that have a negative effect on transparency and value for money.	H	In the medium term, revise the <i>Regulamento</i> . ¹² In the short term, some gaps can be addressed through implementing rules/ <i>normas complementares</i> and operational guidance/ <i>orientações</i> . Some can be addressed through SBDs. The clarification on types of concessions covered under different legal instruments may need to be preceded by a legal assessment.
1(d) Rules on participation.	While there is a system for debarment of bidders, there are no implementing regulations to describe a minimum 'due process' for debarment. SOE participation in public procurement is not regulated.	H	Issue a <i>Despacho</i> of the Minister of Economy and Finance as per Art. 281 of the <i>Regulamento</i> which shall provide for 'due process' including the process for any possible appeal of the decision. Regulate SOE participation in public procurement processes to ensure a fair competitive field in the public procurement market.

¹² Among the recommendations, only the revision of *Regulamento* option raises a red flag as it requires higher level authority (Council of Minister).

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
1(h) Right to challenge and appeal.	There is no independent administrative appeal body to make enforceable decisions and no implementing rules/ <i>normas complementares</i> on the challenge/appeal process at the administrative level. Furthermore, the outcome is not transparent as appeal decisions at the administrative level are not published.	H	Create the function of 'independent administrative procurement appeal body'. Issue implementing rules/ <i>normas complementares</i> on the procedures for submitting and deciding on procurement challenges/appeals including remedies that may be granted at the administrative level. Publish appeals outcomes on a centralized website.
1(l) Public procurement principles in specialized legislation.	✓ SOE sector faces a legal gap in the area of procurement while each SOE elaborates its own procurement regulation.	H	In the medium term, develop a unified procurement regulation for all SOEs to ensure more transparency and facilitate competition. In the short term, SOEs to prepare procurement regulations consistent with the relevant procurement provisions set in Law no. 3 of June 19, 2018, and Decree no. 10 of February 26, 2019.

Note: a. Solution lies to a great extent outside procurement.

Indicator 2: Implementing regulations and tools to support the legal framework

55. This indicator verifies the existence, availability, and quality of implementing regulations, operational procedures, handbooks, model procurement documentation, and standard conditions of contract. Ideally the higher-level legislation provides the framework of principles and policies that govern public procurement. Lower-level regulations and more detailed instruments supplement the law, make it operational, and indicate how to apply the law to specific circumstances (MAPS Methodology 2018).

Findings/Strengths

56. The *Regulamento* establishes that implementing rules/*normas complementares* may be issued to supplement it (SI 2a) and the responsibility is clearly assigned: UFSA is responsible for proposing to the Minister of Economy and Finance the approval of implementing rules/*normas complementares* and operational guidance/*orientações* necessary for the application of the *Regulamento* (Art. 19(1)(d)).

57. There are model procurement documents (SI 2b), including standard forms of contract for goods (including textbooks and medical products), services, works, and consulting services (SI 2c). Their use is mandatory. The responsibility for preparing and updating the SBDs is clearly assigned to UFSA and the Minister of Economy and Finance approves and issues the SBDs through a joint *Diploma Ministerial* with other relevant line ministries (Art. 2 of Decree no. 5/2016 which approves the *Regulamento*).

58. UFSA has issued a comprehensive Procurement Manual/*Manual de Procedimentos* (SI 2d) (the 'Manual') for procuring entities (UGEAs) aligned to the *Regulamento*, which is published on the UFSA website.

Findings/Substantial gaps

59. Not all implementing rules/*normas complementares* have been issued (SI 2a) (for example, to regulate the debarment process) to support the implementation of the *Regulamento*, including to fill some of the legal gaps identified under Indicator 1.

60. SBDs are not yet updated consistent with the revised *Regulamento* (SI 2b) and UGEAs are using an old version (2006 SBDs): while quite comprehensive, they do not contain the latest revisions in the *Regulamento*. The Manual already posted on the UFSA website would benefit from some improvements.

Table 5: Overview of substantial gaps with risks and recommendations

Sub-indicator (SI)	Substantial gaps	Risk	Recommendation
2(a) Implementing regulations and tools support the legal framework	There are missing implementing rules/ <i>normas complementares</i> and operational guidance/ <i>orientações</i> .	H	Implementing rules/ <i>normas complementares</i> on debarment to be issued urgently as well as additional implementing rules/ <i>normas complementares</i> to fill some of the gaps identified under paras 52 and 53.

2(b) Model procurement documents are kept up to date; and 2(d) User's guide or manual	Updated SBDs aligned to the <i>Regulamento</i> are not yet issued. The Manual already posted on the UFGA website seems in draft form.	M	Issue the updated SBDs aligned with the <i>Regulamento</i> . The Manual to be edited, checked for consistency and its publication to be notified to all UGEAs.
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Indicator 3: The legal and policy frameworks supporting the sustainable development of the country and the implementation of international obligations

61. *This indicator assesses whether horizontal policy objectives, such as goals aiming at increased sustainability, support for certain groups in society, and obligations deriving from international agreements, are consistently and coherently reflected in the legal framework, that is, whether the legal framework is coherent with the higher policy objectives of the country (MAPS Methodology 2018).*

Findings/Strengths

62. **The *Regulamento* has introduced sustainable features in public procurement** (SI 3a) to support the country sustainable development agenda such as (a) inclusion of green procurement (that is, environmental benefits as evaluation criteria with non-price attributes and environmental considerations are part of the standard contract conditions); (b) application of national preferences to support national bidders and national industry; and (c) use of small value procurement methods targeting individual persons and MSMEs to support their participation in public procurement.

63. **Public procurement-related obligations deriving from binding international agreements are clearly established** (SI 3b): the *Regulamento* provides for a special regime (Art. 7) enabling contracting authorities to adopt procurement rules different than the ones in the *Regulamento* for contracts arising from an international treaty or international agreement or contracts concluded in the context of donor-financed projects.

Findings/Substantial gaps

64. **At this time, there is no broad national strategy to implement Sustainable Public Procurement** (SPP) (SI 3a/a, SI 3a/b)) which may obscure the important role public procurement could play in the pursuit of the country sustainable development agenda and its potential to becoming an effective tool in the attainment of the Mozambique SDGs.

65. While the *Regulamento* allows for sustainability considerations to be taken into account in certain stages of the procurement cycle, it is silent with regard to the incorporation of sustainability considerations in all stages of the procurement cycle (SI 3a/c) which could limit the procurement role in promoting this important agenda.

Table 6: Overview of substantial gaps with risks and recommendations

Sub-indicator (SI)	Substantial gaps ✓ Red flag	Risk	Recommendation
3(a) Sustainable public procurement	No national policy/strategy in place to implement SPP.	M	Develop an SPP strategy based on an inclusive process and stakeholders' consultations in light of government sustainable development objectives.

Sub-indicator (SI)	Substantial gaps ✓ Red flag	Risk	Recommendation
	✓ No specific requirement to include sustainability criteria in all stages of the procurement cycle	M	Ensure including provisions for the use of environmental, social and economic sustainability criteria in all stages of the procurement cycle when the <i>Regulamento</i> is revised

Pillar II: Institutional Framework and Management Capacity

66. *Pillar II assesses how the procurement system defined by the legal and regulatory framework in a country is operating in practice, through the institutions and management systems that make up overall governance in its public sector. Pillar II evaluates how effective the procurement system is in discharging the obligations prescribed in the law, without gaps or overlaps. It assesses (a) whether it is adequately linked with the country's PFM system; (b) whether institutions are in place to take charge of necessary functions; and (c) whether the managerial and technical capacities are adequate to undertake efficient and transparent public procurement processes (MAPS Methodology 2018).*

Summary of Pillar II

67. **Since laying the foundations of the PFM system in 2002 (when SISTAFE law was adopted) and of a modern public procurement system in 2005 (when the first public procurement UNCITRAL-based regulation was adopted), significant progress has been achieved in establishing and developing the institutional architecture of public procurement as a component of the broader PFM framework.** At the same time, there are areas of opportunity to optimize public procurement outcomes through (a) further integration of public procurement in the PFM system, (b) building up the authority and resources of the lead agency (UFSA) for more effective management and performance monitoring of the national public procurement system, and (c) strengthening of the technical capacity of the procurement units (UGEAs) to promote more strategic and value for money procurement.

68. **Public procurement is part of the PFM architecture (SISTAFE) and there are noticeable advances toward a stronger integration supported by systems, but there is room for more integration into the budget planning/execution process.** The piloting of the MPE,¹³ now under way, is an important step ahead toward this integration as it brings into the PFM system critical information on the precontract procurement processes, including the procurement plan, while securing additional systems' checks. At the same time, more coordination is required between public procurement and budget/treasury planning to ensure that commitments are realistically assessed (through good procurement planning and contract execution monitoring) and funding is appropriately calibrated for the effective implementation of contracts. The 2018 ES Survey identifies more than 50 percent of respondents that experienced payment delays of 18 months on average.

69. **While UFSA, the lead public procurement agency established in 2006, has been instrumental in the establishment of a modern public procurement system in Mozambique, its capacity (both financial and human resources) needs to be strengthened to be able to effectively implement the second-generation public procurement reform.** UFSA did a tremendous job in asserting itself as the central public procurement body in the country by developing the legal framework, capacity-building programs, a central website for procurement, a risk-based supervision methodology, and tools for

¹³ The World Bank is supporting the rollout of the MPE under the project "Public Revenue Expenditure and Fiscal Decentralization Enhancement Reform."

procurement practitioners such as SBDs, the Manual, Catalogue for Goods and Services/for prices, and Central Registry/*Cadastro Único* for participants in public procurement. However, the assessment revealed that currently UFSA's level of authority and resources is not consistent with its increasing responsibilities. Under these conditions and without adequate remedies, UFSA may find it challenging to move to the implementation of the second-generation procurement reforms focused on performance and to be able to engage effectively with the many stakeholders in its authorizing and enabling environment.

70. **UGEAs, the units in charge of procurement implementation, have been created within the procuring entities which benefit from budget allocation, but more information is required about their number, activities, and capacity to ensure effective monitoring and supervision by UFSA.** Given the geographic extensiveness of Mozambique, it is not easy to capture information on the institutional arrangements in procurement, the number of UGEAs, their capacity, and their activities. There are around 1,600 UGEAs spread out all over the country and there is need for a clear mapping of them for the government to optimize their number depending on the procurement volume and for UFSA to be able to adopt a strategic approach in supervising their activities and building their capacities.

71. **While there are good examples in Mozambique of aggregated public procurement (health goods and textbooks), overall public procurement is very fragmented, and the country would benefit from a more strategic 'value for money' approach to public procurement.** Thus, there is an urgent need to increase efficiency in the use of public funds through aggregating procurement (in particular for recurrent goods) at the sector/provincial/district level to benefit from economies of scale, reduce transaction cost, and ensure value for money. As it is now, there is no cost-benefit/risk analysis for procurement of goods to determine what could be efficiently procured in a grouped manner. In this context, the UGEA mapping can provide a handle on the UGEA's population, capacity, and opportunities for scaling up the procurement transactions.

72. **Overall, the use of technology in the PFM arena is quite advanced (e-SISTAFE) but increased technology benefits for public procurement will be reaped once the MPE and e-procurement are implemented.** This advancement will boost both process efficiency and the availability of information on public procurement at both the UGEA and national level. Since its creation in 2006, UFSA has developed a website that contains useful information on public procurement (including laws; regulations; selected procurement opportunities; debarred firms; frequently asked questions/FAQ/*Perguntas Mais Frequentes*; procurement performance statistics by methods). Furthermore, UGEAs publicize extensive procurement information (for example, on opportunities, contract awards, and contract canceling and reasons) consistent with the *Regulamento* requirements. Despite these efforts, most of the information is scattered through various media platforms and **there is no centralized website portal that contains comprehensive procurement information, including on procurement performance** (that is, procurement plans, all procurement opportunities, contract awards, appeal decisions and statistics, and contract implementation statistics). Such centralized information would boost transparency and enable more strategic monitoring of the national systems by UFSA, other oversight agencies, and non-state actors. An important step in this direction is UFSA/CEDSIF collaboration toward implementing the e-procurement agenda. Until e-procurement is operational, however, the breadth, depth, and quality of procurement data on UFSA's website need to be increased based on more systematic information provided by UGEAs and e-SISTAFE/MPE.

73. **UFSA has made notable progress in the area of capacity building and the next step would be the certification/professionalization of the procurement staff.** Over the past years, with the support of DFID, UFSA has developed a capacity-building program and designed procurement profiles for procurement specialists. The objective is to create a critical mass of procurement specialists who are incentivized to pursue a career in procurement and acquire more tenure in UGEAs. The demand for capacity building is tremendous (about 1,600 UGEAs) and while a capacity-building program is

designed, there are no funds to carry it out. UGEAs are understaffed and staff turnover is very high—which makes capacity building even more challenging, being in a continuous ‘catch-up’ mode. UGEA’s ‘image’ is quite low and lack of professional recognition is one of the factors. Therefore, certification of procurement staff, as a first step toward professionalization, needs to be carried out to start addressing the above challenges.

74. **The findings by indicator, substantial gaps, level of risk, and recommendations are summarized in the following paragraphs.**

Indicator 4: The public procurement system is mainstreamed and well integrated with the public financial management system

75. *This indicator focuses on how well integrated the procurement system is with the PFM system, given the direct interaction between procurement and financial management, from budget preparation to planning treasury operations for payment (MAPS Methodology 2018).*

Findings/Strengths

76. According to the latest PEFA report, Mozambique has always had a **well-ordered budget preparation process, with a clear, well-structured budget calendar and clear processes for preparation and negotiation of budget proposals** (SI 4a). Budget calendar is known and respected. When budget preparation is launched, the MEF issues a guide with the methodology to be used by government agencies: *Metodologias para Elaboração das Propostas do Plano Económico e Social Orçamento do Estado Balanço do Plano Económico*. **After the budget is approved**, a comprehensive budget circular is drafted annually by the National Directorate of Budget and is distributed to the sector ministries and provinces who in turn must coordinate with their respective UGBs; the circular is accompanied by the disclosure of overall limits of the approved annual budget ceilings for goods, services, and internal investments. In this context, the *Regulamento* correctly requires UGEAs to clearly identify the contractual needs and ensure the link between contract planning and multiyear scheduling of budgetary funds. Furthermore, during budget execution, in accordance with Art 14 (w) of the *Regulamento*, UGEAs are required to maintain adequate information on the completion of contracts, any amendments thereto and inform UFSA accordingly.

Findings/Substantial gaps

77. **Despite the well-ordered budget preparation process described earlier, there are significant discrepancies between commitments and available treasury resources** (SI 4a and 4b), in particular at the institutional (UGB) level, which leads to a chronic lack of funds to make payments for contracts under implementation. There is sometimes a sizable difference between what is planned and what is executed. The UGEA Survey revealed that the original plan of one UGEA was substantially modified so that the number of contracts increased 6 times (from 27 to 166 contracts) and the related value 10 times (from US\$200,000 to more than US\$2,000,000 equivalent). Such adjustments may be due both to errors in the initial planning and to the addition of new projects/contracts into the plan.

78. **Delays in payment are a significant problem with negative impact on the health of the private companies** (SI 4b/b). While there are checks all along the procurement process (budget appropriation is checked when the procurement process is launched and at contract award stage) to ensure that funds are appropriated for the respective procurement activity, resources are not guaranteed for contract implementation. Moreover, penalties for payment delays are not applied (*albeit* they are stipulated in the *Regulamento*).

79. **Contract execution monitoring is generally weak** (SI 4a/c) at the UGEA level and information on contracts' implementation is not submitted to UFSA as required under the *Regulamento* and as confirmed during the UGEA Survey. Hence, there is no objective way to consistently monitor and assess outcomes from the procurement activities.

80. **Quantitative indicators**

- More than 50 percent of invoices are paid with delays (2018 ES Survey).
- Delays are on average 18 months (2018 ES Survey).

Table 7: Overview of substantial gaps with risk and recommendations

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
4(a) Procurement planning and the budget cycle and 4(b) Financial procedures and the procurement cycle.	✓ Lack of funds, uncertainty of payment, and significant payment delays.	H	Strengthen the linkage procurement/budget/cash planning. Prepare up-to-date procurement plans and rigorous contract monitoring to support the budget planning and execution and inform the cash plans used by treasury for preparation of cash ceilings. The government with the support of DPs is already adopting mechanisms to address these issues. ¹⁴ In this context, it is expected that the MPE will introduce more discipline through systems including setting aside the specific funding for contracts under implementation. Finally, enforce contractual penalties for delayed payments consistent with the <i>Regulamento</i> .
4(a)(c) Feedback mechanisms reporting on budget execution.	There is no feedback mechanism on budget/contract execution—in particular, large contracts.	M	Enforce the <i>Regulamento</i> requirements for UGEAs to report on contract implementation. Consider including such statistics in the MEF Quarterly Report on the State Budget.

Note: a. Solution lies to a great extent outside procurement.

¹⁴ Actions envisaged:

During budget preparation, request UGBs to submit the procurement plans (*Plano de Contracções*) and cash flow plans (*Plano de Cabimentação*) with the budget proposal. Once the MPE is rolled out it will include the procurement plan so no procurement can be performed outside the plan.

During budget execution, enforce Budget Execution Module of SISTAFE/*Módulo de Execução Orçamental* do SISTAFE (MEX) Commitment Note (*Nota de Cabimento*) when contracts are signed to be used as a basis for future payments.

Indicator 5: The country has an institution in charge of the normative/regulatory function

81. *This indicator refers to the normative/regulatory function in the public sector and its proper discharge and coordination. The assessment of the indicator focuses on the existence, independence, and effectiveness of these functions and the degree of coordination between responsible organizations. Depending on the institutional set-up chosen by a country, one institution may be in charge of all normative and regulatory functions. In other contexts, key functions may have been assigned to several agencies, for example, one institution might be responsible for policy, while another might be in charge of training or statistics. As a general rule, the normative/regulatory function should be clearly assigned, without gaps and overlaps. Too much fragmentation should be avoided, and the function should be performed as a well-coordinated joint effort (MAPS Methodology 2018)*

Findings/Strengths

82. In 2006, the Mozambique Government established UFSA (*Unidade Funcional de Supervisão das Aquisições*) (SI 5a) as the lead agency for coordinating and supervising public procurement. UFSA was established through *Diploma Ministerial* no. 141/2006 within the PFM system (SISTAFE) and its role was reinforced by the *Regulamento*. UFSA has been instrumental in the establishment and operationalization of a modern public procurement system in Mozambique. Some significant achievements since its inception are formulating the national procurement strategy, establishing a central portal for procurement to disseminate information on public procurement, and collecting and publicizing national statistics. To operationalize the procurement function in the country, UFSA prepared tools for practitioners such as SBDs, the Manual, Catalogues for technical specifications and prices, a Bidders' Registry/*Cadastro Único de Fornecedores* and launched a capacity-building program for UGEAs. To exercise its supervisory role, UFSA developed a risk-based supervision methodology and embarked on the important task of developing profiles for procurement specialists.

Findings/Substantial gaps

83. **Not all the “regulatory body” functions and associated responsibilities are identified in the *Regulamento*** (SI 5a and 5b). They include: the normative function, drafting procurement policy and revisions, preparing reports on procurement to support information to other parts of the government) functions – but it is noteworthy that MEF/UFSA are discharging them in practice.

84. **Good international practice requires that the agency that oversees procurement has enough authority and budget** to ensure functional independence, proper staffing, and effective operation (SI 5c). While UFSA did a tremendous job in asserting itself as the central public procurement body in the country, it is understaffed and underbudgeted and the level of authority is not consistent with the task at hand. Delays in disseminating the updated version of the SBDs following the changes in the *Regulamento* are symptomatic of the urgent need to boost UFSA resources and level of authority. Under these conditions, and without adequate resources (financial and human), UFSA may find it challenging to move to the implementation of the second-generation procurement reform focused on performance and outcomes and to effectively engage the numerous stakeholders in the procurement arena.

Table 8: Overview of substantial gaps with risks and recommendations

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
5(a) Status and legal basis of the normative/regulatory institution function and 5(b) Responsibilities of the normative, regulatory function.	✓ Not all procurement 'regulatory body' functions are explicitly mentioned/assigned in the <i>Regulamento</i> (i.e., normative function, drafting procurement policy and revisions, preparing reports on procurement to support information to other parts of the government).	M	These functions to be clearly stated as vested in UFSA in future revisions of the <i>Regulamento</i> .
5(c) Organization, funding, staffing and level of independence and authority	✓ UFSA's level of authority (a functional unit under the MEF department) and funding is not consistent with its functions including functions that it may need to take on to effectively carry out its role.	H	Elevate UFSA status and increase its authority in public procurement. In the interim, make best use of funds available and attract more resources from the government and donors based on a strong strategic plan and demonstrable results. Ensure that the MEF supports UFSA, as needed, in building networks with stakeholders (state and non-state) in the area of procurement oversight, integrity, technology, budget planning and execution, professionalization.

Note: a. Solution lies to a great extent outside procurement.

Indicator 6: Procuring entities and their mandates are clearly defined

85. This indicator assesses (a) whether the legal and regulatory framework clearly defines the institutions that have procurement responsibilities and authorities, (b) whether there are provisions for delegating authorities to procurement staff and other government officials to exercise responsibilities in the procurement process, and (c) whether a centralized procuring entity exists (MAPS Methodology 2018).

Findings/Strengths

86. **Procuring entities and their responsibilities are clearly defined and UGEAs were created** (about 1600) within procuring entities that have budget/*uma tabela orçamental para executar* (SI 6a). UGEAs are responsible for the management of the procurement processes from their planning and preparation to the execution of the contracts (Annex A(yy) of the *Regulamento*). The *Regulamento* further establishes that UGEAs are directly subordinated to the Competent Authority/*Autoridade Competente* (Art. 14(2)) (which represents the procuring entity) and are subject to UFSA supervision. The *Regulamento* defines in a clear manner the competencies of UGEAs (Art. 14 and Annex A(yy)).

87. While procurement is quite fragmented and there is no centralized procuring entity positive developments in this area are the fact that textbooks and health goods procurement are conducted in a centralized manner to benefit from standardization and economies of scale (SI 6b). In addition, adopting a new procurement method - Reverse Auctions/*Concurso por Lances* is a step in the right direction to increase the efficiency of recurrent procurements of goods and services including through

aggregation. Specific instructions to regulate this procurement method were issued through *Diploma Ministerial* n.º 78/2019 and this new procurement method is planned to be piloted.

Findings/Substantial gaps

88. **There is no clear mapping of UGEAs in terms of number and activities/capacity/risk** (SI 6a/c). While UFSA has started a supervision program to identify the level of risk for every UGEA supervised, this activity cannot be effectively performed because of lack of funds. There is no complete information on the number of UGEAs and how many are formalized as part of the organic structure of the government agencies. This constitutes a challenge for UFSA to discharge its lead agency functions including supervision, performance monitoring, and capacity building.

89. **Decision-making authority for procurement activities based on risk is not addressed in the Regulamento** (SI 6a/d). Therefore, there is little delegation of authority to the lowest competent levels consistent with the risk associated with the monetary sums involved. By the same token, the procurement prior review function uses the same uniform prior review thresholds for all procuring entities. While UFSA developed a risk-based approach to supervision, it cannot be properly implemented, as mentioned earlier, for lack of resources.

90. **Except for the procurement of textbooks and health goods that is done in an aggregated fashion, public procurement is quite fragmented, in particular for recurrent procurement, which hinders competition and value for money and increases the transaction cost of procurement** (SI 6b). This fragmentation may be due to the allocation of the budget among a large network of about 1,600 UGBs/spending units while most of them do not have large amounts to spend (currently there are plans to streamline the spending units network to 'create larger and more efficient UGBs'¹⁵). Another reason could be the fact that 'fractioning' of contracts is not prohibited under the *Regulamento*. The transaction cost is exacerbated by the fact that a contract has to be prepared in writing regardless of its value (the *Regulamento*, Art. 111, stipulates that *Os Contratos previstos no presente Regulamento, devem ser reduzidos à escrito*). It is finally noted that provisions for the establishment of a central procurement body and the use of framework agreements are not part of the current legal framework.

91. **Quantitative indicator.** 70 percent of the sample of UGEAs surveyed are formalized (no national statistics are available).

Table 9: Overview of substantial gaps with risks and recommendations

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
6(a) Definitions, responsibilities and formal powers of procuring entities	Not all UGEAs are clearly identified including to what extent they are formally established as a permanent unit or as an ad hoc construct.	H	Carry out UGEAs' mapping and continue to categorize them based on risk. Continue the process started by the government of rationalizing the number of UGBs/UGEAs, which this mapping exercise can support.
	✓ Decision-making authority for public procurement activities based on risk is not addressed in the <i>Regulamento</i> and there is little delegation of procurement operations within government agencies.	M	Address this important requirement in a future revision of the <i>Regulamento</i> . In the interim, UFSA (in collaboration with the Ministry of

¹⁵ 2018 IMF technical assistance report: Regaining Control over Budget Execution.

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
			Public Function) to issue instructions on the implementation of a risk-based approach in decision-making for public procurement activities. It is also recommended that the prior and post review thresholds be assessed periodically based on risk.
6(b) Centralized procurement body	✓ Fragmentation of public procurement is high and transaction cost is also high in particular for recurrent procurement. Every purchase regardless of its value requires a formal contract	H	The <i>Regulamento</i> could include provisions on centralized procurement body and add 'framework agreements' as a procurement arrangement. It may be useful to establish a threshold up to which public procurement can be done based on a purchase requisition/order and can be justified based on price reasonableness. UGEAs need to pursue more aggregation of public procurement at the sector, provincial, and district level (including through framework contracts and e-Catalogue).

Note: a. Solution lies to a great extent outside procurement.

Indicator 7: Public procurement is embedded in an effective information system

92. *The objective of this indicator is to assess the extent to which the country or entity has systems to publish procurement information, to efficiently support the different stages of the public procurement process through application of digital technologies and to manage data that allow for analysis of trends and performance of the entire public procurement system (MAPS Methodology 2018).*

Findings/Strengths

93. **Making available information on public procurement is mandated under the *Regulamento*** (SI 7a). UFSA has created a website to publish public procurement information, including advertising procurement opportunities, list of debarred firms, processes canceled/unsuccessful, national statistics on procurement methods, and legislation and procedures relevant to procurement. National procurement data on competitive and noncompetitive methods are available and published quarterly on the UFSA website. Furthermore, the *Regulamento* promotes transparency and equal opportunity: it requires that all procurement opportunities be advertised (except for direct contracting/*Ajuste Directo* and optional for request for quotations/*Concurso por Cotações*); publicity is also required for contract awards (including for direct contracting/*Ajuste Directo*). UFSA posts some of these announcements on its website once they are received from UGEAs.

94. **A key stage for the effective collection and use of information in public procurement is the implementation of e-procurement (SI 7b).** An e-procurement readiness assessment and road map, financed by DFID, were prepared in 2015 to establish the key activities and milestones for e-procurement implementation. Currently, UFSA and CEDSIF are jointly involved in advancing this agenda in the context of the broader PFM system, that is, e-SISTAFE.

Findings/Substantial gaps

95. **Information on procurement opportunities and award decisions is scattered through various media (SI 7a)** and while UFSA has a centralized online portal, there are no mechanisms in place to populate it in real time and in 'open data' format with relevant timely and complete procurement information to enable interested parties to effectively participate in the procurement process or monitor performance. Advertising all procurement methods (except direct contracting and quotations, unless decided otherwise) is a positive requirement; however, the practice of publicizing mostly in newspapers (and twice, as required in the *Reglamento*) is quite expensive and sometimes more expensive than the contract itself. The e-Feasibility Study commissioned by UFSA in 2015 estimated the yearly cost of publishing to be US\$2,142,857. A rough estimate showed that the savings from using an e-centralized portal are at least 70 percent of the annual amount. While information on procurement methods is published regularly on the UFSA website (*Source: e-SISTAFE*¹⁶), overall, it is quite limited considering UFSA's and other stakeholders' needs for monitoring procurement outcomes and is not validated by audit.

96. **E-procurement implementation is being delayed by a change in approach and lack of funding (SI 7b).** Advancement of this agenda requires a strong collaboration between UFSA and CEDSIF and support from Development partners. UFSA, with CEDSIF support, is developing/updating the strategy, formulating the road map, and recruiting the necessary technical assistance

97. **There is no system in place managing data for the entire procurement process** to allow for comprehensive analysis of trends, level of participation, efficiency and economy of procurement and compliance with requirements (SI 7c). Nor are UGEAs providing consistently information to UFSA in the areas they are supposed to for UFSA to be able to aggregate it at the national level.

98. Quantitative indicators

- Public procurement accounted for about 33 percent of public expenditures in 2018; public procurement accounted for about 10 percent of the GDP in 2018¹⁷.
- About 55 percent of contracts were awarded through competitive methods in 2018 (this includes limited bidding/*concurso limitado* and request for quotations).
- There are no statistics on the total value/number of contracts published by CEDSIF (only on payments).
- Publications on a centralized portal:
 - 0 percent data published in 'open data' format (that is: procurement plans, contract awards, information related to contract implementation, appeal decisions).

¹⁶ Not all funds for procurement are integrated in e-SISTAFE (for example, some of the donor funds).

¹⁷ No national statistics available – estimates by the MAPS assessment team.

- About 10 percent of the invitations to bid are published on UFSA centralized portal (their publication is scattered through various media).
- Annual procurement statistics on procurement methods used are published every quarter based on e-SISTAFE.

Table 10: Overview of substantial gaps with risks and recommendations

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
7(a) Publication of public procurement information supported by information technology	While information is available, it is not in real time. It is scattered and insufficient to enable UFSA and stakeholders to effectively monitor procurement outcomes.	H	Transform the UFSA website in a functional 'centralized online portal' and enable/incentivize UGEAs to upload the information directly. Reduce cost of publicity by making more use of online options, as appropriate, and other low-cost options allowed under the <i>Reglamento</i> .
7(b) Use of e-procurement	✓ E-procurement still to be implemented.	M	Update the design and road map for e-procurement including cost, timing, and technical assistance needs.
7(c) Strategies to manage procurement data	✓ There is no system in place managing data for the entire procurement process to measure its performance with a view to optimize its outcomes.	H	Use e-SISTAFE/MPE to harvest more data/national statistics on public procurement and contract implementation (see paras 187-189).

Note: a. Solution lies to a great extent outside procurement.

Indicator 8: The public procurement system has a strong capacity to develop and improve

99. *This indicator focuses on the strategies and ability of the public procurement system to develop and improve. Three aspects should be considered: (a) whether strategies and programs are in place to develop the capacity of procurement staff and other key actors involved in public procurement; (b) whether procurement is recognized as a profession in the country's public service; and (c) whether systems have been established and are used to evaluate the outcomes of procurement operations and develop strategic plans to continuously improve the public procurement system (MAPS Methodology 2018).*

Findings/Strengths

100. **UFSA has started to adopt a more strategic approach to procurement.** By way of illustration, UFSA has developed in 2014 a strategy (currently is being updated) and a strategic action plan in 2015 for the 2015–2019 period, reviewed in 2017 to align it to MEF strategy (PEFP). This approach should be further pursued and oriented toward the priority sectors of the government.

101. **In the area of capacity building and professional development, UFSA has developed a training program in 2016** (SI 8a), to promote better understanding of the regulatory framework but also to build practical experience through case studies. The program contains 30 modules that can be

grouped according to needs. In addition, UFSA provides advisory services on request and has a FAQ section on its website.

102. **UFSA is charged with the responsibility of monitoring the performance of the procurement system and preparing efficiency studies to guide public procurement policy** (SI 8c). It is also charged with analyzing trends and proposing the use of information technology to identify avenues to improve public procurement outcomes. UFSA, with the support of DFID, has prepared studies to support changes in the public procurement system, including an e-procurement readiness assessment and road map for its implementation.

Findings/Substantial gaps

103. **Capacity building needs to be calibrated to meet demand and become more inclusive** (SI 8a). UFSA strategy (now being updated) includes provisions on the capacity building of procurement specialists but does not incorporate all potential stakeholders, that is auditors, management-level staff in government agencies, civil society. Overall, there is increased demand for UFSA capacity building and advisory services for the 1600 UGEAS.

104. **Procurement is not recognized as a profession** (SI 8b). While UFSA has formulated the profiles for the procurement specialists, they are not yet approved. Thus, certification of procurement professionals to guarantee the requisite qualifications for those involved in procurement is not yet possible.

105. **While UFSA has a strategic plan for 2015–2019 with a results framework, it is not yet used as a management tool** to improve the systems and monitor the attainment of its objectives. A performance measurement system (SI 8c) to consistently measure both qualitative and quantitative aspects of public procurement is missing. The only consistent reporting on performance is on the use of procurement methods. Otherwise, performance information is collected on an ad hoc basis. The UGEA Survey confirms that, generally, there is no collection of performance data at the UGEA level. Very few UGEAs collect data and it is not done in a systematic manner: the UGEA Survey revealed that a couple of UGEAs keep evidence of prices to support future planning.

Table 11: Overview of substantial gaps with risks and recommendations

Sub-indicator (SI)	Substantial gaps ✓ Red flag ^a	Risk	Recommendation
8(a) Training, advice and assistance.	In spite of progress achieved, there is a significant unmet demand for UFSA supervision, training, advisory services, and engagement with stakeholders at the decentralized level.	H	UFSA to deconcentrate/decentralize to ensure closeness to clients. In the meantime, develop the capacity of Provincial Departments for Economy and Finance (PDEFs) to provide some of the services at the subnational level (for example, <i>Cadastro</i> registration). Further, develop the FAQ page on its website to respond to the most FAQs from clients.
	The UFSA strategy's capacity building component does not include all stakeholders.	M	Address engagement and capacity building of all state and non-state stakeholders.
8(b) Recognition of	Procurement is not recognized as a profession and there is a significant capacity-building gap given the demand	H	In the medium/long term, aim for professionalization; in the short term pursue certification to ensure tenure

Sub-indicator (SI)	Substantial gaps ✓ Red flag ^a	Risk	Recommendation
procurement as a profession	(3,000–4,000 people only in UGEAs) and limited resources.		and better capacity of procurement staff and performance evaluation standards. Continue to develop ‘train the trainer’ programs jointly with the education institutes and design online modules to scale up capacity building and support the certification agenda. (see also paras 191-192).
8(c) Monitoring performance to improve the system	While UFSA has a strategy (which is being updated) and a 2015–2019 strategic plan with a results framework, such plans are yet to be fully used as a management tool to improve the systems and monitor the attainment of their objectives.	H	Finalize UFSA strategy and update the strategic plan for 2020–2024 including based on the findings of this assessment and establish clear priorities, timelines, and responsibilities for implementation.
	There is no comprehensive and systematic performance measurement except for the monitoring of the procurement methods.	H	Until e-procurement is implemented, scale up the performance monitoring system based on key performance information from e-SISTAFE (MPE) and enforce UGEAs’ mandate to submit procurement performance information to UFSA. Build UFSA capacity to monitor performance.

Note: a. Solution lies to a great extent outside procurement.

Pillar III: Public Procurement Operations and Market Practices

106. *This pillar looks at the operational efficiency, transparency, and effectiveness of the procurement system at the level of the implementing entity responsible for managing individual procurements (procuring entity). In addition, it looks at the market as one means of judging the quality and effectiveness of the system in putting procurement procedures into practice. This pillar focuses on how the procurement system in a country operates and performs in practice (MAPS Methodology 2018).*

Summary of Pillar III

107. **To capture the ‘law in action’, in the absence of national performance data, the evaluation team has conducted a UGEA Survey to collect empirical evidence on how rules and procedures are being implemented in practice.** The survey collected quantitative data from the review of 110 contracts in 24 UGEAs (12 UGEAs in Maputo city, and 12 in provinces, out of which 6 in Sofala - Center, 4 Nampula - North, 2 Maputo Province - South) and interviewed 29 UGEAs (6 in Nampula, 6 in Sofala, 4 in Maputo Province, 13 in Maputo City) to gather qualitative information. The UGEA Survey identified the degree of achievement at various stages of the procurement contract management process and key findings are illustrated in the following paragraphs.

108. **Procurement processes generally follow the prescribed rules and the approach** is compliance based. In the planning process, while UGEAs generally conduct a needs assessment and collect the needs from the other departments to assess the procurement activities, subsequent procurement decisions are not based on a strategic analysis supported by market research. The evaluation process is mostly based on the lowest evaluated bid price; value for money approaches and the use of sustainability criteria provided for in the *Regulamento* are not yet used. There are no efficient filing and record management systems.

109. **Contract management is certainly the weakest link in public procurement, which hinders the attainment of good procurement outcomes and value for money.** The implementation gaps are high on all counts assessed: supervision, payment of invoices, quality control, preparation of contract amendments, and coordination among various units involved. The contract monitoring system is fragmented and UGEAs do no report to UFSA on contract implementation as mandated in the *Regulamento*.

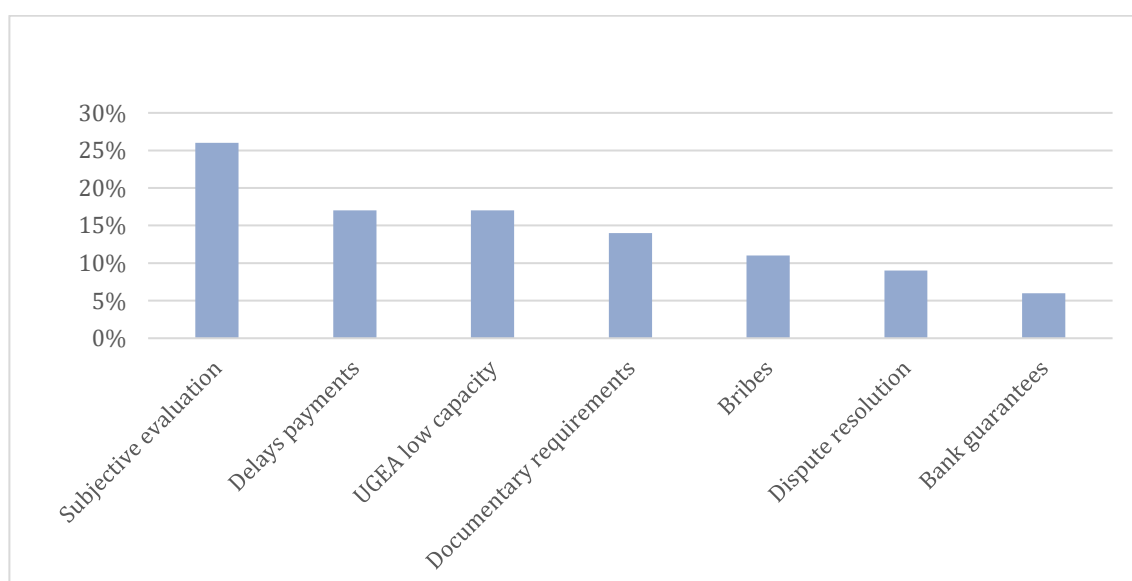
110. **UGEAs need to step up the pursuit of ‘value for money’ procurement, including by aggregating recurrent procurement and promoting sustainability criteria** (some good examples exist as illustrated in Box 2). For this to become general practice, the new bidding documents that contain such options must be issued to the practitioners and additional guidance and training (including on the recently updated Manual) should be provided to build capacity for their use.

Box 2: Good practice in the UGEA of the Nhamatanda District Office - Sofala Province

The UGEA of the Nhamatanda District Office is one of the ‘small’ UGEAs as there are many in the districts. In 2018, this UGEA carried out 43 acquisitions (6 rehabilitations of infrastructure, 11 for goods, and 26 ‘emergency’ acquisitions). The UGEA has interpreted procurement rules for consumables and office supplies to fit them into a system that can help achieve ‘value for money’. The UGEA organizes a public tender at the beginning of the year to select a supplier that will deliver throughout the year the quantities of products predefined in the tender documents according to the needs and storage capacities of the district office. In this system, the price of the product is fixed by the offer of the competitor and the total value of the contract is paid in several tranches throughout the year. The supply is subject to formal reception by the head of the District Secretariat. This practice contributes to the rationalization of the acquisition processes and the efficient storage of consumables and office supplies, thus improving ‘value for money’ and reducing transaction cost.

111. **While the private sector is generally well organized in various associations that provide support to their members, there are factors that inhibit private companies’ participation in public procurement as illustrated in Figure 6.** To capture the private sector perception of the key obstacles it faces as participants to public procurement and its views on the way forward, the evaluation team has used three sources of information: the 2018 ES Survey; a 2019 Private Sector Survey FG based on the MAPS recommended survey questionnaire; and meetings with the private sector associations’ representatives.

Figure 6: Private sector perceived challenges



Source: Private Sector Survey FG.

112. **The process of engaging stakeholders by UFSA to usefully factor in their views in developing and monitoring the public procurement policy implementation could gain breadth and depth to achieve optimal results.** To this end, UFSA needs to reach out to key stakeholders in a meaningful dialogue; create fora for consultation with UGEAs, the private sector, and the civil society; and step up communication. Mechanisms can be developed at both national and provincial levels for better coverage and for capturing the local specificity.

113. **The findings by indicator, substantial gaps, level of risk, and recommendations are summarized in the following paragraphs.**

Indicator 9: Public procurement practices achieve stated objectives

114. *The objective of this indicator is to collect empirical evidence on how procurement principles, rules, and procedures formulated in the legal and policy framework are being implemented in practice. It focuses on procurement-related results that in turn influence development outcomes, such as value for money, improved service delivery, trust in government, and achievement of horizontal policy objectives (MAPS Methodology 2018).*

Findings/Strengths

115. **UFSA has developed important tools to help streamline the bidding process** (SI 9a). For instance, to support efficient preparation of the bidding documents by UGEAs, UFSA has developed in 2013 a **Catalogue for Goods and Services** - (*Catálogo de Bens e Serviços- CBS*) that contains technical specifications for the goods and services that are mostly procured; it follows the US Federal Supply Standards and is updated with new items. In addition, UFSA is preparing a **Price Catalogue** (*Preços de Referência*) to collect the prices for all the procured goods and works to support contract price estimates and analysis of public procurement performance. Finally, UFSA developed a **Bidders' Registry** to simplify the bid submission process by consolidating the bidders' documentary information related to their qualifications and administrative/state obligations.

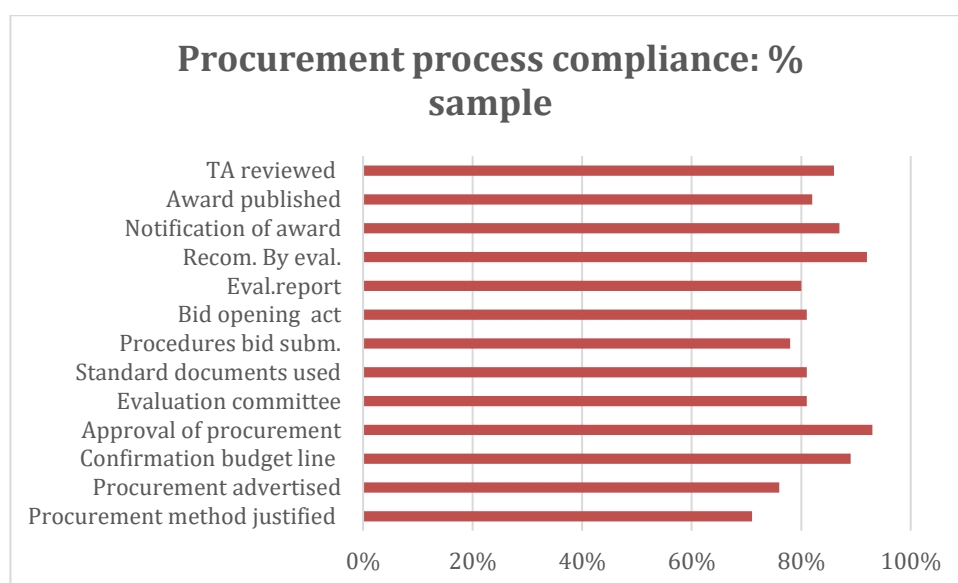
116. **The 2016 Regulamento introduced sustainable features in public procurement** (SI 9a/c, SI 9b/h) to support the country sustainable development agenda, such as (a) green procurement (that is, environmental benefits may be included as evaluation criteria with non-price attributes and environmental considerations are part of the standard contract conditions) under Art 38.4(l); (b) application of national preferences to support national bidders and national industry (*Orgulho Moçambicano*, Made in Mozambique) under Art. 28 and 38, respectively; (c) use of limited procurement (*Concurso Limitado*) dedicated to MSMEs and small value procurement method dedicated to support micro and small enterprises (*Regulamento* Annex A (n and q)). Furthermore, multistage approaches and value for money considerations are incorporated in the *Regulamento* and bidding documents.

117. **SBDs have been adopted since 2006** (SI 9b/b) and are generally aligned to international standards including for contract terms and conditions (SI 9c). About 81 percent of the contracts reviewed used SBDs which is deemed a very good performance since not all procurement methods require the use of SBD.

118. **With a few exceptions illustrated under gaps, procurement compliance levels are on the higher side** (SI 9b) and key areas of good performance are the following: the launch of the procurement process is formally approved in 93 percent of the cases, standard documents are used in 81 percent of the cases, and in all cases reviewed the public opening procedures are following the prescribed rules and the use of standard contracts is the norm. Finally, the fact that 86 percent of the

contracts were submitted for prior review of public contracts (*Visto*) and annotation by TA is reportedly a significant improvement over the past record.

Figure 7: Procurement process compliance indicators



Source: UGEA Survey.

Findings/Substantial gaps

119. **There is no strategic approach to procurement activities planning** (SI 9a/a) based on market analysis and appropriate calibration of procurement packages to maximize value for money. There are no lower limits for contract formalization creating significant transaction costs to the government (see also Indicator 6). For instance, a UGEA must formalize contracts with hotels for each field trip its staff is undertaking as well as for fuel purchases (despite the fuel purchase price being regulated). Falling back on less competitive methods when open competition fail can be abused in the absence of clear guidance. While allowed under the *Reglamento* and SBDs, sustainability criteria are hardly used.

120. **The Private Sector Survey identified the definition of the scope of the work** (SI 9a/b) as one of the key barriers to effective procurement. The UGEA Survey revealed that the CBS is not much used, in particular at the province level—the technical specifications in contracts are reportedly based on experience (theirs and other UGEAs); discussions with technical staff from other sectors (*Patrimonio*, workshop, IT, public works, and urban departments); internet search; and a specific database for office material kept by some UGEAs. While this kind of research is also helpful, CBS can support this effort in an efficient manner by offering comprehensive technical information based on recent experience across the country. However, with the piloting of the MPE the link to CBS becomes a requirement so any bottlenecks need to be urgently addressed.

121. **Realistic contract estimates seem to be a challenge** (SI 9a/b). The Price Catalogue developed by UFSA as a central repository of price information for planning and procurement performance analysis is not current as UGEAs do not consistently submit to UFSA the price information needed to update it. The Price Catalogue still presents serious gaps in various areas. For instance, there is not yet any reference price for the construction sector. Furthermore, it is not linked with the National Institute of Statistics (*Instituto Nacional de Estadística*, INE) methodology for reporting on unit prices that creates a challenge to integrating it to e-SISTAFE/MPE. The UGEA Survey revealed that a few UGEAs are keeping track of historic prices to incorporate them in the estimates.

122. **Except for consultants and textbooks procurement, the value for money/sustainability approaches are not used in the evaluation (SI 9a/c).** For goods, works, and services, UGEAs normally use the lowest evaluated price and the UGEA Survey did not identify life cycle cost, criteria supporting green procurement objectives, or merit point approach (*critério conjugado*) except for textbooks. Hence, the need to issue the revised bidding documents, make the updated Manual operational, and train UGEAs, in particular those that handle larger, more complex contracts, so that practitioners add this approach to their tool kit and consider it in planning and implementing procurement activities.

123. **Disclosing information on procurement processes while preserving confidentiality is addressed in the *Regulamento* and bidding documents (SI 9b/e).** During implementation, this proved to be a difficult balancing act and some UGEAs expressed the need for more clarity and guidance in particular in the application of the Art. 34 of the *Regulamento*. Procurement filing and record keeping systems are generally inefficient and confidentiality can be compromised. There is generally lack of office space and file cabinets to store procurement-related documentation and files and documents may be seen by unauthorized personnel. It is common to visit procurement units and find bids/proposals piled up in no particular order.

124. **While procedures of bid submission are clearly described and generally followed (SI 9b/d), the civil society representatives do not participate** in bid opening or other public stages of the bidding/selection process. This was confirmed by both UGEAs and private sector representatives. It is noted, however, that the *Regulamento* does not restrict participation of other interested parties in public bid opening

125. **In the procurement process, some implementation gaps have been recorded in the following areas (SI 9b):** confirmation of budget is not secured in 58 percent of the cases (in spite of 90 percent budget confirmation at the launch of the process), the justification and documentation of the procurement method is not done in 30 percent of the cases, evaluation committee is not formally appointed in 19 percent of the cases, notification of award is not published in 18 percent of the cases, and the level of challenges/appeals seems quite low (13 percent overall with 0 percent in all provinces outside Maputo) while the cases reported are linked mostly with textbooks under donor-financed projects. The gap in UGEA submitting information to UFSA on tender notices is 60 percent.

126. **Contract management (SI 9c) compliance is much lower than the upstream procurement process compliance and there are no compliance/performance monitoring systems for contract implementation.** UGEA survey has identified some performance **gaps** as follows: in the payment processes (52 percent), efficient handling and publishing of amendments (89 percent), and supervision and quality control (77 percent), see graph below. Audits and inspections constantly raise contract management as a weakness.

Figure 8: Contract management compliance indicators



Source: UGEA Survey.

127. **Other implementation gaps in contract management are the following:** responsibilities are not clearly assigned among departments (UGEA; Department for Financial Administration, *Departamento da Administração e Finanças*, DAF; beneficiaries) and staff; weak monitoring of contract conditions and deadlines; contracts are allowed to expire while payments continue to be made; there are consistent delays in contract implementation (suppliers are late by 3–6 months and works contractors even more); penalties for contract implementation delays are not applied; independent contract supervision for more complex contracts is lacking so the Public Work Directorates at provincial, district, and municipal levels are sometimes used, while it is not their mandate to supervise public works; there is no statistical information on contract implementation. While procurement files are reasonably well organized for the set of documents sent to TA review (86 percent complete with the documents required by TA), the other documents are often missing (for example, bids, proposals). The contract implementation files are also deficient and contract files organization is rather fragmented between UGEA, DAF, Assets Department/*Património*, and sometimes Construction Department (in the case of construction works).

Table 12: Overview of substantial gaps with risk and recommendations

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
9 (a) Planning	Lack of rigorous planning and a strategic approach to procurement, for both recurrent and more complex procurement.	H	Provide guidance and training on conducting needs analysis and market research to identify the optimal procurement strategy, including for recurrent goods and services.
	There are weaknesses in the technical specifications and realistic price estimates. The Catalogue of Goods and Services (CBS) has not been updated on the UFSA portal since 2016 and its use is limited. The Price Catalogue is not updated either.	H	Catalogues (for goods and services and prices) to be updated and made available on the UFSA portal. Train UGEAs in their utilization. The rollout of the MPE (will be expanded from 5 to 23 sectors) will secure the use of CBS as it will be made available through e-SISTAFE/MPE.

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
	The sustainability criteria and value for money methodology are generally not used	M	Issue the revised bidding documents that include evaluation methods based on sustainable criteria and publicize/disseminate the Manual, in addition to guidance and training, for using sustainability criteria in evaluation,
9(b) Selection and contracting	There are performance gaps in the procurement process (see para 125) including the fact that the application of the confidentiality requirements is not clear.	M	Strengthen the internal controls of the procurement process, and provide guidance and training to practitioners, including in the application of Art. 34 of the <i>Regulamento</i> .
9(c) Contract management in practice	✓ Contract management is the weakest link in the procurement process hindering effective procurement outcomes (see paras 126 and 127).	H	Issue standard operating procedures at UGEA level (<i>Instruções</i>) to guide staff since multiple departments are involved. Mandate a contract implementation monitoring system and enforce reporting to UFSA. Build capacity of UGEAs and technical departments to plan and manage contracts; strengthen supervision and quality control.
	There are deficiencies in the record management system and the new archive law with specific requirements for procurement documents has not been disseminated.	M	Enforce the new archive law and consolidate the guidance in the Manual.

Note: a. Solution lies to a great extent outside procurement.

Indicator 10: The public procurement market is fully functional

128. *The objective of this indicator is primarily to assess the market response to public procurement solicitations. This response may be influenced by many factors, such as the general economic climate; policies to support the private sector and a good business environment; strong financial institutions; the attractiveness of the public system as a good, reliable client; the kind of goods or services being demanded (MAPS Methodology 2018).*

Findings/Strengths

129. **The private sector is relatively well organized** (SI 10b). It is organized in associations such as Federation of Contractors/*Federação Moçambicana de Empreiteiros* (FME); Association of Mozambican Consultancy Companies/*Associação de Empresas Moçambicanas de Consultoria* (AEMC); Association of Small and Medium Enterprises/*Associação de Pequenas e Médias Empresas* (APME); Confederation of Business Associations/*Confederação das Associações Económicas de Moçambique*, CTA; Association for the Commerce Industry and Services (ASCIS)/*Associação para a Indústria e Serviços Comerciais*; and Chamber of Commerce representing both local and international companies that carry out business in Mozambique. The associations' primary objective is to promote the business

interests of their members and, to this end, they are reaching out to government agencies including UFSA. All are assembling information of interest to their members; some are consolidating information on procurement opportunities distributed through various channels and making it available to their members interested in participating in the public procurement market. Table 13 shows some statistics on the private companies in Mozambique involved in public procurement, registered in the *Cadastro*, and successful in their efforts to obtain government contracts.

Table 13: Statistics on private companies engaged in public procurement

Companies in the statistical enterprise database (2018 ES Survey)	65,000
Companies that have contracts with the government (2018 ES Survey)	16%
Companies that attempted to get contracts with the government (2018 ES Survey)	22%
Companies registered in the <i>Cadastro</i> (Source: UFSA)	6,033

130. **There is a government sectoral approach in the economic strategy, but more could be done to apply this to procurement** (SI 10c). The government is presenting its sectoral strategic approach in the five-year plan (PQG 2015). In this strategic document, the government has identified the following sectors as critical: power electricity and gas, road and street networks, irrigation and water storage, sanitation and management of hydrographic basins, health network, and large infrastructure including logistics. Donors' interest and areas of expertise may affect the extent to which certain sectors are prioritized: for example, DFID's support in the area of water and sanitation and public procurement; USAID supporting UFSA to build capacity for efficient procurement in the health sector; GIZ's support in the external audit and infrastructure (Ministry of Public Works, Housing and Water Resources/*Ministério das Obras Públicas, Habitação e Recursos Hídricos*/MOPHRH); United Nations Children Fund's/UNICEF support in education, water, and sanitation (as DFID's financial agent); EU's support to CEDSIF on budget execution and control; Swedish International Development Agency/SIDA and Norwegian Agency for Development Cooperation/NORAD support to improve procurement in *Electricidade de Moçambique*.

Findings/Substantial gaps

131. **While UFSA occasionally engages the private sector** (SI 10a), in particular when there are changes in the legislation (two informative reunions were organized to present the 2016 *Regulamento*), **there is no forum to systematically reach out and gather private sector views and no training program tailored to the private sector's needs** (for example, to identify bid opportunities, use the UFSA website, prepare bids, register bidders in the *Cadastro*, file challenges/appeals, observe integrity requirements). Some indicators on the private sector perception of the support received from the government are incorporated in Table 14. The matrix illustrates areas of opportunity that need to be addressed to improve the private sector 'perception' and promotes their effective participation in the public procurement market. Some of them are the availability of public procurement information (including for training opportunities), access to finance, payment delays, access to effective appeal, and dispute resolution mechanisms.

Table 14: Private sector perception

Does the government contact private companies to report on changes?	22% yes.
Are you aware of the training programs for the private sector and MSMEs?	33% yes
Is access to finance facilitated?	22% yes
Are procurement rules simple and flexible?	33% yes
Are payment delays recurring?	90% yes

Is the challenge and hierarchical appeal system effective?	100% no
Is the dispute settlement system effective	100% no

Source: Private Sector Survey FG.

132. **The private sector faces serious difficulties because of the chronic payment delays and UGEAs' inability to make timely payments within the time frame of 30 days provided for in the legislation** (SI 10b). This leads to companies entering financial stress (that is, closing the doors rather than declaring bankruptcy): reportedly about 50 percent of the companies are on a sliding trend as regards their financial health because of late payments. Hence, the participation in government-funded contracts is not attractive for the private sector and prices are on an increasing trend factoring in the risk; ability to pre-finance becomes a factor in bidders' selection and suppliers often request for payment in advance of delivery. This is exacerbated by challenges related to private operators' access to the financial market.

133. **Another area reported as a challenge** (SI 10b) **is obtaining all the administrative documents required for bid submission, in spite of the fact that a Bidders' Registry (*Cadastro*) was created to streamline the process.** The challenge is created by the fact that certain documents have a shorter validity (3 months) than the *Cadastro* itself (1 year). Moreover, since *Cadastro* is housed in UFSA, in the capital, it is more difficult for provincial companies to register. The PDEF is sometimes supporting the process. With the rollout of the MPE, however, *Cadastro* becomes a systematic requirement and these issues need to be urgently addressed.

134. **Bid securities are a hurdle** (SI 10b) because of the onerous financial conditions: 120 percent collateral and high (above 20 percent) interest rates. Waiving the bid and performance security requirements for consultants' selection and providing the option of a 'Bid Security Declaration' for the procurement of goods, works and services (both would require an amendment to the *Regulamento*). will significantly reduce the cost of participation in public bidding for the private sector and have the potential to increase competition.

135. **While there is a sectoral approach in the Government sustainable development strategy this approach is not explicitly reflected in the procurement strategy** (SI 10c) which may obscure procurement contribution to the attainment of the higher level Government social and economic objectives.

Table 15: Overview of substantial gaps with risks and recommendations

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
10(a) Dialogue and partnership between public and private sector	Government dialogue with the private sector is sporadic so there are no formal channels for private sector's views/input to be captured by UFSA. There is no training program tailored to the private sector.	H	Create a forum/platform for periodic dialogue and consultation with the private sector and follow up on the systemic issues Develop training programs (including online) tailored to the needs of the private sector in collaboration with the private sector associations and education institutes to build the capacity of the private sector (MSME included) to access the public procurement market.

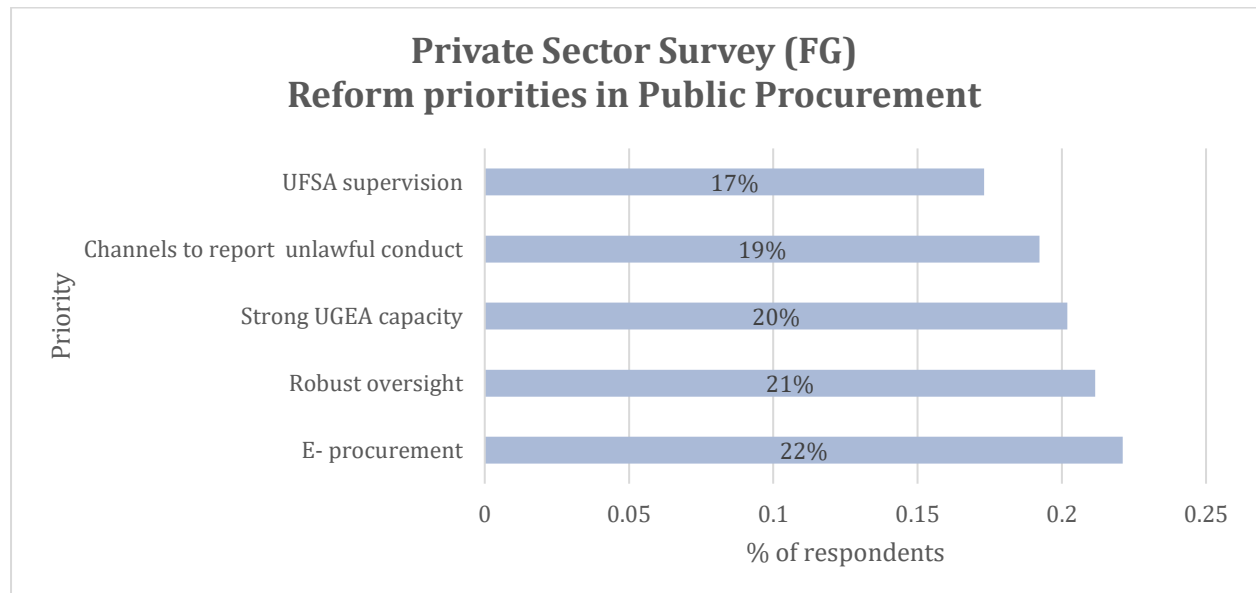
Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
10(b) Private sector organization and access to the public procurement market	✓ Participation of the private sector in procurement is inhibited by chronic payment delays. Payment delays are compounded by low access to financing sources.	H	Payment delays are to be addressed at various level of budget planning and execution and cash management and oversight. The government is taking action with the support of DPs (see Indicator 4). In the interim, enforce the late payment penalties under the contracts to compensate contractors, suppliers, and consultants for such delays.
	Challenges in the submission by bidders of documentary information for bidding and registration in the <i>Cadastro</i> .	M	Use the MPE piloting as an opportunity to streamline <i>Cadastro</i> process (UFSA/CEDSIF) including how to handle the discrepancy in validity dates (<i>Cadastro</i> versus individual documents). In the medium/long term, ensure system linkages with other government systems: taxes, social security, INE, bankruptcy register. Until UFSA is decentralized, support for the <i>Cadastro</i> may be provided by the PDEF.
	Bid securities are difficult to obtain and bid security requirements are excessive, in particular for consultants.	H	Waive bid and performance securities for consultants. For goods, works, and services, provide the option to replace bid securities with Bid Security Declaration (this would require a revision in the <i>Regulamento</i>). In the short term, consider an increase in the threshold for the bid securities.
	The private sector has no trust in the dispute resolution mechanism (Private Sector Survey FG).	H	UFSA to identify the impediments to the effective enforcement of non-judicial dispute resolution mechanism and possible remedies.
10(c) Key sectors and sector strategies	UFSA strategy does not make the sectoral approach (linkage with the government priority sectors) explicit.	M	UFSA strategy to be more explicitly linked to strategic sectors as identified by the government in its five-year plan and illustrate how procurement policy supports the government agenda.

Note: a. Solution lies to a great extent outside procurement.

136. **How the private sector ranks a set of priorities (provided in the survey)** to improve the efficiency, effectiveness, and integrity of procurement is shown in Figure 9). Importance is given to e-procurement as a way to ‘remove the human intervention in the procurement process’, as noted by

one of the respondents. E-procurement, indeed, is an important tool with the potential to build compliance, efficiency, and transparency in public procurement and this assessment recommends that the government vigorously pursues this agenda. It is also important to note that there is understanding that e-procurement is not, by itself, a panacea and not a substitute for well-designed processes, competence, integrity, and robust oversight; hence, the need to take a holistic approach in reforming the public procurement systems in Mozambique.

Figure 9: Private sector views on reform priorities



Pillar IV: Accountability, Integrity and Transparency of the Public Procurement System

137. *Pillar IV includes four indicators that are considered necessary for a system to operate with integrity, has appropriate controls that support the implementation of the system in accordance with the legal and regulatory framework, and has appropriate measures in place to address the potential for corruption in the system. It also covers important aspects of the procurement system, which include stakeholders, including the civil society, as part of the control system. This pillar considers aspects of the procurement system and governance environment to ensure they are defined and structured to contribute to integrity and transparency (MAPS Methodology 2018).*

Summary of Pillar IV

138. **While Mozambique is a signatory of the UN Agreement on anti-corruption and has a comprehensive governance legal framework, more needs to be done to ensure its effective implementation.** Compliance is not always enforced, and the perception of corruption is quite high (70 percent¹⁸ of those interviewed in the private sector consider corruption a barrier to doing business); it is further noted that Mozambique has been on a sliding trend in TI Corruption Perception Index that fell from 31 in 2015 to 23 in 2018. Therefore, there is an urgent need of credible outcomes that could shift the downward trend and bring back international and national confidence in the workings of the governance systems in Mozambique. At this stage, the government needs to focus on effective implementation of the governance laws and regulations, including consistent enforcement of sanctions for non-compliance. There is also need for strengthening and streamlining the implementation mechanisms including fostering cooperation and communication among the various actors involved to avoid duplication and take advantage of existing synergies. This must be coupled with promoting increased transparency by making available relevant information to public and engaging the private sector and the civil society in the monitoring of the governance systems including public procurement.

139. **There are specific provisions in the public procurement legal framework on how to prevent and mitigate corruption, conflict of interest, and unethical practices procurement: the priority and challenge right now is enforcement and progress monitoring including with support from non-state actors.** Significant advancements were recorded with the *Regulamento* clearly identifying unethical practices in procurement, mandating their inclusion in the bidding and contract documents and reporting them to UFSA, sanctioning bidders with debarment, setting in place a challenge and appeal mechanism, and promoting transparency through publication of bidding opportunities and contract awards. Full enforcement of these rules is now primordial including stepping up transparency through making data available on a centralized portal and strengthening the appeal mechanism to become an important instrument to promote compliance and integrity in procurement.

140. **A comprehensive internal and external control and audit system has been set in place, but it is critical to increase its efficiency and effectiveness** through stepping up cooperation and mutual reliance among the various actors at the central and local level and advancing the procurement integration into the PFM oversight system. Currently, the oversight system consists of more than 90 agencies of internal control at central and provincial/district/sector levels. Internal audit is carried out by IGF and external audit by TA. Strengthening the cooperation among all these agencies, both central

¹⁸ Enterprise Survey 2018/2018 ES Survey

and provincial, including in the area of procurement oversight, is critical for taking advantage of existing synergies, avoiding overlapping activities, and reducing the transaction cost.

141. **The findings by indicator, substantial gaps, level of risk, and recommendations are summarized in the following paragraphs.**

Indicator 11: Transparency and civil society engagement strengthen integrity in public procurement

142. *The civil society, in acting as a safeguard against inefficient and ineffective use of public resources, can help to make public procurement more competitive and fairer, improving contract performance and securing results. Governments are increasingly empowering the public to understand and monitor public contracting. This indicator assesses two mechanisms through which the civil society can participate in the public procurement process: (a) disclosure of information and (b) direct engagement of the civil society through participation, monitoring, and oversight (MAPS Methodology 2018).*

Findings/Strengths

143. **The legal framework has provisions supporting the citizens involvement in policy formulation and implementation (SI 11a) and access to information (SI 11b):**

- The five-year plan of the government 2015–2019 includes among its priority actions achievement of the sustainable development objectives: (a) an open, participatory, and inclusive government and (b) strengthening the participation of the civil society in the local development.
- The law on the right to information (Law 34/2014) legislates the citizens' right to have access to information of public interest and to formulate and manifest their judgement over public issues to influence the decision process of the entities that exercise public power.
- The *Regulamento* provides for the right of the public to access procurement documents while making sure that confidentiality is preserved.

144. **UFSA reached out to the private sector** twice in 2015/2016 when the *Regulamento* was revised to seek its views and to inform on the outcome of the revision.

145. **There are a few CSOs** (SI 11c) that are active in Mozambique and are increasingly more effective in the area of policy advocacy and oversight. For instance, CSOs active in the PFM arena are the *Forum for Budget Monitoring/Fórum de Monitoria do Orçamento* and the Transparency International Chapter in Mozambique, the Center for Public Integrity, CIP/*Centro de Integridade Pública*. A positive trend is that contract awards that are now published are picked up and debated by media and citizens, sometimes identifying questionable procurement and prompting remedial action.

Findings/Substantial gaps

146. **The CSOs, except for occasional interventions, are not systematically involved in public procurement** (SI 11a and 11c) (for example, to participate directly or exercise consistent monitoring) and there is no evidence that their inputs are considered or programs are in place to build their capacity. The World Bank Strategic Country Diagnostic underscores that, with a few exceptions, overall, the CSOs in Mozambique are weak and dependent on the donors, in particular the bilateral agencies whose funding has been shrinking.

147. **Public procurement information is fragmented and not sufficient nor is it in “open data format” to allow for systematic oversight by non-state actors** (SI 11b). This is an opportunity area that would require a sustained effort by UFSA and CEDSIF with DP’s support. Citizens are not participating in the procurement process as confirmed by the UGEA and Private Sector Surveys (SI 11c).

Table 16: Overview of substantial gaps with risk and recommendations

	Substantial gaps/ ✓ Red flag^a	Risk	Recommendation
11(a) Enabling environment for public consultation and monitoring; 11(c) Direct engagement of civil society	There is no evidence of citizens participating in public procurement including as observers in various stages of the procurement process.	M	UFSA to create a platform for engagement/exchanges with the civil society, including building capacity, and reach out through informative sessions, in particular when changes are envisaged in the procurement policy and legal procurement framework. When revising the SBDs, ensure that participation in bid opening is open to the civil society. Consider incorporating broader requirements in future revisions of the <i>Regulamento</i> .
11(b) Adequate and timely access to information by the public	Comprehensive information on public procurement on a centralized portal is not available as a precondition of effective participation.	H	Pursue the e-procurement agenda and incorporate in its design the ‘open contracting data standard’ and ‘governance filters’ to ensure wide availability of public procurement information. Until e-procurement is available, ensure that information on public procurement is consistently published on the UFSA portal.

Note: a. Solution lies to a great extent outside procurement.

Indicator 12: The country has effective control and audit systems

148. *The objective of this indicator is to determine the quality, reliability, and timeliness of the internal and external controls. Equally, the effectiveness of controls needs to be reviewed. For this indicator, ‘effectiveness’ means the expediency and thoroughness of the implementation of auditors’ recommendations. The assessors should rely, in addition to their own findings, on the most recent PEFA assessments and other analyses that may be available. This indicator has four sub-indicators (a–d) to be assessed (MAPS Methodology 2018).*

Findings/Strengths

149. **Mozambique has a comprehensive control framework** (SI 12a) including internal controls, internal audits, external audits, and oversight by TA and Parliament/*Assembleia da República*/AR. Overall, there are 94 internal control bodies: 2 cross-cutting inspections (IGF and General Inspectorate for State Administration/*Inspecção Geral da Administração Pública*, IGAE), 24 sectoral, 55 provincial, 5 municipal, 4 in public companies and 4 in autonomous institutions¹⁹. There is some coordination

¹⁹ Source: SIPU 2014. *Estudo sobre o Sistema de Controlo e Auditoria em Moçambique*/Study of the control and audit systems in Mozambique.

among the audit agencies but mostly at the central level (IGF/TA) through a shared online platform. UFSA can also access to IGF website. It is noteworthy that, under the *Regulamento*, UFSA is mandated to establish cooperation mechanisms with the internal and external audit agencies and 8 joint audits have already been conducted with IGF in the last couple of years.

150. **Internal and external audits are increasingly risk based; reports are shared with auditees** (SI 12 a/c): UFSA developed a traffic lights approach to grading UGEAs; IGF has a risk rating system based on a series of risk criteria and so does TA that has designed a 'risk matrix' to guide the audit planning process. The risk-based methodology is described in Audit Manuals developed by IGF and TA. Auditees are invited to comment on the audit findings²⁰ and generally there are follow-up procedures in place at the audited agency level. IGF has a tracking system that monitors the responses (including delays) from the audited agencies including for TA recommendations.

151. **Procurement oversight is conducted by UFSA, and it is increasingly included in the compliance internal and external audits of IGF, TA, and inspectorates, procurement being considered an area of risk** (SI 12 a/b). IGF Audit Manual contains a significant section on the procurement audit and, reportedly, its training program contains a procurement module. On its side, UFSA has included building capacity of the internal and external auditors in its strategic plan and has already delivered two training sessions to IGF and TA in 2017 and 2019, respectively, and intends to deliver additional training (three events) to TA. Prior review of the procurement processes is conducted by TA (through *Visto*) for contracts above MZN 5 million. In addition, TA undertakes post review (*Anotação*) for contracts below the *Visto* threshold. While prior and post reviews if conducted effectively can strengthen compliance, it is expected that the MPE will introduce "system checks" at every step of the procurement and expenditure cycle and will further improve the quality of the internal controls mechanisms in procurement.

152. **The Parliament exercises oversight over Mozambique public financing** (SI 12a/e). TA submits to the Parliament the Annual Report on the General State Account (CGE – *Conta Geral do Estado*). Given the judicial nature of the external audit in Mozambique, TA's audit reports are not required to be submitted to the Parliament although, according to PEFA, there is no legal impediment of the Parliament to request them. They are subject to a judicial review process and decisions are published in *Boletim da República* and on the TA website.

Findings/Substantial gaps

153. **Audit frequency** (SI 12 b/c), **follow-up on audit recommendations** (SI 12c), and **coordination among oversight agencies** (SI 12b/b) are areas that need to be further addressed. The shortage of funds affects the frequency of audits and UFSA supervisions (less than 10% of UGEAs annually) as well as the rigorous follow-up on the recommendations. PEFA 2015 raises similar issues in relation to external and internal audits²¹. Moreover, despite progress achieved, coordination among oversight agencies is not sufficient to take advantage of existing synergies; it is also quite a challenge given the number of oversight agencies involved. The UGEA Survey identified seven audits/inspections conducted in one year in one municipality which points to the benefits that would be derived from stronger coordination and mutual reliance. Overall, the activities, among audit agencies, need to be better coordinated and even formalized including information sharing to ensure that the synergies

²⁰ Adversarial procedure (*'princípio do contraditório'*) gives the audited entity a formal right of reply, should they wish to use it, to the findings and recommendations of the audit. In this respect there is a formal response on the part of audited entities, as this right is enshrined in Law and is respected (PEFA 2015).

²¹ PEFA 2015 assigned B and C ratings for follow up on internal and external audit recommendations, PI 21(iii) and PI 26(iii) respectively.

are maximized and there is more effective integration of procurement in the national oversight agenda.

154. **There is need for clarity on scope of controls and for strengthening the risk-based approach in conducting oversight** (SI 12a). Recently (2018), the PGR was charged with conducting prior review for procurement contracts; the UGEA Survey revealed that submission of contracts to PGR by UGEAs is not carried out consistently and it is not clear what the scope of PGR review is relative to TA review. Furthermore, the thresholds for prior/post review, the approach to post review, and delegations of authority need to be calibrated in consideration of cost/benefit/risk assessments.

155. **The capacity building of auditors in procurement by UFSA is infrequent** (SI 12d) **and not systematic** (only two trainings so far in 2017 and 2019) and therefore the UFSA Strategic Plan provides for the scaling-up of this activity. This could be extended to the private auditors (fee based) who are involved in SOE auditing and, in general, can supplement the government audit capacity and its ability to outsource audit services, on a need basis.

156. **UGEAs, in particular at the provincial level, are not very familiar with the concept of internal controls in procurement** and how it functions, and some lamented that they received no feedback on the outcome of the inspections.

Table 17: Overview of substantial gaps with risks and recommendations

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
12(a) Legal framework, organization and procedures of the control system	✓ Lack of clarity in the role of PGR in procurement prior review.	M	Clarify PGR's oversight scope relative to TA's to avoid duplication of roles.
	✓ Efficiency and effectiveness of the prior/post review processes could be strengthened.	M	MEF recommended thresholds for prior/post review should be based on robust analysis and consider delegating more authority to UGEAs based on risk.
12(b) Coordination of controls and audits of public procurement and 12(c) Enforcement and follow up on findings and recommendations	✓ In spite of the progress achieved, coordination of activities among the internal control actors and follow-up on the audit recommendations (including at the provincial/district level) is not sufficient to maximize synergies and minimize cost.	H	Step up cooperation and coordination to improve oversight effectiveness (including follow-up on the recommendations) and reduce the oversight transaction costs. Develop the joint platform IGF/TA/UFSA to post audit/supervision findings including on procurement that can be also accessed by sector/provincial inspectorates. UFSA and IGF to fully coordinate their procurement supervision/audit activities and formalize this arrangement.
	60% of UGEAs interviewed were not knowledgeable about internal controls in their agency.	M	Need for deeper understanding by procurement staff of internal control mechanisms by means of training and instructions and consistent feed-back on audit results.
12(d) Qualification and training	✓ Auditors' understanding of procurement requirements may vary.	M	UFSA with IGF to improve the audit training program consistent with the audit methodology and expand the

to conduct procurement audits			training to inspectorates and other control bodies. Create a platform for communication among oversight agencies to foster uniform interpretation of the legal and regulatory framework for public procurement.
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Note: a. Solution lies to a great extent outside procurement.

Indicator 13: Procurement appeal mechanisms are effective and efficient

157. *Indicator 13 covers aspects of the appeal mechanism as it pertains to the legal framework, including creation and coverage. This indicator further assesses the appeal mechanisms for a range of specific issues regarding efficiency in contributing to the compliance environment in the country and the integrity of the public procurement system (MAPS Methodology 2018).*

Findings/Strengths

158. **Mozambique's legal public procurement framework provides for a challenge and appeal mechanism available to participants in the bidding process** when not satisfied with the outcome of the process. It has three levels: the first level for procurement challenge is with UGEAs (procuring entities) and, subsequently, two levels of appeal are as follows: (a) at the administrative level, the hierarchical appeal and (b) at the judicial level, TA which is governed by specific legislation. The *Regulamento* provides that both the first level of procurement challenges lodged with UGEAs (procuring entities) and the hierarchical appeal suspend the bidding process.

Findings/Substantial gaps

159. **There is no administrative independent appeal body** (SI 13b) to ensure an efficient and transparent review of procurement appeals before the appeal to TA. Furthermore, there are no implementing rules/*normas complementares* to elaborate on the procedures for procurement challenges/appeals at the administrative level (that is, hierarchical level), including on how the decisions are rendered and what remedies are available.

160. **There are no process rules and the time frame for submission of appeals under the hierarchical appeal is unrealistically short (three working days)** (SI 13a), even more so given that such appeals need to be accompanied—as a condition for their admissibility—by a guarantee (SI 13b) amounting to a maximum of 0.25 percent of the estimated value of the procurement with a cap of MZN 125.000,00 (that is, about US\$2,000 equivalent).

161. **There is no information (statistical or case specific) publicly available** (SI 13c) on procurement challenges/appeals resolved at the administrative level to make a determination on the decision process and remedies. At the judicial level, TA publishes its decisions for all appeal cases it addresses but the challenges/appeals that are procurement related are not identified as such.

162. **Quantitative indicator.** 100 percent of those surveyed do not trust the procurement challenge/appeal mechanism (Private Sector Survey FG). There are no statistics on appeals number and their resolution time frames, on a central platform or otherwise.

Table 18: Overview of substantial gaps with risks and recommendations

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
13(a) Process for challenges and appeals	The appeal mechanism is not fully transparent as there are no clear process rules besides what is succinctly mentioned in the <i>Regulamento</i> .	H	Issue implementing rules/ <i>normas complementares</i> on the procedures for submitting and deciding on procurement challenges/appeals, including remedies that may be granted at the administrative level to ensure due process and transparency.
13(b) Independence and capacity of the appeal body	✓ The appeal mechanism is not efficient and the private sector lacks confidence in it, so it is not effectively used to promote compliance and integrity in public procurement.	H	Create the function of 'independent administrative procurement appeal body' in an agency that is not involved in procurement operations (to avoid conflict of interest), that is appropriately staffed, and has the authority to issue binding decisions for both the government and the private sector. Remove fees that may discourage appeals The first two steps for filing challenges and appeals (that is, with UGEAs/procuring entities and hierarchical appeal) could be merged as they are within the same 'administrative body'.
13 (c) Decisions of the appeal body	Challenges/appeals at the administrative level are not monitored and decisions on appeals are not published on a centralized government portal.	H	Enforce the <i>Regulamento</i> requirement under Art 14.1(i) for UGEAs to report to UFGA information on challenges and appeals and revise the <i>Regulamento</i> to require publicity of decisions on appeals at the administrative level.

Note: a. Solution lies to a great extent outside procurement.

Indicator 14: The country has ethics and anti-corruption measures in place.

163. This indicator assesses (a) the nature and scope of anti-corruption provisions in the procurement system and (b) how they are implemented and managed in practice. This indicator also assesses whether the system strengthens openness and balances the interests of stakeholders and whether the private sector and civil society support the creation of a public procurement market known for its integrity (MAPS Methodology 2018).

Findings/Strengths

164. **Mozambique has a comprehensive anti-corruption legal framework** that defines individual responsibilities, accountabilities, and penalties for government employees and private firms or individuals found guilty of fraud corruption and other unethical practices (SI 14d). It includes the obligation of public officials to declare assets and provisions concerning conflict of interest (including a cooling-off period for former public officials) (SI 14a). The legal framework includes the Law on Whistleblower Protection (Law 15/2012), the Law on Public Probity (Law 16/2012), the Law on the

Right to Information (Law 34/2014), the updated Criminal Code (Law 35/2014), the Law on the Statues of Magistrates (Law 4/2017), and on the National Systems of State Archives (Decree 84/2018).

165. **Civil servants including those in procurement must abide by certain ethical norms and standards** (SI 14g). These norms are captured in the General Statute of Civil Servants and State Agents (*Estatuto Geral dos Funcionários e Agentes do Estado*, EGFAE) (approved by Law 10/2017). EGFAE emphasizes the principles of legality, impartiality, probity, and incompatibility of the civil servant position with other activities. It addresses the merit-based recruitment, the career progression, obligations and rights of the civil servants and managers, performance evaluation standards, capacity building, disciplinary sanctions, and right to appeal. In addition to the Statute of Civil Servant and State Agents, there is an Ethical Code for the Procurement Staff prepared by UFSA.

166. **The institutional framework that promotes and supports the integrity** (SI 14d) agenda is quite robust and includes (a) PGR that oversees and reports to the Parliament on the enforcement of the laws in the country, (b) GCCC responsible for preventing and fighting criminal acts and providing capacity building in the integrity area, (c) a Central Public Ethics Commission/*Comissão Central de Ética Pública* (CCEP) charged with developing mechanisms to prevent and address conflicts of interest, (d) TA that handles financial irregularities. Mandatory reporting of cases of fraud and corruption and unethical practices is required by the law to be submitted to GCCC, TA, CCEP, and in the case of procurement also to UFSA.

167. **The governance integrity agenda in procurement is addressed in addition to the above-mentioned general framework by the *Regulamento*** (SI 14a). The *Regulamento* clearly defines fraud and corruption and other unethical practices and conflict of interest. It also mandates to have these concepts included in the bidding and contract documents and identifies related sanctions (both for civil servants and the private sector) including provisions for bidders' debarment. Furthermore, procuring entities and individuals are required to report on cases of fraud and corruption and other unethical practices (including to UFSA) and there are generally procedures and systems in place for doing this. Finally, a challenge and appeal system specific to procurement was set in place as a tool to increase integrity in procurement and private sector's confidence in the process.

168. **There are secure and confidential channels for reporting cases of fraud and corruption and other unethical practices to CCEP, PGR/GCCC, and TA** (SI 14f). CCEP is required to report to GCCC on all its decisions on conflict-of-interest cases. These agencies generally have public websites where they provide guidance on how to file a report. PGR in its annual report provides statistics on the incidence of fraud and corruption as well as on the frequency of visits, audiences, calls to prosecutors' phone lines, green lines, direct complaints about potentially illicit acts. PGR Report 2017 signals an increase in the cases of corruption reported (957 in 2016 versus 535 in 2015), which is seen as a step ahead in citizens becoming aware of the need to report and combat corruption. At the same time, the PGR report signals the need to expand the green lines to the provinces and continue training citizens through workshops and informational material (brochures, leaflets, and handouts) to identify and report on cases of conflict of interest, fraud, and corruption.²²

Table 19: Frequency of events - PGR/GCCC

Channels	Number of events /PGR report 2017
Workshops/ <i>Palestras</i>	1,860
Audiences	16,415

²² PGR Report 2017 lists the 2016 sensitization activities: workshops for 22,496 public servants; distribution of 600 brochures in schools and public institutions; and distribution of 10,000 bumper stickers with the number of the green line of the GCCCs; broadcasting of publicity spots on TV and radio on the Law of Public Probity; and competitions in schools on anti-corruption topics.

Channels	Number of events /PGR report 2017
Calls Prosecutor line	1,821
Presentations/ <i>Exposições</i>	4,467

Source: PGR Report 2017.

169. **As a corollary to the above, it is important to underscore a recent initiative of the government to strengthen governance, improve transparency, and ensure accountability.** The government with the support of the IMF has prepared a Report on Transparency, Governance, and Corruption of July 2019 identifying the key governance and corruption vulnerabilities and proposing remedies. To this end, the government has developed a comprehensive action plan to address specific challenges. Some of the actions proposed require UFSA involvement and others are broader but may impact positively on public procurement. Here are a few examples: digitizing and making the company registry accessible to the public; restoring the chain of expenditure by issuing quarterly commitment ceilings, with impact on the orderly payment of contractors; adopting and implementing a formalized control framework regularly assessed by IGF and TA to report on integrity and compliance in PFM processes such as public procurement; publishing reports containing statistics on public procurement and the public Procurement Manual of procedures; improving beneficial ownership requirements; enhancing procedures for pursuing corruption by GCCC; clarifying the reporting channels for conflict of interest (create contact points in each agency) and corrupt behavior and identifying the escalation procedures to GCCC; reviewing the asset declaration system and making it public.

Findings/Substantial gaps

170. **While the anti-corruption legal framework is quite robust, its implementation is not really effective for lack of resources, prioritization, and incentives** (SI 14c), as outlined in the 2018 IMF Staff Report: while the asset disclosure system is comprehensive, its implementation falls behind international best practices: asset disclosures are not published, sanctions for non-compliance or false declarations are not sufficiently dissuasive, and verifications are not strategic. During 2015, 55 percent of officials complied with their obligation to declare assets, while there were no consequences for the 45 percent who did not declare²³. There is no specific information on officials in public procurement (SI 14g). The ratio was even lower in 2016: 44 percent (PGR 2017 Report). PGR report indicates that steps are taken to increase the effectiveness of the sanction mechanism including the preparation of a decree (now in draft) on procedures for sanctions under Public Probity Law. Similarly, measures are being contemplated by the government to encourage reporting on conflict of interest by publishing procedures for reporting and escalation, identifying focal points in agencies, confidentiality criteria, and recusal procedures.

171. **A system for debarment of bidders is in place under the *Regulamento*; however, it is not yet regulated through implementing rules/*normas complementares***, as per Art. 281(2) of the *Regulamento*, to guarantee transparency and 'due process' (SI 14c). The lack of implementing rules/*normas complementares* creates some confusion as to the debarment authority and hence there is a sense that the number of firms barred from participation in public bidding is larger than the list of officially debarred companies published by UFSA.

172. **While there are broad statistics published by PGR, there are no statistics on fraud and corruption cases specific to procurement** (SI 14d) and government officials found

²³ IMF, 2018, Art. IV, Staff Report.

guilty/prosecuted/convicted; there are no statistics on how many UGEAs report unethical practices and illicit acts to UFSA as per Art. 14.1(u) of the *Reglamento*. While MAFEP organizes integrity training for all civil servants, and so does PGR/GCCC, there is no specific integrity training for the procurement cadre (SI 14d). Civil society's level of awareness about the need to monitor and report on corruption in procurement is generally low (SI 14f)) and therefore does not play a significant role in monitoring public procurement integrity (SI 14e).

173. Quantitative indicators

- 113 firms are debarred and posted on the UFSA website – about 2 percent of those registered in the *Cadastro*
- 100 percent of civil servants and state agents are subject to the General Statute of the Civil Servants and State Agents.
- In 2016, 44 percent of those subject to asset declaration complied with the requirement to submit a declaration. There are no national statistics on cases of fraud and corruption in procurement (that is, firms or government officials found guilty/prosecuted/convicted).
- The UGEA Survey revealed that 3 out of 22 UGEAs interviewed have identified three unethical cases of which one was sanctioned.
- 70 percent of private sector companies consider corruption a significant impediment to their business (*Source*: 2018 ES Survey).
- 2 CSOs are engaged sporadically in procurement.
- Private companies interviewed do not have internal compliance officers, but some reportedly have ethical codes.

Table 20: Overview of substantial gaps with risks and recommendations

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
14(c) Effective sanctions and enforcement systems	While there is a system for debarment of bidders and 113 firms are formally debarred (<i>Source</i> : UFSA website), the number of firms barred from procurement is reportedly higher. There are no implementing regulations to describe the minimum 'due process' for debarment. Hence, there is need for clarity regarding the process including to reinforce the fact that debarment is vested only in UFSA.	H	Issue a <i>Despacho</i> of the Minister of Economy and Finance as per Art. 281(2) of the <i>Reglamento</i> , which shall provide for 'due process' including the process for any possible appeal.
14(d) Anti-corruption framework and integrity training and 14(e) Stakeholder support to strengthen integrity in procurement.	✓ There is no information published on fraud and corruption and unethical practices in procurement (except for the list of debarred firms).	M	Collect this information through the PGR/GCCC statistics. Enforce UGEAs reporting on unethical practices and illicit acts as per Art. 14(1)(u) of the <i>Reglamento</i> .
	There is no specific integrity training in the procurement training curriculum.	M	Include an integrity module in the UFSA training program.

Sub-indicator (SI)	Substantial gaps/ ✓ Red flag ^a	Risk	Recommendation
			Publicize UFSA Manual that contains useful information on reporting unethical and illegal practices.
	There is no effective involvement of civil society as a third-party monitor of public procurement operations.	M	UFSA to reach out to active CSO that have procurement in their work agenda See also SI 11 (b) and 11 (c).
14 (f) Secure mechanisms for reporting prohibited practices or unethical behavior	✓ Given the large number of agencies involved in the anti-corruption agenda, there is a need for citizens to have a better understanding of their role and how to identify and report on integrity issues.	H	Increase awareness on how to recognize, mitigate, and report on corruption. Sensitize civil servants and citizens in general on the fraud and corruption issues and the channels available for reporting: (e.g., it could be helpful to develop a 'summary guidance' with information for citizens, spelling out the role of each agency and when and how to contact them).
14(g) Code of conducts/ ethics and financial disclosure rules	✓ Disclosure of information (e.g. financial, conflict of interest), violation of these requirements, sanctions applied for civil servants/public official in the area of public procurement are not monitored.	H	Monitor and publicize information on compliance and sanctions for violation of the ethics code and financial disclosure requirements for procurement staff/officials.

Note: a. Solution lies to a great extent outside procurement.

Chapter 4: Consolidated Recommendations

174. *This chapter consolidates the MAPS assessment recommendation by pillars and strategic lines based on the analysis conducted under each of the MAPS pillars under Chapter 3.*

Overarching Objective: Value for money procurement with integrity for the efficient use of public resources

175. The assesment concluded that Mozambique has broadly implemented the first-generation reforms in procurement, setting in place a modern public procurement legal, regulatory, and institutional framework. Hence, the focus of the MAPS II assessment recommendations, besides filling remaining gaps, is on how to make the system fully operational and maximize procurement outcomes. A summary of recommendations is detailed below by pillars and strategic lines.

Pillar I: Legal Regulatory and Policy Framework

Improve public procurement legal framework to optimize public procurement outcomes

176. **The legal public procurement framework, while found generally adequate, needs further strengthening in specific areas identified under the MAPS analysis** such as (a) filling some gaps in the legislation including the appeal and sanction mechanisms, simplifying bid security, and advertising requirements; (b) developing and updating tools for practitioners (for example, implementing rules/*normas complementares*, updated SBDs, standard bid evaluation reports) for the effective implementation of the *Regulamento*; (c) completing the development of the e-procurement regulatory framework; and (d) positioning procurement on the sustainable development agenda trajectory.

177. **Areas in the legal framework where more clarity is needed:** the use of different definitions of concessions under various legislative instruments, clarity regarding the language on who is the entity vested with debarment authority (which should be UFSA and not the procuring entities - UGEAs). In addition, the *Regulamento* misses key provisions required under the MAPS standard to enable optimal procurement results (for example, including an option for framework agreements, explicit prohibition of fractioning contracts, adequate publicity requirements and extended time frames for international competition, more bid security options, more specificity on the bid opening time). Finally, there are provisions in the *Regulamento* that require further guidance (safeguarding confidentiality during the bidding process, conditions for using QBS method, application of domestic preference, falling back on less competitive methods on competitive methods fail, among others).

178. **For the SOE sector**, it is recommended that each SOE adopts enterprise-specific procurement regulations consistent with the new governing regulations to fill the gap created by the removal of SOEs from the *Regulamento* in 2016. In the medium term, it is recommended to have one procurement regulation for all SOEs. Furthermore, the *Regulamento* needs to address the SOEs' participation in public procurement to maintain a level competitive field with the private sector.

Pillar II: Institutional Framework and Management Capacity

Strengthen UFSA authority and gradually decentralize key services to enable it to effectively carry out its lead procurement agency functions

179. **UFSA, which was instrumental in establishing a new modern public procurement system in Mozambique, needs to be vested with higher-level authority and resources as the status quo is no longer consistent with its increasing responsibilities.** According to international practice, the agency that oversees procurement must have enough authority and budget to ensure the function's independence, proper staffing, and effective operation. UFSA needs to manage the increasing demands posed by the second-generation reforms through (a) measuring and monitoring performance to optimize public procurement outcomes and (b) engaging effectively the state and non-state stakeholders to find holistic solutions to challenges that are inherently complex. Therefore, the following is recommended:

- In the medium term/long term, elevate the level of authority of UFSA.
- In the interim, UFSA should effectively make use of own funds and attract more resources from the government and donors' community based on strong strategic plan and demonstrable results.

180. **UFSA to deconcentrate/decentralize key services to ensure closeness to 'clients', that is, UGEAs, the local private sector, and citizens.**

- In the medium term/long term, create UFSA branches at the provincial level to carry out the functions of UFSA at the subnational level.
- In the short term, strengthen the existing units in the PDEFs and ensure that additional staff is dedicated to procurement as these units already accumulate many responsibilities, of which most are not procurement related.

181. **Step up collaboration between UFSA and other government agencies or departments involved in public procurement (including through a consultative/advisory group) to address cross-cutting issues:**

- Procurement audit/supervision : TA, IGF, inspectorats.
- Anti-corruption agenda : GCCC, CCEP, TA.
- Technology systems supporting procurement (that is, MPE, e-procurement): CEDSIF.
- Budget/treasury planning: MEF departments.
- Professionalization: MAEFP.
- Capacity building: Education institutes, professional associations.

182. **Step up/initiate collaboration with non-state stakeholders:**

- **Private sector associations:** To inform and seek private sector insights on the procurement operational issues that may shape process and policy improvements.

- **CSOs:** To inform and engage in the procurement monitoring.

183. **Carry out a ‘mapping’ of UGEAs** to capture the universe of UGEAs, their nature (whether formalized or not), and their functions, activities, and needs. This will enable a good analysis of the institutional procurement arrangements that have the potential to result in consequential recommendations as to their optimal configuration, what are the best procurement strategies to achieve value for money, how to plan for effective supervision and capacity building.

184. **Advance the e-procurement agenda by updating the road map and identifying the next steps, timing, related cost estimates, and technical assistance needs** and, in the meantime, boost transparency by developing the UFSA portal and building it into a full-fledged ‘centralized online portal for public procurement. Furthermore, step up the level of information provided on public procurement as a precondition for effective participation of non-state actors in procurement oversight. Until e-procurement is available, UFSA must make the most of existing sources of information e-SISTAFE/MPE that is expected to be rolled out this year and UGEAs’ mandatory reporting.

185. **Update the UFSA strategy and strategic plan for 2020–2024 and incorporate key findings from this MAPS assessment** with clear priorities, timelines, cost, and responsibilities for implementation. Make explicit in the strategy the alignment with the sectoral approach in the PQG and the role procurement can play in the attainment of the government SDGs.

186. **Ensure adequate skills in UFSA to carry out its agenda:** This may include but are not limited to the following areas: (a) communication with stakeholders at central and provincial levels, (b) data management and analytics, (c) IT strategy implementation, (d) capacity-building strategy, (e) supervision, and (f) legal expertise for policy advice.

Monitor implementation and outcomes to make necessary adjustments in the procurement strategy when needed

187. **Create a database with reliable procurement statistics on national procurement including for SOEs.**

188. **Select key procurement indicators to be monitored by UFSA at the national level (in addition to the procurement methods which are already monitored) and publish them on a single platform (UFSA’s website):**

- **Procurement transparency:** Publication of procurement plans that inform the business community in advance of the public procurement needs/opportunities; publication of awards, including for direct contracting cases
- **Procurement efficiency:** The duration of procurement processes; number of cancelations and reasons; number of bidders and responsive bidders; number of challenges, appeals, and resolution time frames
- **Contract implementation:** Number of amendments and related increase in contract amount, timely payments, and large contracts’ implementation status
- **Unethical practices in procurement reported** and sanctions applied (based on information from UGEAs and PGR/GCCC, IGF, TA).

189. **Assess ways to enhance the breadth and depth of information collection by UFSA and publication of information on UFSA portal** that can be further folded into the e-procurement module.

Until e-procurement is implemented, two complementary approaches for collecting information seem practical.

- Enable and incentivize UGEAs to submit to UFSA the information mandated under the *Reglamento*.
 - UGEAs could post the procurement opportunities and awards on their own website and UFSA could have ‘live links’ to UGEAs’ portal where information (bidding opportunities, award) is published.
 - UGEAs to share directly with UFSA, on a secure system, non-public information they are required to submit under the *Reglamento* (Art. 14); start with a pilot and expand with increased connectivity.
- Draw from the information contained in the MPE that is expected to be rolled out this year; it will provide a wealth of information on the precontract processes. Complement it with UGEAs’ reporting.

190. **UFSA to create an office dedicated to ‘Studies and Statistics’ to help monitor the performance of the national public procurement system.** Studies will inform the performance monitoring and supervision plans as well as future adjustments in policy. Recommended studies are the following:

- Value chain studies to examine the procurement processes in a sample of agencies to identify the critical bottlenecks (starting with the agencies in the government priority sectors)
- The cost of publicity in a sample of UGEAs
- The operation of the challenge/appeal mechanism
- Development of performance indicators for procurement procedures and baselines
- Strategic plan for professionalization
- Sustainable procurement strategy
- Scope of concessions governed under various acts
- Enforcement of the dispute resolution through non-judicial mechanism
- Implementation effectiveness of the preference regime for MSMEs and other sustainability features.

Build a critical mass of procurement cadre through certification/professionalization, sustained training, and technical support

191. **UFSA to develop a robust capacity-building plan for UGEAs and non-UGEA staff (technical, managerial) involved in procurement—supported by professionalization (in the medium term/long term) and certification (in the short term) to create a critical mass of procurement specialists.** UFSA should consolidate its role as strategic planner, coordinator, supervisor rather than trainer and rely on educational institutions to carry out the actual training. UGEAs’ capacity building is a high priority and the demand exceeds many times the offer. Currently, UGEA staff is characterized by high turnover, arbitrary appointment and removal, lack of motivation, and low image. In this context,

capacity building is permanently in a catch-up mode and resources spent for training are not fully effective and hence the need to motivate and stabilize the workforce. Some steps toward capacity building include the following:

- **Identify the universe of actors that need to be trained** and their needs including (a) staff working in UGEAs (a rough estimate is 3,000–4,000); (b) non-UGEA technical staff that is part of the evaluation committee (*Júri*) requires to be trained and certified; and (c) managers involved in the procurement process: for example, competent authority's head, governor, president, local council members, district and provincial assembly members to understand procurement requirements and adopt a more informed and strategic approach to procurement planning and oversight. UGEA mapping will support this objective.
- **Plan and tailor the capacity-building agenda based on the above needs' assessment in coordination with other educational institutes.** Develop/strengthen training modules for UGEAs in areas where weaknesses are more pronounced. Some of the areas identified during the UGEA Survey are procurement planning (including needs analysis and market research), how to use the Catalogue for Goods and Services and Price Catalogue, consultants' evaluation, use of sustainability criteria in evaluation, enforcement of confidentiality requirements, effective contract management, integrity and identification of red flags in procurement, the newly updated Manual, the use of UFSA portal, the implementation of the recent archive law, the implementation of internal controls in procurement.
- **Scale up the training** to be able to meet the needs of thousands of participants (6,000–8,000), government staff, and other stakeholders in procurement: to this end and under UFSA coordination, it is recommended to prepare online modules, adopt a 'train the trainer' approach, and outsource entities able to deliver this training.
- **Start the certification process based on the levels of competency and profiles already approved** and make the recruitment process competitive and merit based with technical qualification and integrity requisites.

192. **Provide tools to practitioners:** (a) Issue the revised SBDs, prepare and disseminate standard bid evaluation reports; (b) issue implementing rules/*normas complementares* (for example, for debarment and appeals), provide instructions for areas that need more clarity (for example, contract management, confidentiality, procurement record management, application of preferences, and sustainable evaluation criteria) through the Manual or standard operating procedures (*Instruções*); (c) update the Catalogue for Goods and Services (that includes standard specifications for off-the-shelf goods and recurrent services) and the Price Catalogue (helpful in estimating contracts costs) to make them fully operational; and (d) further develop the FAQ section on the UFSA website to help respond to FAQs on procurement operations.

Pillar III: Public Procurement Operations and Market Practices

Adopt a strategic and value for money approach to procurement and contract management to increase the efficiency in the use of public funds and delivery of public services

193. **Strengthen procurement planning and contract monitoring** to feed into a realistic budget planning and execution and improved commitment controls. This may help address, among other things, the challenge currently posed by chronic payment delays that have a harmful effect on the financial health of private companies. The MPE is expected to bring more discipline in the commitment monitoring and payment process. Furthermore, introduction of multiyear budgeting will enable ‘advance procurement’ (that is, advance preparation of bidding documents and the option of completing the bidding process up to the contract signature, in year n-1), enabling more effective procurement planning and implementation.

194. **Procurement entities/UGEAs to look at procurement holistically** and aggregate it, when needed at district, province, or central level, to achieve economies of scale and reduce transaction costs including the cost to build expensive procurement expertise that may not be used in all units that have a budget line. To this end, develop new tools like **framework agreements/e-catalogue** to ensure that commonly purchased goods and services (office supplies and furniture, hotels, fuel, cleaning, security services) are contracted and negotiated in bulk resulting in lower overall costs. It is worth noting that framework agreements are not inconsistent with the decentralization process, that is, while frameworks are established at a central level (national or subnational), the decision to procure is still at the beneficiary level. **Launch the implementation of the Reverse Auctions (*Concurso por Lances*)** to help in the short term with the efficient procurement of off-the-shelf goods and services.

195. **Establish a threshold below which there is no need to have formal contracts**—rather a requisition order with price justification. Currently there is no minimum threshold for formal contracts and transaction cost is very high: for instance, contracts may be concluded for hotels for every field trip a staff member is undertaking and for every purchase of car gas (while gas prices are fixed).

196. **UFSA to address the provision that allows UGEAs to fall back automatically on shopping and direct contracting** when public bidding/*Concurso Público* fails. Until it is addressed in the *Reglamento* this aspect can be addressed through additional guidance and controls.

197. **Procuring entities/UGEAs to strengthen responsibilities for performance monitoring and contract management, the weakest link in the procurement process.** Under the UGEA Survey these activities scored the lowest in terms of performance and their importance cannot be overstated for the achievement of optimal procurement outcomes. Staff should have adequate qualifications to be able to conduct this work effectively and have clear guidance on the division of responsibilities among different departments involved.

198. **UGEAs to make increased use of lower cost options provided by the *Reglamento* (for example, website) for publicity of procurement opportunities and other information** to reduce the transaction cost which is currently quite high: sometimes publicity costs more than the contract itself. Remove the requirement to publicize the bidding opportunities twice, when the *Reglamento* will be revised.

Improve private sector access to the public procurement market and promote its effective participation

199. **UFSA to create a platform for communication with private sector associations** (at the central and provincial level) to identify systemic concerns and help address them at the appropriate level when the challenges raised are an obstacle to efficient procurement.

200. **UGEAs should conduct market analysis and reach out to the private sector** to consult on non-standard procurement, when their knowledge about technical specifications and market is scarce, and to encourage bidders' participation.

201. **Improve private sector access to the public procurement market by reducing the associated costs:**

- **Facilitate access to procurement opportunities/information** (now dispersed) by (a) creating a centralized/up-to-date portal with procurement opportunities (in particular for public tenders), (b) mandating the publication of procurement plan to give the private sector advance notice of upcoming business opportunities, and (c) mandating the publication of public bidding/*Concurso Público* in at least one newspaper of wide circulation/unique portal.
- **Until UFSA is decentralized, build the PDEF's ability** (including with dedicated trained staff) to assist private firms to participate in public procurement, including to assist them with registration in the *Cadastro*.
- **Simplify bid securities** for goods/works/services; waive bid and performance security requirements for consultants; and offer the option to use a Bid Security Declaration for goods, works, and services. In the short-term increase thresholds for their use.
- **Monitor the reasonability of the cost of bidding documents** as per the *Reglamento* requirements.
- **Remove requirement for local representation for foreign bidders** which has a negative impact on the level of competition.
- **Promote MSMEs participation** through targeted capacity building and improved monitoring of the MSME categorization in the bidding process.

202. **Ensure timely payment** through better assessment of commitments and budget discipline and enforce penalties for delays as per the *Reglamento*.

203. **UFSA to develop a training module specific for the private sector (including MSMEs)** in collaboration with private sector associations. It may include topics such as how to identify bid opportunities, bid preparation, how to use the UFSA website, the registration in the Bidders' Registry (*Cadastro*), filing challenges/appeals, and integrity requirements.

204. **Foster private sector confidence** in the public procurement systems: in the challenge/appeals mechanism and in the debarment process (see paras 208 and 209). The Private Sector Survey FG revealed that, currently, the private sector representatives do not have confidence in the appeal system and therefore they do not make much use of it.

Pillar IV: Accountability, Integrity and Transparency of the Public Procurement System

Strengthen and optimize internal controls and procurement oversight

205. **Take advantage of synergies among the oversight agencies and reduce oversight transaction costs** by stepping up coordination: UFSA and IGF to coordinate their procurement reviews and share information on their planning and findings; share this information also with TA and sectoral/provincial inspectorates.

206. **Streamline reviews**

- Clarify the scope of the contracts' prior review by the PGR as compared to TA's review to avoid duplication of functions and unwarranted delays in the procurement process.
- Ensure that the prior and post review thresholds recommended annually by the MEF (for *Visto/Anotação*) are based on robust analysis that balances costs/benefits and risk.

207. **Build the capacity of the internal/external auditors and inspectors to conduct procurement audit/inspections and of procurement staff to understand the controls systems:**

- Identify the universe of potential trainees (including private sector auditors) and content demand; prepare an audit training program for procurement, jointly with IGF including an online module; coordinate with IGF/TA and provincial inspectorates on the implementation of the program.
- Include in the training program for procurement staff a module on internal controls and audit/supervision of procurement to enhance their understanding of the topic.

208. **Establish an 'independent administrative appeal body'** to streamline and increase efficiency and transparency of the challenge/appeal mechanism and increase the confidence of the private sector in the system. To reduce time and cost, the first two challenge and appeal levels could be merged as they are in the same administrative unit.

209. **Develop transparent rules for debarment/normas complementares** to ensure 'due process' and reinforce UFSA's role as the only authority in charge of this process.

Foster integrity in public procurement

210. **Integrity is a cross-cutting** area and actions that boost integrity are incorporated in the above recommendations. The recommendations below reinforce or complement the above:

- **Fill gaps in the legal and regulatory framework** that can help boost integrity: in addition to strengthening the challenge/appeal and the debarment mechanisms, clarify confidentiality rules/public access to procurement process and the possibility for civil society representatives to participate in procurement public sessions.
- **Promote institutional coordination to advance the integrity agenda:** UFSA to coordinate with PGR, GCCC, TA, IGF, sectoral/provincial inspectorates in the area of integrity to mutually share procurement specific information.

- **Raise awareness about corrupt, fraudulent, and anti-ethical acts in procurement and build capacity** among procurement agents and stakeholders to prevent, detect, and report them. UFSA to include in its training an integrity module and train UGEAs and senior staff in contracting entities on challenges to integrity in procurement and red flags as well as reporting channels available to various agencies in charge including UFSA.
- **Improve transparency and step up the publication and quality of procurement and contract management information** including performance indicators as a precondition for citizens monitoring.
- **Build an integrity statistical database** and publicize it on the UFSA website; to this end, UFSA could consolidate information reported by UGEAs (on anti-ethical and illicit acts, challenges/appeals) as per the *Reglamento* and from other integrity agencies.
- **Implement e-procurement** as a powerful systemic tool to advance transparency and efficiency in procurement.
- **UFSA to create a platform of communication** with private sector/CSOs/district and provincial assemblies for periodic consultations and provide training and informative sessions on the use of the UFSA website.
- **At the national level, effectively enforce the anti-corruption laws** through strengthening the judicial system and sanction mechanisms that are key to creating an environment of compliance and integrity. A comprehensive action plan has been developed by the government with the support of the IMF, and some of the actions are expected to have a positive impact on fostering integrity in public procurement.

Chapter 5: Summary Action Plan

211. The action plan below identifies priority actions assessed under the four MAPS Pillars, and groups them by five overarching strategic objectives: (i) Strengthen UFSA authority; (ii) Adopt a more strategic value for money approach to public procurement; (iii) Build a critical mass of procurement cadre; (iii) Improve private sector access to the public procurement market and promote its effective participation; and (iv) Strengthen oversight and boost integrity in public procurement.

Table 21: Summary Action Plan by Strategic Objectives

#	Recommended Actions	Action by	Time ²⁴ Line
STRATEGIC OBJECTIVE # 1: STRENGTHEN UFSA AUTHORITY AND CAPACITY TO EFFECTIVELY CARRY OUT ITS LEAD PROCUREMENT AGENCY FUNCTIONS. CONTINUE TO IMPROVE THE LEGAL PUBLIC PROCUREMENT FRAMEWORK			
1.	Elevate/strengthen UFSA authority, ensure adequate resources, and decentralize its services to the provinces consistent with the decentralization agenda (SI 5c). In the interim: UFSA to attract more resources (financial and human) and technical assistance, based on a strong strategy, action plan and demonstrable results and gradually decentralize key services (for example, by strengthening the provincial departments for Economy and finance (PDEFs) to support delivery of services at the subnational level).	MEF/UFSA Ministers Council UFSA	MT/LT ST/MT
2.	Build communication and collaboration platforms for engaging various stakeholders (including UGEAs, oversight and integrity agencies, private sector, and civil society) (SI 10a, SI 11c, SI 14e).	MEF/UFSA All stakeholders	ST/MT
3.	Develop performance monitoring mechanisms at UFSA/UGEA level to monitor and optimize procurement and contract management, based on a comprehensive database. Enforce the <i>Regulamento</i> for the submission of performance information by UGEAs and also draw from the e-SISTAFE/MPE information systems (SI 8c). Maintain a statistical database for public procurement (SI 7c).	UGEAs/UFSA/ CEDSIF	ST/MT REG
4.	Strengthen the legal framework by revising/amending the <i>Regulamento</i> to fill some gaps identified in light of the MAPS standards (SI 1a through 1k). In the interim: - Issue updated SBDs consistent with the 2016 <i>Regulamento</i> and <i>other guidance/ instruções</i> as appropriate. - Issue implementing rules/<i>normas complementares</i> to address the gaps identified that can be handled through secondary legislation.	MEF/UFSA	MT ST ST/MT

²⁴ ST: Short term; MT: Medium term; LT: Long Term; IMMID: immediate; REG: Regularly; Recommendations may include multiple activities that span more than one timeline.

#	Recommended Actions	Action by	Time ²⁴ Line
	See related recommendations under Actions 9, 14, and 24 below.		
5.	Develop an appropriate procurement legal framework for the SOE sector (SI 1l). Consider having a unified procurement regulation for all SOEs to ensure more transparency and boost competition.	MEF/ IGEPE	MT/LT
	In the interim: - SOEs to urgently elaborate procurement regulations consistent with relevant procurement provisions set in Law No. 3/2018 (SOE Law) and Decree No. 10/2019 (SOE Regulations) and an agency in charge of oversight. - Conduct follow up studies focused on SOEs' and PPPs' procurement. - Build a database for SOE public procurement.	MEF/IGEPE	ST/MT
STRATEGIC OBJECTIVE # 2: ADOPT A MORE STRATEGIC AND VALUE FOR MONEY APPROACH TO PROCUREMENT AND CONTRACT MANAGEMENT TO INCREASE THE EFFICIENCY IN THE USE OF PUBLIC FUNDS AND DELIVERY OF PUBLIC SERVICES			
6.	Scale up procurement to benefit from economies of scale and reduce transaction cost (SI 6b, SI 9a) by adopting framework agreements, e-catalogues and creating a centralized procurement body. In the interim: - Promote strategic procurement planning and aggregate procurement, when appropriate, at the district, province, and central levels consistent with the decentralization agenda. - Roll out reverse auction/<i>concurso por lances</i> for off-the-shelf goods. - Monitor the exceptional regime to avoid abuse of direct contracting and request for quotations. - Enforce performance monitoring of procurement and contract management.	MEF/UFSA CEDSIF	MT/LT
		UFSA/sector ministries/provincial directorates	ST/MT
7.	Save on the cost of advertising of public procurement opportunities (SI 7a) for UGEAs by using some of the less costly options in the <i>Reglamento</i> without compromising transparency, for example, online advertising, depending on the target audience and connectivity. When revisiting the <i>Reglamento</i> ensure that publicity requirements balance the need for transparency and cost and promote the use of the centralized public procurement portal (UFSA's) in addition to the Ministries' websites.	UFSA/UGEAs	ST
		UFSA	MT

#	Recommended Actions	Action by	Time ²⁴ Line
8.	Mapping of UGEAs and rationalization of their number (SI 6a) based on public procurement volume. Ensure UGEAs integration in the organic structures/ <i>Estatuto Orgânico</i> of the government. ²⁵	UFSA/sector ministries/provincial directorates	ST/MT
9.	Advance the implementation of e-procurement: (SI 7b) - Update design and road map including cost, timing, and technical assistance needs. - Complete the development of e-procurement regulatory framework. In the interim: - Develop the use of the UFSA portal as a centralized online platform for procurement information. - Roll out the Asset Module (MPE)	UFSA/CEDSIF	ST/MT ST
10.	Identify a threshold for formalizing contracts (SI 6b, SI 9a): purchases of very low value can rely on requisition/use purchase orders and be justified based on price reasonableness. The incidence of such transactions would be reduced through aggregation of small procurement, use e-catalogues/reverse auction and the use of framework contracts.	MEF/UFSA	MT
11.	Promote sustainable public procurement (SPP) (SI 3a, SI 9a) by developing an SPP strategy and thorough optimizing evaluation techniques and building UGEAs' capacity to use them.	UFSA/UGEAs	MT
STRATEGIC OBJECTIVE # 3: BUILD A CRITICAL MASS OF PROCUREMENT CADRE THROUGH CERTIFICATION, PROFESSIONALIZATION, SUSTAINED TRAINING AND TECHNICAL SUPPORT.			
12.	Professionalization of procurement function supported by a strategy and a road map to implement it (SI 8b). In the interim: - Approve the 'profiles' of procurement staff (already developed). - Develop/strengthen training programs for UGEAs (including on-line) and roll them out. - Conduct the certification process.	MEF/UFSA MAEFP/ Education institutes	MT/ LT IMMD ST/MT MT
13.	Support UGEA staff to strengthen the quality of technical specifications and contract estimates (SI 9a) through updating and	UFSA/CEDSIF	ST/MT

²⁵ UGEA rationalization is consistent with the broader government agenda of rationalizing UGBs- Beneficiary Management Unit - of budget/*Unidade Gestora Beneficiária -do Orçamento*).

#	Recommended Actions	Action by	Time ²⁴ Line
	making the Catalogue for Goods and Services and the Price Catalogue available online to all UGEAs.		
14.	Provide guidance/instruções to practitioners, (in addition to updated bidding documents, implementing rules/normas complementares) (SI 2a, SI 2b), and training (SI 8a), in areas such as strategic procurement planning, use of less competitive methods when open competition fails, use of sustainability criteria, safeguarding confidentiality, evaluation, consultants' selection, integrity, internal control aspects, contract management, and procurement record management systems. Prepare and provide standard bid evaluation reports. Develop the FAQ section on the UFSA website.	UFSA	ST/MT
15	Engage procuring entities' management (SI 8a) to increase their understanding and appreciation of the procurement function, seek their views and elicit their support.	UFSA	REG.
STRATEGIC OBJECTIVE # 4: IMPROVE PRIVATE SECTOR ACCESS TO THE PUBLIC PROCUREMENT MARKET AND PROMOTE ITS EFFECTIVE PARTICIPATION			
16.	Reduce the private sector cost of entry and participation in the public procurement market (SI 10b): • Improve access to bidding opportunities (including procurement plans) and procurement information through a centralized public procurement portal, UFSA portal, (possibly linked to procuring agencies' websites). • Simplify bid submission requirements/procedures to cut down costs: ○ Simplify requirements for bid securities and performance securities: by waiving them for consultants and providing the option for Bid Security Declarations for goods/works/services. ○ Until the <i>Regulamento</i> is revised, consider increasing thresholds for their application. ○ Monitor the reasonableness of the pricing of the bidding documents by UGEAs. ○ Facilitate submission of documentary information by bidders and facilitate <i>cadastro</i> registration (in particular at the decentralized level) including through advisory services, online registration and verification of information. ○ Build capacity of PDEFs to support bidders with <i>cadastro</i> registration at provincial level. • Develop the FAQ platform to benefit the participants in the public procurement process. • Remove requirement for local representation for foreign bidders.	UFSA/UGEAs UFSA UFSA/UGEA UFSA/CEDSIF UFSA/PDEF UFSA MEF/UFSA	ST/MT MT ST REG ST/MT ST/MT ST MT

#	Recommended Actions	Action by	Time ²⁴ Line
17.	Address payment issues (SI 4a, SI 4b, SI 10b): Better control of commitments²⁶ including through more robust procurement planning, contract monitoring, and budget execution discipline (MPE roll out will secure systems' checks of commitments) as well as robust oversight. Enforce contract penalties for delay (<i>juros de mora</i>) to compensate the private sector for related monetary loss.	MEF/CEDSIF/ central and local government/IGF /TA UFSA/UGEAs	MT ST
18.	Create the function of an independent administrative procurement appeal body (SI 13b) and make information on appeals public (SI 13c). Consider strengthening the legal provisions of the appeal process (SI 1(h), SI 13a), e.g., set realistic time frames, waive fees, and merge the first 2 levels of the complaint/appeal system (UGEA and hierarchical).	MEF/UFSA	MT/LT
19.	Identify any existing bottlenecks in the enforcement of the non-judicial dispute (SI 10b) resolution mechanisms to address them.	UFSA	MT
20.	Assess/monitor the effectiveness of the MSMEs' participation and how they benefit from the preferences built into the <i>Reglamento</i> and provide targeted training (SI 3a, SI 10a).	UFSA/UGEAs/ Private sector associations /IPEME	ST/REG
21.	Private sector outreach (SI 10a): organize regular outreach seminars for the private sector to build mutual trust and obtain useful feedback on public procurement systems operations; conduct periodical surveys to assess changes in perception; and organize training programs.	UFSA/ Private sector associations	ST/REG
STRATEGIC OBJECTIVE # 5: STRENGTHEN OVERSIGHT AND BOOST INTEGRITY IN PUBLIC PROCUREMENT			
22.	Streamline the oversight function by improving collaboration (SI 12b) (including formalization through memoranda) between the institutions in charge (TA, UFSA, IGF, sector and provincial inspectorates) for more efficient and impactful procurement audit and supervision (SI 12c). Develop a procurement training program for auditors (SI 12d).	UFSA/All oversight agencies	ST/ MT
23	Clarify the PGR prior review function to ensure that it is not overlapping with the TA function (SI 12a).	PGR	ST

²⁶ Handling arrears and monitoring future commitments is on the MEF agenda with technical assistance from DPs.

#	Recommended Actions	Action by	Time ²⁴ Line
24.	Develop implementing rules/normas complementares on debarment and the procedures for submitting and deciding on procurement challenges/appeals to ensure 'due process'(SI 1d, SI 14c)	MEF/UFSA	ST/ MT
25.	Step up the risk-based approach for procurement oversight (SI 6a, SI 12a) to reduce procurement lead-time and transaction cost by: - Establishing risk-based prior review thresholds and - Encouraging more delegation of authority within ministries/departments/agencies.	MEF/UFSA/oversight agencies	ST/MT
26.	Consistently apply sanctions (SI 14c) for the violation of integrity requirements in procurement and publicize them. Promote collaboration among integrity agencies to avoid overlapping activities and for a consistent application of the <i>Reglamento</i> .	TA, PGR/GCCC, UFSA	REG
27.	Boost stakeholders' (including civil society's) access to public procurement information (SI 11a, SI 11b) and integrity training (SI 14d) to enable informed participants to actively oversee the public procurement processes and signal irregularities to the appropriate authorities (SI 14e); provide guidance on the reporting channels (SI 14f); and make explicit in the bidding documents that public bid opening sessions are open to outside observers (SI 11c).	UFSA/CEDSIF	ST/MT

Chapter 6: Information Regarding Validation Process

212. **The validation process consisted of various meetings with stakeholders to seek their views on the MAPS assessment findings and recommendations.** The main comments received and the way they are addressed in the report are detailed in Volume III, Annex 4.

213. **The process of validation is summarized in Table 22.**

Table 22: Validation process

#	Description	Date
1.	Presented early findings to the government and DPs	September 2018
2.	Presented preliminary findings to the private sector.	March 2019
3.	Shared findings with Steering Committee of UFSA.	March 21, 2019
4.	Shared findings with DPs and UFSA	March 28, 2019
5.	Presented first draft report conclusions to UFSA	June 4, 2019
6.	Received comments from peer reviewers	June 6, 2019
7.	Decision Review meeting of the World Bank's management	June 7, 2019
8.	Steering Committee meeting to validate draft report conclusions.	June 12, 2019
9.	Stakeholder workshop presentation of the draft report for feedback and validation of the conclusions	June 13, 2019
10.	Technical Advisory Group (TAG) review	August 2019
11.	Presented revised report to the government with TAG comments.	November 2019
12.	Completion of the report with government comments	May 2020
13.	Dissemination workshop	September 2020 dissemination workshop did not take place because of the COVID – 19 pandemic.

MOZAMBIQUE - Assessment of the Public Procurement System

Volume II – Detailed analysis - Indicator Matrix

June 2019- updated May 2020

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Pillar I. Legal, Regulatory, and Policy Framework

1. The public procurement legal framework achieves the agreed principles and complies with applicable obligations.

1(a) Scope of application and coverage of the legal and regulatory framework
The legal and regulatory body of norms complies with the following conditions:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Is adequately recorded and organised hierarchically (laws, decrees, regulations, procedures), and precedence is clearly established.	Criterion (a) is met. The Mozambican public procurement system builds on SISTAFE Law no. 9/2002, which establishes the Public Sector Financial Management System (Portuguese Acronym: SISTAFE). Law no. 9/2002 creates five Subsystems including “State Assets” and Decree 23/2004 of August 20, 2004 establishes the rules of SISTAFE and defines public procurement to be part of the State Assets subsystem. Decree no. 5/2016 of March 8 approves the Regulation for the Procurement of Works, Goods and Services for the State/<i>Regulamento de Contratação de Empreitada de Obras Públicas, Fornecimento de Bens e Prestação de Serviços ao Estado</i> (the Procurement Regulation). The Procurement Regulation constitutes the overarching/primary legislative instrument which regulates public procurement in Mozambique. The Procurement Regulation is accompanied by implementing rules/<i>normas complementares</i> (i.e. Diploma Ministerial no. 14/2019 of 22 January on <i>Concurso por Lances</i>), Standard Bidding Documents (SBDs) (they are being updated as further explained under Sub-indicator 2(b) assessment criterion (a) below), and by a Procurement Manual.				
(b) It covers goods, works and services, including consulting services for all procurement using public funds.	Criterion (b) is partially met. The Procurement Regulation covers the procurement of goods, works and services, including consulting services (Article 1), and it applies to all bodies and institutions of the Public Administration including local authorities and <i>pessoa colectivas públicas</i> (Article 2 and Article 11(a)), with the exception of public enterprises/<i>empresas públicas</i> and enterprises with State participation/<i>empresas participadas pelo Estado</i> which are governed by specific legislation (Article 2(2)). Law no. 3/2018 of June 19 and Decree no. 10/2019 of February 26 (which approves the implementing Regulation) set out the principles and rules applicable to the State Enterprise Sector (SOE) /<i>Sector Empresarial do Estado</i> (SEE) i.e. public enterprises and enterprises with State exclusive participation or with State majority participation (Article 2(2), Articles 36-37 and Article 50 of Law no. 3/2018). Law no. 3/2018 and Decree no. 10/2019 provide that the default method for procurement by SEE is public tender/<i>concurso público</i>, that the stated principles of public law shall be followed, that each enterprise of the <i>Sector Empresarial do Estado</i> shall elaborate its own procurement regulation/rules (Article 25 of Law no. 3/2018; Article 39 of Decree no. 10/2019). Note: The Procurement Regulation provides for a Special Regime (Article 7) whereby Contracting Authorities may adopt procurement rules different from the ones of this Procurement Regulation, with the approval of the Minister of Finance, for contracts arising from an international treaty or international agreement or contracts concluded in the context of projects financed by multilateral financing institutions or from an official cooperation agency when their conclusion requires the adoption of specific procurement rules.		Until the procurement regulations are elaborated and adopted by each enterprise of the SEE there is a situation of legal vacuum. The fact that each enterprise of the SEE develops its own procurement regulation results in a “fragmentation” of the public procurement legal framework applied by the enterprises of the SEE which may impinge on transparency.	Yes, requires action outside the public procurement regulatory body with respect to the SOE sector that is not under the regulatory body but under the State-Owned Equity Holding Management Institute/<i>Instituto de Gestão das Participações do Estado</i> /IGEPE.	In the short term, there is a need for each enterprise of the SEE: (i) to timely elaborate and issue its procurement regulation and (ii) to ensure that its procurement regulation is in line with the relevant procurement provisions set out in Law no. 3/2018 and Decree no. 10/2019. Consistency/harmonization with the Procurement Regulation (Decree no. 5/2016) should be ensured. In the medium term, it is recommended that consideration be given to the adoption of a unified procurement regulation to be applied by all enterprises of SEE which shall follow the public procurement principles and be consistent/harmonized with the Procurement Regulation (Decree no. 5/2016) while taking into account the specificities of the SEE.

(c) PPPs, including concessions, are regulated.	Criterion (c) is partially met. While PPPs and concessions are regulated, it appears that different legal frameworks exist with respect to the procurement of concessions. Law no. 15/2011 of August 10, sets out the guiding norms/<i>normas orientadoras</i> for the contracting, implementation and monitoring of PPP, Large-Scale Projects and Business Concessions/<i>Concessões Empresariais</i> and revokes some provisions of the Electricity Law no. 21/97 (PPP Law). Decree no. 16/2012 of June 4, sets out the Regulation on PPP, Large-Scale Projects and Business Concessions (PPP Regulation). And, Decree no. 69/2013 of December 20 sets out the Regulation for PPP and Business Concessions/<i>Concessões Empresariais</i> of Small Value (PPP Regulation Small Value Projects).¹ The PPP Law stipulates that the default method for the procurement of PPPs is public tender/<i>concurso público</i> and that the rules which govern public procurement/<i>contratações públicas</i> apply in a subsidiary manner (Article 13(1)). Other procurement methods may also be used (Article 13 (2)(3)(4)(5)). The PPP Law further provides that regardless of the procurement method used, the stated principles shall be observed (Article 13(6)) (these principles are the same ones as the public procurement principles listed in Article 3 of the Procurement Regulation as further explained under Sub-indicator 1(l) assessment criterion (b) below). The Procurement Regulation applies to the procurement of Concessions (Article 1(1)) & both Concessions and Concessions of Exploration/<i>Concessão de Exploração</i> are defined (Annex A (k) and (l)). It is understood that there is also specific sector legislation which regulates the award of concessions.		It appears that different legal frameworks exist with respect to the procurement of concessions: there are different definitions of concessions (e.g. <i>Concessions of Exploration/Concessão de Exploração</i> under the Procurement Regulation and Business Concessions under the PPP Law), and the procurement of concessions is regulated by different legislative instruments which include, in addition to the Procurement Regulation, the PPP Law and also specific sector legislation.	Yes, requires concertation of multiple actors involved in concessions.	Need to clarify the different definitions of concessions under different legislative instruments and how the procurement of concessions is regulated also in specific sector legislation. A/n study/assessment of the legal frameworks applicable to the procurement of different types of concessions could be considered. Such a/n study/assessment will inform the decision whether specific actions are required to clarify such legal frameworks.
(d) Current laws, regulations and policies are published and easily accessible to the public at no cost	Criterion (d) is partially met. All the laws and regulations are published in the <i>Boletim da Republica</i> and accessible to the public at little cost. They are also distributed as special supplement to journals and magazines and publicized by radio and TV. The main legislative instruments relevant to public procurement are published on the Functional Unit for Procurement Supervision /UFSA website <i>UFSA.gov.mz.</i> at no cost but this website is not always comprehensive.		Not all current laws, regulations and policies are accessible at no cost (for instance on a centralized public procurement website).		All current legislative instruments related to public procurement should be made available on UFSA's website at no cost. UFSA website is to be kept up to date and include all legislative instruments related to public procurement (e.g. Diploma Ministerial no. 14/2019 of 22 January on Reverse Auction/<i>Concurso por Lances</i>, Decreto no. 84/2018 of 26 December on <i>Arquivos/Sistema Nacional de Arquivos do Estado</i> etc).

1(b) Procurement methods

The legal framework meets the following conditions:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
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¹ In accordance with Article 1(2) of Decree No. 69/2013, PPP and Business Concession of Small Value are undertaking where investment is not above 5 million *meticaís*.

(a) Procurement methods are established unambiguously at an appropriate hierarchical level, along with the associated conditions under which each method may be used.	Criterion (a) is partially met. The Procurement Regulation provides for different procurement methods for works, goods, services, and consulting services and it clearly sets out the hierarchy among the different procurement methods. The Procurement Regulation provides for a General Regime, Exceptional Regime and Special Regime as explained in assessment criterion (b) below and Sub-indicator 1(a) assessment criterion (b)). The Procurement Regulation also sets out the conditions under which each procurement method may be used, with the exception of the selection method for consulting services Quality Based Selection (Article 266) with respect to which the conditions for its use are not specified.		The Procurement Regulation is silent with respect to the conditions for use of the selection method for consultants Quality Based Selection. Request for Quotations and Direct Contracting/<i>Ajuste Directo</i> can be used when the previous or the same procurement process has failed because all bidders were disqualified (Article 90(1)(b)), or because nobody submitted a bid (Article 94(d)) and the procurement process cannot be repeated without prejudice to the public interest. These provisions may be subject to abuse by contracting authorities.		The conditions for use of Quality Based Selection are to be included in future revisions of the Procurement Regulation/<i>Reglamento</i>. The use of Quality Based Selection would normally be limited to cases where the assignments are complex and highly specialized or have a high downstream impact or they can be carried out in substantially different manners. In the interim, the conditions for use of Quality Based Selection could be provided for in implementing rules/<i>normas complementares</i>. Before a contracting authority proceed with a Request for Quotation or Direct Contracting because of failure of a procurement process, it should carefully analyze the reasons for the failure of said procurement process. The provisions of the Procurement Regulation which allow to fall back on Request for Quotations or Direct Contracting when a procurement process has failed should be clarified in future amendments of the Procurement Regulation. In the interim, these provisions could be clarified though implementing rules/<i>normas complementares</i>, guidance, or addressed through internal controls.
(b) The procurement methods prescribed include competitive and less competitive procurement procedures and provide an appropriate range of options that ensure value for money, fairness, transparency, proportionality and integrity.	Criterion (b) is partially met: The Procurement Regulation provides for competitive and less competitive procurement methods under different Regimes (i.e. General Regime, Exceptional Regime and Special Regime) as described below. Works, goods, services: - The default procurement method is Public Tender/Concurso Público (Article 6 – Articles 44-64) (General Regime). - Other procurement methods may be used under specified circumstances (Exceptional Regime) (Article 8), i.e. - o Tender with Pre-Qualification (Article 65-68). - o Limited Tender (Article 69-72). - o Two-Stage Tender (Article 73-7-85). - o Reverse Auction/<i>Concurso por lances</i> (Article 78 & Annex A (p)) (only for goods and services). - o Small Size Tender/Procurement (Article 86-89 & Annex A (n)). - o Request for Quotations (Article 90-93). - o Direct Contracting (Article 94-100). Consulting services: - The default procurement method is Selection Based on Quality and Cost (Article 263-264) (General Regime). - Other procurement methods may be used under specified circumstances (Exceptional Regime) (Article 265) are: - o Quality Based Selection (Article 266). - o Selection Based on Maximum Price (Article 267). - o Selection Based on Minimum Price (Article 268). - o Selection Based on Consultant Qualifications (Article 269). - o Direct Contracting (Article 270). - o Selection of Individual Consultants (271). The Procurement Regulation however does not provide for specific purchasing techniques/arrangements such as framework agreements. Note: The Procurement Regulation provides for a Special Regime (Article 7) for contracts arising from an international treaty or international agreement or under projects financed by multilateral financing institutions or from an official cooperation agency when their conclusion requires the adoption of specific procurement rules.		The Procurement Regulation does not provide for specific purchasing techniques/arrangements such as framework agreements.	Yes, revising the <i>Reglamento</i> requires higher authority to endorse the initiative and approve the outcome.	The introduction of purchasing techniques/arrangements such as framework agreements could be considered in future revisions of the Procurement Regulation/<i>Reglamento</i> in order to enhance economy of scale and value for money.

(c) Fractioning of contracts to limit competition is prohibited.	Criterion (c) is not met. The Procurement Regulation does not contain specific provisions which prohibit fractioning of contracts.		The prohibition of fractioning contracts is not contained in the Procurement Regulation.		The prohibition of fractioning of contracts is to be included in future revisions of the Procurement Regulation/Reglamento. In the interim, this prohibition could be provided for in implementing rules/ <i>normas complementares</i> .
(d) Appropriate standards for competitive procedures are specified.	Criterion (d) is met. Appropriate standards for competitive procedures are generally specified in the Procurement Regulation e.g. publication of procurement opportunities; availability of bidding documents; request for clarifications to bidding documents; timeline for presentation of bids/proposals; evaluation criteria; publication of contract award (Article 33, Articles 44-64, Articles 255-262, Article 273).				

1(c) Advertising rules and time limits

The legal framework meets the following conditions:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The legal framework requires that procurement opportunities are publicly advertised, unless the restriction of procurement opportunities is explicitly justified (refer to indicator 1(b)).	Criterion (a) is met. In accordance with Article 11(h) of the Procurement Regulation adequate publicity of the intention to procure (<i>de contratar</i>) shall be ensured. The Procurement Regulation requires that procurement opportunities be divulged through public notice/<i>edital</i>, web/<i>portal</i>, press/<i>imprensa</i>, if possible, radio, newspaper/<i>jornal</i> or other adequate means of communication of easy access by the target audience/<i>público-alvo</i> (Art. 33(1) and 258). With respect to Requests for Quotations, the quotations may be requested also through letter/<i>carta dirigida</i> (Article 90(2)). While this indicator is met, for early dissemination of procurement opportunities it is advisable that the <i>Regulamento</i> also require the publication of the procurement plan.				
(b) Publication of opportunities provides sufficient time, consistent with the method, nature and complexity of procurement, for potential bidders to obtain documents and respond to the advertisement. The minimum time frames for submission of bids/proposals are defined for each procurement method, and these time frames are extended when international competition is solicited.	Criterion (b) is partially met: The Procurement Regulation contains provisions establishing enough time for submission of bids/proposals as described below. - Public Tender: not less than 21 days (Article 51(1). - Tender with Pre-Qualification: prequalification phase not less than 20 days & preparation of bid/proposal phase not less than 20 days (Article 67(2)(a)(b). - Limited Tender: not less than 12 days (Article 71(2)). - Two-Stage Bidding: not less than 30 days for both first and second stages (Article 75(2)(a)(b). - Reverse Auction/Concurso por lances: not less than 10 days (Article 81(2)(a)). - Small Size Procurement: not less than 12 days (Article 87(4)). - Request for Quotations: 5 days (Article 90(3)). - Consulting Services: - o Request for Expression of Interest: not less than 15 days (Article 259). - o Submission of Proposals : not less than 21 days and not more than 90 days (Article 262). While minimum time frames are set out, the Procurement Regulation is silent with respect to time frames when international competition is solicited.		The Procurement Regulation is silent with respect to the extension of time frames in the case of international competition. The Procurement Regulation does not specify whether in these time frames “day” refers to “calendar day” or “working day”.		Specific provisions concerning the extension of the time frames in case of international competition and clarifications regarding whether the time frames in question are expressed in working days or calendar days are to be included in future revisions of the Procurement Regulation/<i>Regulamento</i>. In the interim, these points could be dealt with in implementing rules/<i>normas complementares</i> and the SBDs being updated.

(c) Publication of open tenders is mandated in at least a newspaper of wide national circulation or on a unique Internet official site where all public procurement opportunities are posted. This should be easily accessible at no cost and should not involve other barriers (e.g. technological barriers).	Criterion (c) is partially met. While the Procurement Regulation provides for a wide range of publicity options (i.e. through public notice/ <i>edital</i> , web/ <i>portal</i> , press/ <i>imprensa</i> , if possible radio, newspaper/ <i>jornal</i> or other adequate means of communication of easy access by the target audience/ <i>público-alvo</i> (Art. 33(1) and 258)), it does not mandate the publication of open tenders in at least a newspaper of wide circulation or on a unique Internet official site where all public procurement opportunities are posted.		The Procurement Regulation does not mandate the publication of open tenders in at least a newspaper of wide circulation or on a unique Internet official site where all public procurement opportunities are posted.	Yes, revising the <i>Regulamento</i> requires higher authority to endorse the initiative and approve the outcome	The requirement of publication of open tenders on UFSA website or in a newspaper of wide circulation is to be included in future revisions of the Procurement Regulation/ <i>Regulamento</i> .
(d) The content published includes enough information to allow potential bidders to determine whether they are able to submit a bid and are interested in submitting one.	Criterion (d) is met. Articles 32(1) & 258(2) of the Procurement Regulation set forth the content to be published for Public Tender and Requests for Expression of Interest for consulting services. This content includes enough information to allow potential bidders/consultants to determine whether they can submit a bid/proposal and are interested in submitting one including: type of procurement method; object of procurement; when and where to obtain bidding documents; timeframe and deadline for submitting bids; day of bid opening; where to obtain the bidding documents; qualification criteria.				

1(d) Rules on participation

The legal framework meets the following conditions:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis / conclusions</u> (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) It establishes that participation of interested parties is fair and based on qualification and in accordance with rules on eligibility and exclusions.	Criterion (a) is partially met. The Procurement Regulation establishes that the same conditions for participation shall apply to all interested parties (Article 11(k)) & that are eligible to participate in a procurement process those national and foreign natural or legal persons that can demonstrate that are legally, financially/economically, technically qualified, are tax-compliant, and fulfil/meet the other requirements provided for in the procurement/bidding documents in accordance with the Procurement Regulation (Article 21). The Procurement Regulation provides for a list of exclusions/<i>impedimentos</i> based on which natural and/or legal persons cannot participate in a procurement process (they include bankruptcy; sanctions for commission of an unlawful act/<i>prática de acto ilícito</i> in public procurement; specified conflict of interest situations) (Article 22 and Article 254). The Procurement Regulation provides that in case of Small Value Tender/<i>Concurso de Pequena Dimensão</i> (reserved to individuals and micro and small enterprises) the Competent Authority may wave in full or in part the application of the specified qualification requirements (Article 12(e) and Article 87).		Possibility of waiving the specified qualification requirements (which include inter-alia financial and technical capacity & conflict of interest provisions) under Small Value Tender/ <i>Concurso de Pequena Dimensão</i> may present a risk for contracting authorities and is questionable.		Gap to be addressed in future amendments of the Procurement Regulation (<i>Regulamento</i>). Qualification criteria should not be waived but should be designed in a manner which is proportionate to the type and value of the contract. Consideration could be given to verifying the satisfaction of qualification criteria through self-declaration/sworn statement submitted by bidders.
(b) It ensures that there are no barriers to participation in the public procurement market.	Criterion (b) is partially met. The Procurement Regulation provides that the same conditions for participation shall apply to all interested parties (Article 11(k)) and that national and foreign natural or legal persons can participate in a procurement process if they can demonstrate that they meet the requirements specified in the Bidding Documents (Articles 21, 22, 253). The Procurement Regulation further provides that foreign bidders must comply with the general rules set out in the Procurement Regulation, in the specific legislation, and in the procurement/bidding documents through the presentation of documents which are equivalent to those required from national bidders (Article 29) but as an additional requirement it provides that foreign bidders must have a representative in the country (Article 29(2)(a)). It is understood that the Procurement Regulation provides for margins of		The requirement for foreign firms to have a representative in the country may have an impact on their participation in procurement processes. The bid security options are quite expensive. It is recommended (a) to waive the bid and performance security requirements for consultants' selection and (b) for goods, works, and services procurement to provide the option of a 'Bid Security	Yes, revising the <i>Regulamento</i> requires higher authority to endorse the initiative and approve the outcome	Gaps to be addressed in future revisions of the Procurement Regulation/ <i>Regulamento</i> .

	preference based on the nationality of bidders and these margins of preference apply to the contract value/<i>valor do contrato</i> (Article 28(1)). It is also understood that the Procurement Regulation provides for a margin of preference with respect to goods when they have a specified national content, but it does not indicate the percentage of the margin of preference that may be applied in this case (Article 28(4)). Note: The Procurement Regulation provides for the Single Register/<i>Cadastro Unico</i> and vests in UFSa its creation and keeping (Articles 41-43). It is understood that, with the exception of Limited Tender (Article 77(b)) & Annex A(q)) and Reverse Auctions/<i>Concurso por Lances</i> (Annex A (p)), the registration in such Register is not a condition for participation in procurement processes. It is further understood that the Single Register/<i>Cadastro Unico</i> is open at all times for registration and bidders can use the certificate of registration in the Single Register/<i>Cadastro Unico</i> to prove their qualifications (Articles 42(4) & 42(6)).		Declarations' (both would require an amendment to the Regulamento). Such actions will significantly reduce the cost of participation in public bidding for the private sector and have the potential to increase competition. In accordance with the Procurement Regulation, the margins of preference based on the nationality of bidders apply to the contract value/<i>valor do contrato</i>. It is to be noted that good international practice suggests that margins of preferences should be applied to bid prices when evaluating bids and not to contract value/<i>valor do contrato</i>. Also, the percentage of the margin of preference that may be applied to goods with a specified national content is not provided for in the Procurement Regulation (Article 28(4)). Furthermore, how this provision operates is not clear.		
(c) It details the eligibility requirements and provides for exclusions for criminal or corrupt activities, and for administrative debarment under the law, subject to due process or prohibition of commercial relations.	Criterion (c) is partially met. The Procurement Regulation details the eligibility requirements and provides for exclusions for unethical practices (i.e. corrupt, fraudulent, collusive, coercive practices) (e.g. Articles 279, 22(1)(c)). The Procurement Regulation also provides that UFSa may debar firms and individuals for the specified period of time following an administrative debarment process in accordance with terms to be established by order/<i>despacho</i> of the Ministry of Finance (Article 281). In accordance with Article 41(b)), UFSa is responsible for creating and keeping a Register of debarred firms and individuals/<i>Cadastro de impedidos</i> and, in accordance with Article 14(1)(y), UGEAs propose to UFSa the inclusion of firms and individuals in such Register/<i>Cadastro de impedidos</i>. The legislative framework however does not set out minimum due process requirements and it appears to contain at times conflicting provisions with respect to the entity which is vested with the power to pronounce the debarment of firms and individuals.		The legislative framework does not describe minimum due process requirements for debarment and the order/<i>despacho</i> of the Minister of Finance referred to in Article 281(2) regulating the debarment process has not been issued. The Procurement Regulation contains provisions which appear to be at times conflicting with respect to the entity which is vested with the power to debar i.e., it is unclear whether this is solely UFSa (Article 281, Article 41(b), Article 14(1)(y)) or whether contracting authorities/UGEAs are also vested with such power (Article 22(1)(c) and Article 279(3)).		The order/<i>despacho</i> of the Minister of Finance referred to in Article 281(2) of the Procurement Regulation regulating the debarment process needs to be adopted/issued and shall provide for due process including the process for any possible appeal. Provisions on the entity which is vested with the power to decide on/pronounce the administrative debarment need to be clarified in future amendments of the Procurement Regulation/<i>Regulamento</i> (to be made clear that contracting authorities/UGEAs are not vested with the power to debar firms or individuals which would not guarantee due process).
(d) It establishes rules for the participation of state-owned enterprises that promote fair competition.	Criterion (d) is not met. The Procurement Regulation does not contain specific rules concerning the participation of state-owned enterprises in procurement processes, i.e., it is silent with respect to whether state-owned enterprises can participate in procurement processes and under what conditions.		The participation of state-owned enterprises is not regulated in the Procurement Regulation and this may impinge on fair competition.	Yes, revising the <i>Regulamento</i> requires higher authority to endorse the initiative and	Specific provisions which regulate participation of state-owned enterprises are to be included in future revisions of the Procurement Regulation/<i>Regulamento</i>

				approve the outcome	
(e) It details the procedures that can be used to determine a bidder's eligibility and ability to perform a specific contract.	Criterion (e) is met. The Procurement Regulation establishes the procedures that can be used to determine a bidder's eligibility and ability to perform a specific contract (Articles 11(j)), 21, 22, 23, 24, 25 and 26).				

1(e) Procurement documentation and specifications

The legal framework meets the following conditions:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) It establishes the minimum content of the procurement documents and requires that content is relevant and sufficient for suppliers to respond to the requirement.	Criterion (a) is met. The Procurement Regulation establishes the minimum content of the procurement documents (which includes Instructions to Bidders/Consultants, Specifications, TORs, Contract Template/Form etc) and it further establishes that the use of the standard procurements documents is mandatory (Articles 47(4), and 261(2)).				
(b) It requires the use of neutral specifications, citing international norms when possible, and provides for the use of functional specifications where appropriate.	Criterion (b) is partially met. The Procurement Regulation establishes that specifications should not limit competition and shall not refer to brand names/ <i>marcas</i> (Article 11 (d)), that specifications should respect with priority/ <i>prioritariamente</i> national norms (Article 47(2)(r)) and that international norms should apply if national specifications do not exist (Article 151(4)). The Procurement Regulation does not contain specific provisions which provide for the use of functional specifications where appropriate.		The Procurement Regulation is silent about the use of functional specifications where appropriate.		Gap to be the addressed in future amendments to the Procurement Regulation/ <i>Reglamento</i> . In the interim, this could be addressed in implementing rules/ <i>normas complementares</i> .
(c) It requires recognition of standards that are equivalent, when neutral specifications are not available.	Criterion (c) is partially met. The Procurement Regulation prohibits the use of brand names/ <i>marcas</i> . However, it does not contain specific provisions which require recognition of standards that are equivalent when neutral specifications are not available.		While the Procurement Regulation prohibits the use of brand names/ <i>marcas</i> , it does not contain specific provisions which require the recognition of standards that are equivalent when neutral specifications are not available.		Gap to be addressed in future amendments to the Procurement Regulation/ <i>Reglamento</i> . In the interim, this could be addressed in implementing rules/ <i>normas complementares</i> .
(d) Potential bidders are allowed to request a clarification of the procurement document, and the procuring entity is required to respond in a timely fashion and communicate the clarification to all potential bidders (in writing)	Criterion (d) is met. The Procurement Regulation establishes that potential bidders and consultants can request clarifications of the procurement documents and that the Contracting Authority will have to respond in writing sending a copy of the response to all potential bidders and consultants within the specified time frame (Articles 49 and 262(2)).				

1(f) Evaluation and award criteria

The legal framework mandates that:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The evaluation criteria are objective, relevant to the subject matter of the contract, and precisely specified in advance in the procurement documents, so that the award decision is made	Criterion (a) is met. The Procurement Regulation provides that for procurement of works, goods or services the Lowest Evaluated price criterion should be used, and that, exceptionally, where it is not possible to decide based on the Lowest Evaluated Price, the Combined Criterion/ <i>Criterio conjugado</i> (combination of technical evaluation, price and other factors/criteria) may be used (Articles 36, 37 and 38).				

solely on the basis of the criteria stipulated in the documents.	With respect to consulting services, the Procurement Regulation provides for the use of quality and price criteria - different methodologies for evaluation may be applied depending on the selection method used (Chapter IV Section II to Section V). The Procurement Regulation establishes that the evaluation criteria shall be defined in an objective manner (Articles 38 (3), 272(3)) determined in advance & made known to all interested parties (Article 11(n)), be specified in the relevant procurement documents/bidding documents (Articles 38, 47(2)(n); Article 261(1)(b)), and only the evaluation criteria specified in procurement documents/bidding documents may be used for evaluating bids/proposals (Article 56(1), Art. 40).				
(b) The use of price and non-price attributes and/or the consideration of life cycle cost is permitted as appropriate to ensure objective and value-for-money decisions.	Criterion (b) is met. The Procurement Regulation permits the use of price and non-price attributes. With regard to works, goods and services (when the Combined Criterion/<i>Criterio conjugado</i> is used) the non-price attributes include operation costs; transport costs; environmental benefits; etc. (Article 38). Regarding consulting services, non-price attributes include consultant experience, quality of proposed methodology, transfer of knowledge etc. (Article 272). Note: Non-price attributes (in case of Criterion/<i>Criterio conjugado</i>) include the hding of a certificate “<i>válido do selo - Orgulho Moçambicano. Made in Mozambique</i>” (Article 38 (n)). It is understood that this certificate is issued by the Ministry of Commerce. The process for obtaining such a certificate is not specified in the Procurement Regulation or in implementing rules/<i>normas complementares</i>. While it is understood that this non-price attribute is currently not used in practice, it is recommended that for transparency reasons the procedures for obtaining such a certificate are clearly regulated.				
(c) Quality is a major consideration in evaluating proposals for consulting services, and clear procedures and methodologies for assessment of technical capacity are defined.	Criterion (c) is partially met: The Procurement Regulation establishes that in the selection of consulting services, the contracting authority must strive for quality services through fair competition (Article 252(2)). The Procurement Regulation provides for different selection methods and for the general procedures and methodologies for the assessment of technical proposals/capacity (it specifies <i>inter-alia</i> the criteria to be taken into account when assessing technical proposals and related scoring) leaving to the SBDs to regulate in detail such procedures and methodologies (Article 272). The SBDs are being updated.		In accordance with the Procurement Regulation detailed procedures and methodologies for the assessment of technical capacity are to be included in the SBDs but SBDs are being updated.		Updated SBDs need to be adopted.
(d) The way evaluation criteria are combined, and their relative weight determined should be clearly defined in the procurement documents.	Criterion (d) is partially met. With respect to the procurement of works, goods or services, the Procurement Regulation provides that that when the Combined Criterion/<i>Criterio conjugado</i> is used, the evaluation of the technical proposal and price should be done in accordance with the weighting system and formulas set out in the procurement documents/bidding documents (Article 38). With respect to the procurement of consulting services, the Procurement Regulation provides that the procurement documents/bidding documents should set out the factors to be considered for the selection, the relative weighting of the technical proposal and financial proposal, and the minimum score for the selection (Articles 261, 264(3), 272). The SBDs are being updated.		In accordance with the Procurement Regulation the way evaluation criteria are combined, and their relative weight determined are to be clearly defined in the SBDs, but SBDs are being updated.		Updated SBDs need to be adopted.
(e) During the period of the evaluation, information on the examination, clarification and	Criterion (e) is partially met. Article 16(1)(g) of the Procurement Regulation provides that the Evaluation Committee/ <i>Júry</i> deliberates “ <i>em reunião</i>		The Procurement Regulation does not contain specific provisions requiring that during the period of		Gaps to be addressed in future amendments of the Procurement Regulation/ <i>Regulamento</i> .

evaluation of bids/proposals is not disclosed to participants or to others not officially involved in the evaluation process.	<i>reservada</i>” and Article 54(8) equally refers to “<i>sessão reservada</i>” of Evaluation Committee/ <i>Júry</i>. Article 34 of the Procurement Regulation provides that all documents which are part of the “<i>procedimento administrativo de contratação</i>” are available for free consultation by the public from the publication of the procurement opportunity till 60 days after the conclusion of the <i>procedimento administrativo de contratação</i>, <u>except for those cases where their divulgation could compromise the confidentiality of the process during the phases of preparation, reception or evaluation of the proposals</u>. It is not clear however how to operationalize and apply Article 34 during the evaluation process.		evaluation, information on the examination, clarification and evaluation of bids/proposals shall not be disclosed & it is not clear how to operationalize and apply Article 34.		In the interim, a clear prohibition of disclosure of information during the evaluation process and clarifications on how to operationalize and apply Article 34 could be issued through implementing rules/ <i>normas complementares</i> and also included in the SBDs being updated.
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1(g) Submission, receipt, and opening of tenders

The legal framework provides for the following provisions:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Opening of tenders in a defined and regulated proceeding, immediately following the closing date for bid submission.	Criterion (a) is partially met. With respect to the procurement of goods, works or services, the Procurement Regulation establishes <i>inter-alia</i> that the Evaluation Committee/<i>Júry</i> is responsible for the opening of bids in public session/<i>acto público</i>, that it should reject those bids received after the deadline for submission, that it should read out the specified information (e.g. name of bidders, price offered by bidders etc), and that the “opening act” should be read out, signed and distributed by the Evaluation Committee/<i>Júry</i> to the bidders’ representatives present at the public opening session (Articles 16(1)(a) and 54). The Procurement Regulation does not contain specific provisions establishing that the opening of bids should take place immediately after the expiration of the deadline for submission of bids. With respect to consulting services, the Procurement Regulation does not contain specific provisions on the procedures for opening of proposals (technical and financial).		The Procurement Regulation does not contain specific provisions on the timing of the opening of tenders & specific provisions on the procedures for opening of proposals (technical and financial) in case of consulting services.		Gaps to be addressed in future amendments of the Procurement Regulation/<i>Regulamento</i>. In the interim, gaps could be addressed in implementing rules/<i>normas complementares</i> & in the SBDs being updated. Updated SBDs need to be adopted.
(b) Records of proceedings for bid openings are retained and available for review.	Criterion (b) is partially met. With respect to procurement of works, goods and services, the Procurement Regulation establishes that the session of public opening of bids/tenders ends with the reading of the “opening act” which shall be signed and distributed by the Evaluation Committee/<i>Júry</i> to the bidders’ representatives that are present at the public opening session (Article 54 (7)). The Procurement Regulation does not contain equivalent provisions with respect to consulting services.		The Procurement Regulation does not contain specific provisions on records of proceedings for opening of proposals in case of consulting services.		Gap to be addressed in future amendments of the Procurement Regulation/<i>Regulamento</i>. In the interim, this gap could be addressed in implementing rules/<i>normas complementares</i> & in the SBDs being updated.
(c) Security and confidentiality of bids is maintained prior to bid opening and until after the award of contracts.	Criterion (c) is not met. The Procurement Regulation does not contain specific provisions which require that security and confidentiality of bids is maintained from bid opening until after the award of contracts.		The Procurement Regulation does not contain specific provisions requiring security and confidentiality of bids/proposals to be maintained prior to the bid/proposal opening and until after award of contracts.		Gap to be addressed in future amendments of the Procurement Regulation/<i>Regulamento</i>. In the interim, this gap could be addressed in implementing rules/<i>normas complementares</i>.
(d) The disclosure of specific sensitive information is prohibited, as regulated in the legal framework.	Criterion (d) is partially met. Article 34 of the Procurement Regulation deals with the right of public consultation of all documents which are part of the “<i>procedimento administrativo de contratação</i>”. These documents are available for free consultation by the public from the publication of the procurement opportunity till 60 days after the conclusion of the <i>procedimento administrativo de contratação</i>, except for those cases where their divulgation could compromise the confidentiality of the process during the phases of preparation, reception or evaluation of the proposals. It is not evident what the		The Procurement Regulation does not contain specific provisions prohibiting disclosure of specific sensitive information & it is not clear how to operationalize and apply Article 34.		Gap to be addressed in future amendments of the Procurement Regulation/<i>Regulamento</i> in order to make sure that disclosure of specific sensitive information including trade secrets and proprietary information contained in bids is prohibited. In the interim, gap could be addressed in implementing rules/<i>normas complementares</i> & in the SBDs being updated.

	documents which are part of the “ <i>procedimento administrativo de contratação</i> ” are and how to operationalize and apply Article 34. Note: Article 20 of Law no. 34/2014 of 31 December on the right to access of information/ <i>direito à informação</i> regulates the restrictions that may be applied to this right (which include commercial and industrial secrets) and also refers back to specific restrictions set out in the specific legislation (Article 20(2)).				
(e) The modality of submitting tenders and receipt by the government is well defined, to avoid unnecessary rejection of tenders.	Criterion (e) is partially met. The Procurement Regulation establishes that the procurement documents/bidding documents should indicate the modality for submitting bids/proposals (Article 47(2)(g)) and specifies that bids/proposals should be submitted in one opaque envelope, dated, sealed with clear indication of the bidder’s name and of the object of procurement (Article 52 and Article 259). The Procurement Regulation does not contain specific provisions about the modality of receipt of tenders by the government.		No specific provisions about the modalities for receipt of tenders by the government and UGEAs are contained in the Procurement Regulation & SBDs are being updated.		Gap could be addressed in implementing rules/ <i>normas complementares</i> and in the SBDs being updated. The updated SBDs need to be adopted.

1(h) Right to challenge and appeal

The legal framework provides for the following:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Participants in procurement proceedings have the right to challenge decisions or actions taken by the procuring entity.	Criterion (a) is met. The Procurement Regulation establishes that participants in procurement proceedings can submit a complaint against the decisions/acts of the contracting authority (Articles 275 to 278). The Procurement Regulation provides that: • Complaint/<i>reclamação</i> can be submitted to the contracting authority (Article 265). • Acts/<i>actos</i> of the contracting authority can be subject to Hierarchical Appeal/<i>Recurso Hierárquico</i> (Article 276). • Decisions issued in the Hierarchical Appeal/<i>Recurso Hierárquico</i> are subject to Judicial Appeal/<i>Recurso Contencioso</i> before the Administrative Tribunal/<i>Tribunal Administrativo</i> (Article 277).				
(b) Provisions make it possible to respond to a challenge with administrative review by another body, independent of the procuring entity that has the authority to suspend the award decision and grant remedies and establish the right for judicial review.	Criterion (b) is partially met. The Procurement Regulation provides that the decision of a contracting authority on a complaint/ <i>reclamação</i> can be subject to a Hierarchical Appeal/ <i>Recurso Hierárquico</i> to the relevant Line Minister/ <i>Ministro de tutela</i> , Provincial Governor and Administrator of the District for the central, provincial and district level as applicable and that such an appeal suspends the procurement process (Articles 276(1) and 276(5)). These “entities/bodies” may seek the specialized opinion of UFSA (Article 276(6)) but these “entities/bodies” are not independent of the procuring entities and the Procurement Regulation is silent regarding the remedies that they may grant. The Procurement Regulation further provides that the decisions issued in the Hierarchical Appeal/ <i>Recurso Hierárquico</i> can be subject to Judicial Appeal/ <i>Recurso Contencioso</i> before the Administrative Tribunal/ <i>Tribunal Administrativo</i> and that the <i>Recurso Contencioso</i> is governed by specific legislation (Article 278(1)). Note: The specific legislation which governs the Judicial Appeal/ <i>Recurso Contencioso</i> is Law no. 7/2014 of 28 of February. This Law regulates the procedures related to the <i>processo administrativo contencioso</i> .		The Procurement Regulation does not provide for an administrative body independent of the contracting authority for the review of procurement appeals/complaints. The Procurement Regulation does not provide detailed procedures for submitting complaints (e.g. form of the complaint, supporting documents required etc), for deciding on complaints (e.g. form of the decision, motivated or not, publication) and the remedies that may be granted etc.	YES. This is a decision that would require concertation at the higher level (possibly TA).	Consideration could be given to establishing an independent administrative procurement appeal body (possibly UFSA). And, the first two steps for filing complaints (i.e. with UGEAs/procuring entities and hierarchical appeal) could be merged as they are within the same “administrative body”. Implementing rules/ <i>normas complementares</i> need to be adopted to regulate in detail the procedures concerning the process for submission of procurement complaints, for deciding on procurement complaints and the remedies that can be granted (both under <i>reclamação</i> and Hierarchical Appeal/ <i>Recurso Hierárquico</i>), in order to ensure a transparent and effective complaint system.
(c) Rules establish the matters that are subject to review.	Criterion (c) is met. The Procurement Regulation provides that a complaint/ <i>reclamação</i> can concern decisions/acts of classification/ <i>classificação</i> , declassification/ <i>declassificação</i> and award/ <i>adjudicação</i> (Article 275(1)). The Procurement Regulation also provides that a Hierarchical Appeal/ <i>Recurso</i>				

	<i>Hierárquico</i> can be filed on the following grounds: a violation of the Procurement Regulation; a violation of the provisions contained in the procurement/bidding documents rules; or for procedural/formal flaw/<i>vício de forma</i> (Article 276(2)). Note: With respect to the Judicial Appeal/<i>Recurso Contencioso</i>, Law no. 7/2014 of 28 of February regulates in general terms - and not specifically to procurement - the matters that are subject to Judicial Appeal/<i>Recurso Contencioso</i>.				
(d) Rules establish time frames for the submission of challenges and appeals and for issuance of decisions by the institution in charge of the review and the independent appeals body.	Criterion (d) is met. The Procurement Regulation contains provisions which regulate the timeframes for the submission of complaints/<i>reclamação</i> (5 working days) and for Hierarchical Appeal/<i>Recurso Hierárquico</i> (3 working days) and for the issuance of decisions (10 working days in case complaints/<i>reclamação</i> and 30 working days in case of Hierarchical Appeal/<i>Recurso Hierárquico</i> (Articles 275, 276)). Note: With respect to the Judicial Appeal/<i>Recurso Contencioso</i>, Law no. 7/2014 of 28 of February regulates the time frames for submission of judicial appeals/<i>recursos contenciosos</i> (which span from 90 days to 365 days to unlimited/anytime) (Article 37) and it requires that decisions are issued within a reasonable period of time/<i>em prazo razoável</i> (Article 4).				
(e) Applications for appeal and decisions are published in easily accessible places and within specified time frames, in line with legislation protecting sensitive information.	Criterion (e) is partially met. The Procurement Regulation is silent with respect to the publication of applications for Hierarchical Appeal/<i>Recurso Hierárquico</i> and related decisions. Note: With respect to the Judicial Appeal/<i>Recurso Contencioso</i>, Law no. 7/2014 of 28 of February provides for the publication of decisions of the Administrative Tribunal/<i>Tribunal Administrativo</i> (Article 39) but it is silent with respect to the publication of the applications for appeals.		The Procurement Regulation is silent with respect to the publication of applications for Hierarchical Appeal/ <i>Recurso Hierárquico</i> and related decisions.		Gap to be addressed in the implementing rules/ <i>normas complementares</i> to be adopted to regulate in detail the procedures concerning the process for submission of procurement complaints, for deciding on procurement complaints under <i>reclamação</i> and Hierarchical Appeal/ <i>Recurso Hierárquico</i> .
(f) Decisions by the independent appeals body can be subject to higher-level review (judicial review).	Criterion (f) is partially met. The Procurement Regulation does not provide for an independent administrative appeal body. However, the decisions issued under the Hierarchical Appeal/<i>Recurso Hierárquico</i> by the relevant appeal “entities/bodies” (relevant Line Minister/<i>Ministro de tutela</i>, Provincial Governor or Administrator of the District as applicable) can be subject to Judicial Appeal/<i>Recurso Contencioso</i> under the specific legislation (Article 278) (i.e. Law no. 7/2014 of 28 February) before the Administrative Tribunal/<i>Tribunal Administrativo</i>. Note: With respect to the Judicial Appeal/<i>Recurso Contencioso</i>, it is understood that the decisions of the Administrative Tribunal/<i>Tribunal Administrativo</i> can be further appealed to the Civil Courts.		The Procurement Regulation does not provide for an administrative body independent of the contracting authority for the review of procurement appeals/complaints.		Consideration could be given to establishing an independent administrative procurement appeal body (possibly UFSA). The first two steps for filing complaints (i.e. with UGEAs/procuring entities and hierarchical appeal) could be merged as they are within the same “administrative body”.

1(i) Contract management

The legal framework provides for the following:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Functions for undertaking contract management are defined and responsibilities are clearly assigned.	Criterion (a) is met. The Procurement Regulation establishes that the UGEAs are responsible for the administration/management of contracts (Article 14(1)(p) & Annex A (yy)). With respect to works contracts, the Procurement Regulation further establishes that (i) the contracting authority appoints a contract manager/ <i>gestor do contrato</i> (Article 168) whose responsibilities are detailed in Article 169; and (ii) that all works contracts must be				

	supervised/ <i>fiscalizar</i> by an independent supervisor/ <i>fiscal independente</i> appointed by the contracting authority in accordance with the procedures for selection of consultants (Article 172) and whose functions are detailed in Article 173.				
(b) Conditions for contract amendments are defined, ensure economy and do not arbitrarily limit competition.	Criterion (b) is partially met. The Procurement Regulation defines the conditions under which contract amendments may be introduced (Article 121): - Amendment to specifications to better meet the object of the contract. - Amendments to contract price as a result of an adjustment/<i>adequação</i> of the object of the contract (increase or decrease which must be within the limit of 25% of the initial contract price unless there is an authorization by the Minister of Finance). - Amendments to the execution/<i>regime de execução</i> of the contract due to the <i>“inexequibilidade”</i> of the original terms of the contracting/<i>da contratação</i>; - Amendments to payment conditions due to supervening circumstances without introducing changes to the original price). The Procurement Regulation further establishes that contracts for goods and services can be extended for the same duration - only once – provided that the original conditions of contract are not changed (Article 112(3)).		The provisions of the Procurement Regulation on the extension of contracts for goods and services (Article 112(3)) are written in a broad manner and may lead to arbitrary limitation of competition.		Article 112(3) of the Procurement Regulation/ <i>Regulamento</i> would benefit from clarifications, for example by limiting/specifying the grounds based on which extensions of contracts for goods and services can be granted (e.g. compatibility reasons etc). Gap to be addressed in future amendments of the Procurement Regulation.
(c) There are efficient and fair processes to resolve disputes promptly during the performance of the contract.	Criterion (c) is met. The Procurement Regulation provides that contracts must indicate the <i>foro judicial</i> or other mechanism for the resolution of any dispute arising out of the interpretation or execution of the contract (Article 112(1)(h)) and that the contract can provide for the use of independent arbitration to take place in Mozambique in accordance with the specific legislation (Article 112(2)).				
(d) The outcome of a dispute resolution process is enforceable.	Criterion (d) is met. In accordance with Article 43 – Enforceability - of Law no. 11/99 of 8 July on Arbitration, Conciliation and Mediation, an arbitral award, deposited under Article 42, produces between the parties and their successors the same effects as a judgment made by an organ of the judicial power and, if condemnatory, constitutes an instrument valid to commence an execution proceeding. Law no. 11/99 of 8 July is largely based on the UNCITRAL Model Law. To be noted that Mozambique ratified the New York Convention on the recognition and enforcement of arbitral awards of 1958 on 11 June 1998, which entered into force on 9 September 1998.				

1(j) Electronic Procurement (e-Procurement)

The legal framework provides for the following:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: Gap analysis / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The legal framework allows or mandates e-Procurement solutions covering the public procurement cycle, whether entirely or partially.	Criterion (a) is partially met. The Procurement Regulation establishes that UFSA is responsible for analysing best practices and proposing the use of information and communication technology in procurement processes (Article 19(1)(s)). A Law has been adopted which allows for the use of electronic transactions: Law no. 3/2017 of 9 January. However, the Regulation concerning e-procurement (amongst the Regulations which implement this Law) has not been prepared/adopted.		Regulation on e-procurement has not been prepared/adopted.		It is recommended that the Regulation on e-procurement be prepared and adopted in order to create the legal framework for the use of e-procurement.

(b) The legal framework ensures the use of tools and standards that provide unrestricted and full access to the system, taking into consideration privacy, security of data and authentication.	Criterion (b) is not met. The Regulation on e-procurement has not been prepared/adopted		Regulation on e-procurement has not been prepared/adopted.		It is recommended that the Regulation on e-procurement be prepared and adopted in order to create the legal framework for the use of e-procurement.
(c) The legal framework requires that interested parties be informed which parts of the processes will be managed electronically.	Criterion (c) is not met. The Regulation on e-procurement has not been prepared/adopted.		Regulation on e-procurement has not been prepared/adopted.		It is recommended that the Regulation on e-procurement be prepared and adopted in order to create the legal framework for the use of e-procurement.

1(k) Norms for safekeeping of records, documents and electronic data

The legal framework provides for the following:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis / conclusions</u> (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) A comprehensive list is established of the procurement records and documents related to transactions including contract management. This should be kept at the operational level. It should outline what is available for public inspection including conditions for access.	Criterion (a) is partially met. The Procurement Regulation provides for the obligation for UGEAs to keep all documents and acts of the administrative procurement process/<i>procedimento administrativo de contratação</i> (Article 9(2)). The Procurement Regulation also provides that the UGEAs are responsible for adequately keeping the documents of each procurement process (Article 14(1)(q)) and for keeping adequate information about contract performance (Article 14(1)(w). Decree no. 84/2018 of 26 December approves the revision of the National System of the State Archives/ <i>Sistema Nacional de Arquivos do Estado</i> (SNAE) and approves the Classification Plan/<i>Plano de Classificação</i> and the <i>Tabela de Temporalidade</i> of different documents which also include procurement related documents. Note: At the operational level, the Procurement Manual contains instructions to UGEAs on what to keep as part of the procurement records and it provides for a list of the documents related to procurement and also to contract management that should be kept in record (see in particular Section 19.1.3).		While the Procurement Manual contains a specific section on archiving which lists the main documents to be kept in the procurement records, information on what should be archived/kept in the procurement records is also contained in other sections of the Procurement Manual.		The information contained in the Procurement Manual on archiving/record keeping could be further consolidated in the specific section of the Procurement Manual dedicated to archiving/record keeping so that a fully compressive list of the procurement records is readily available to UGEAs.
(b) There is a document retention policy that is both compatible with the statute of limitations in the country for investigating and prosecuting cases of fraud and corruption and compatible with the audit cycles.	Criterion (b) is met. Decree no. 84/2018 of 26 December provides a <i>Tabela de Temporalidade</i> for different documents which include procurement related documents. It is understood that the time for keeping procurement records is in line with the statute of limitations for investigating and prosecuting cases of fraud and corruption and with the audit cycle requirements.				
(c) There are established security protocols to protect records (physical and/or electronic).	Criterion (c) is not met. Decree no. 84/2018 of 26 December refers to the need to ensure the protection and conservation of the integrity and authenticity of the documents, but it does not establish specific security protocols to protect records (physical and/or electronic). The Procurement		It is understood that there are not established security protocols to protect records.		Specific protocols to protect records (physical and/or electronic) should be established through implementing rules/ <i>normas complementares</i> by the competent authority.

	Regulation is equally silent on security protocols to protect records.				
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1(l) Public procurement principles in specialized legislation

The legal and regulatory body of norms complies with the following conditions:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Public procurement principles and/or the legal framework apply in any specialized legislation that governs procurement by entities operating in specific sectors, as appropriate.	Criterion (a) is partially met. The Procurement Regulation provides that public enterprises and enterprises with State participation are subject to specific legislation (Article 2(2)). Law no. 3/2018 of June 19 and Decree no. 10/2019 of February 26 (which approves the implementing Regulation) set out the principles and rules applicable to the State Enterprise Sector/<i>Sector Empresarial do Estado</i> as defined in Law no. 3/2018² (SEE) . Law no. 3/2018 provides that procurement by SEE is governed by public tender/concurso público in accordance with the rules to be set out/<i>termos a regulamentar</i> by each enterprise in the respect of the stated public law principles (i.e. legality, economy, proportionality, pursuit of the public interest, transparency, publicity, competition, impartiality, accountability, celerity) (Article 25). These public law principles do not include all procurement principles mentioned in Article 3 of the Procurement Regulation. Decree no. 10/2019 provides that the enterprises of the SEE, in addition to the default method of public tender/<i>concurso público (Regime Geral)</i>, under the prescribed circumstances, can also use other procurement methods (<i>Regime Especial</i> and <i>Regime Exceptional</i>) (Articles 33, 34 and 35). Decree no. 10/2019 further provides that each enterprise of the SEE shall elaborate its own procurement Regulation to be approved by the General Assembly (Article 39). <i>(Reference is to be made to comments under Sub-indicator 1(a) assessment criterion (b) above).</i>		Not all procurement principles mentioned in Article 3 of the Procurement Regulation are referred to in Law no. 3/2018 (Article 25), and the public law principles referred to in Law no. 3/2018 appear to be linked only to open tender/<i>concurso público</i> and not to the other procurement methods provided for in Decree no. 10/2019. Also, neither Law no. 3/2018 nor Decree no. 10/2019 refer to the Procurement Regulation. Until the procurement regulations are elaborated and adopted by each enterprise of the SEE there is a situation of legal vacuum. The fact that each enterprise of the SEE develops its own procurement regulation results in a “fragmentation” of the public procurement legal framework applied by the enterprises of the SEE which may impinge on transparency.	Yes It is outside the authority of the regulatory body for public procurement	In the short term, there is a need for each enterprise of the SEE: (i) to timely elaborate and issue its procurement regulation and (ii) to ensure that its procurement regulation is in line with the relevant procurement provisions set out in Law no. 3/2018 and Decree no. 10/2019. Consistency/harmonization with the Procurement Regulation (Decree no. 5/2016) should be ensured. In the medium term, it is recommended that consideration be given to the adoption of a unified procurement regulation to be applied by all enterprises of SEE which shall follow the public procurement principles and be consistent/harmonized with the Procurement Regulation (Decree no. 5/2016) while taking into account the specificities of the SEE.
(b) Public procurement principles and/or laws apply to the selection and contracting of public private partnerships (PPP), including concessions as appropriate.	Criterion (b) is met. Law no. 15/2011 of August 10 establishes the guiding norms/<i>normas orientadoras</i> for the contracting, implementation and monitoring of PPP, Large-Scale Projects and Business Concessions/<i>Concessões Empresariais</i> and revokes some provisions of the Electricity Law no. 91/97 (PPP Law). Decree no. 16/2012 of June 4, establishes the Regulation on PPP, Large-Scale Projects and Business Concessions (PPP Regulation). Finally, Decree no. 69/2013 of December 20 establishes the Regulation for PPP and Business Concessions <i>Concessões Empresariais</i> for Small Value Projects (PPP Regulation Small Value Projects).³ The PPP Law provides that the default method for the procurement of PPPs is public tender/<i>concurso público</i> and that the rules which govern public procurement/<i>contratações públicas</i> apply in a subsidiary manner (Article 13(1)). The PPP Law further provides that, if the conditions prescribed are met, other procurement methods may be used (i.e. tender with pre-qualification, two-stage bidding, direct contracting and it also provides for unsolicited				

² Law no. 3/2018 provides that the SEE consists of (i) public enterprises which are exclusively owned by the State and pursue strategic objectives and (ii) enterprises with exclusive participation by the State or with majority participation by the State which are established under the commercial Code and they assume the form of joint stock companies/*sociedade anónima ou por quotas* (Article 2(2), Articles 36-37 and Article 50).

³ In accordance with Article 1(2) of Decree No. 69/2013, PPP and Business Concession of Small Value are undertaking where investment is not above 5 million *meticals*

	proposals) (Article 13). The PPP Law also sets out that regardless of the method used to procure PPPs, the stated principles shall be followed (Article 13(6)). These principles are the same as the ones mentioned in Article 3 of the Procurement Regulation. With respect to Large Scale Project (LSP), they are subject to private initiative in the cases prescribed and the use of public tender/<i>concurso público</i> may be waived under the circumstances specified (Article 28 of the PPP Law & Article 29 of the PPP Regulation). With respect to Business Concessions (BC), Article 30(1) of the PPP Law specifically establishes that their procurement is subject to the rules provided in the sector specific legislation as well as to the general principles which govern public procurement/<i>contratações públicas</i>. With respect to Small Value PPPs and Small Value BC, procurement should be carried through public tender/ <i>concurso público</i> and in exceptional cases direct contracting/<i>ajuste directo</i> can be used (Article 5 of the PPP Regulation Small Value Projects). It is to be noted that the Procurement Regulation provides that it applies to the procurement of Concessions and it defines both Concessions and Concessions of Exploration/<i>Concessão de Exploração</i> Article 1(1), Annex A (k) and (l)). It is understood that there is also specific sector legislation which regulate the award of concessions. <i>(Reference is to be made to comments under Sub-indicator 1(a) Assessment criterion (c) above).</i>				
(c) Responsibilities for developing policies and supporting the implementation of PPPs, including concessions, are clearly assigned.	Criterion (c) is partially met. The PPL Law, the PPP Regulations and the PPP Regulation Small Value Projects do not specify which entity is responsible for developing policies with respect to PPPs, Large Scale Projects (LSP) and Business Concessions (BC). However, it is understood that this responsibility is vested in the Ministry of Finance, while for concessions (as defined under the Procurement Regulation) it is understood that this responsibility is vested with the relevant sector Ministries. Note: The PPP Law establishes that the undertaking/<i>empreendimentos</i> of PPPs, Large Scale Projects, and Business Concessions is subject to the sectorial guardianship/<i>tutela</i> exercised by the Government authority in the sector to which the project relates (Article 5(1)) & by the relevant sectorial or sub-sectorial regulatory authority/<i>autoridade reguladora</i> (Article 5(2)(3)). The PPP Law also establishes that the financial guardianship/<i>tutela financeira</i> of the undertaking/<i>empreendimentos</i> of PPP, Large Scale Projects and Business Concessions is exercised by the Ministry of Finance which is responsible for the inter-sectorial coordination (Article 6).		The PPP Law does not specifically state which entity is vested with the responsibility for developing policies for PPPs, Large Scale Projects and Business Concessions.	Yes. Requires input by multiple actors involved in the revision of the PPP/concession law.	The responsibility for developing policies for PPPs including concessions should be clearly assigned through an appropriate legislative instrument.

2. Implementing regulations and tools support the legal framework.

2(a) Implementing regulations to define processes and procedures

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) There are regulations that supplement and detail the provisions of the procurement	Criterion (a) is partially met. The Procurement Regulation constitutes the overarching/primary legislative instrument which regulates public procurement in Mozambique. The Procurement Regulation establishes that		Not all implementing rules/ <i>normas complementares</i> necessary for the application of the Procurement		Implementing rules/ <i>normas complementares</i> necessary for the application of the Procurement Regulation need to be adopted/issued. These implementing rules/ <i>normas complementares</i> include but are not

*Highlighted fields: quantitative indicators; a black frame indicates minimum quantitative indicators.

law, and do not contradict the law.	UFSA is responsible for proposing to the Minister of Finance the approval of implementing rules/ <i>normas complementares</i> necessary for the application of the Procurement Regulation (Article 19(1)(d)). The Procurement Regulation is complemented by the following implementing rules/ <i>normas complementares</i> : Diploma Ministerial no. 14/2019 of 22 January on Reverse Auctions/ <i>Concurso por Lances</i> .		Regulation have been adopted/issued. Diploma Ministerial no. 14/2019 on Reverse Auctions/ <i>Concurso por Lances</i> refers only to the possibility of submitting a complaint/ <i>reclamação</i> (Articles 13 and 14) but does not refer to the possibility of submitting a Hierarchical Appeal/ <i>Recurso Hierárquico</i> or a Judicial Appeal/ <i>Recurso Contencioso</i> .		limited to (i) implementing rules on the sanction process ((Article 281(2) of the Procurement Regulation) (ii) implementing rules on the procedures for submitting complaints, for deciding on complaints, and on the remedies that may be applied. It is recommended that an analysis of the implementing rules/ <i>normas complementares</i> necessary for the application of the Procurement Regulation is carried out by UFSA to establish in a clear manner what are the legal vacuums that need to be addressed through implementing rules/ <i>normas complementares</i> . Full consistency between the Procurement Regulation and any implementing rules/ <i>normas complementares</i> is to be ensured.
(b) The regulations are clear, comprehensive and consolidated as a set of regulations readily available in a single accessible place.	Criterion (b) is not met. The Procurement Regulation is complemented only by the following implementing rules/ <i>normas complementares</i> : Diploma Ministerial no. 14/2019 of 22 January on Reverse Auctions/ <i>Concurso por Lances</i> .		Not all implementing rules/ <i>normas complementares</i> necessary for the application of the Procurement Regulation have been issued. Diploma Ministerial no. 14/2019 of 22 January on Reverse Auctions/ <i>Concurso por Lances</i> is not published on UFSA website.		Implementing rules/ <i>normas complementares</i> necessary for the application of the Procurement Regulation need to be issued. See previous recommendations. Diploma Ministerial no. 14/2019 needs to be published on UFSA website and to be made readily accessible to UGEAs and potential bidders.
(c) Responsibility for maintenance of the regulations is clearly established, and the regulations are updated regularly.	Criterion (c) is partially met. The Procurement Regulation establishes that UFSA is responsible for proposing to the Minister of Finance the approval of implementing rules/ <i>normas complementares</i> necessary for the application of the Procurement Regulation (Article 19(1)(d)) but the implementing rules are not issued and/or updated in a timely manner.		Implementing rules/ <i>normas complementares</i> are not issued and/or updated in a timely manner.		Implementing rules/ <i>normas complementares</i> need to be issued and/or updated in a timely manner.

2(b) Model procurement documents for goods, works, and services

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) There are model procurement documents provided for use for a wide range of goods, works and services, including consulting services procured by public entities.	Criterion (a) is partially met. There are old Standard Bidding Documents (SBDs) for goods (including for textbooks and medical products/ <i>artigos médicos</i>), services, works, and consulting services. These SBDs are being updated to reflect the Procurement Regulation. The Procurement Regulation establishes that UFSA is responsible for proposing to the Minister of Finance the issuance or updating of standard bidding documents (Article 19(1)(g)) and that the use of standard procurement documents (<i>que integram o presente regulamento</i>) is mandatory (Article 47(4) and 261(2)). In addition, Article 2 of Decree no. 5/2016 provides that it is the competence of the Minister of Finance, the Minister of Public Works and Housing, the Minister of Industry and Commerce, the Ministers of Health and Education to approve through joint <i>diplomas</i> the specific SBDs.		There are no SBDs issued based on the Procurement Regulation. The SBDs are being updated to reflect the Procurement Regulation.		Updated SBDs need to be issued. It is recommended that UFSA carries out an analysis of which additional SBDs are needed to complete the set of old SBDs being updated (e.g. Standard PQ Documents are not part of the set of old SBDs etc.).
(b) At a minimum, there is a standard and mandatory set of clauses or templates that reflect the legal framework. These clauses can be used in documents prepared for competitive tendering/bidding.	Criterion (b) is partially met. There is a standard and mandatory set of clauses or templates that reflect the old legal framework (they have not been updated). These clauses can be used in documents prepared for competitive tendering/bidding.		There are no SBDs issued based on the Procurement Regulation. The SBDs are being updated to reflect the Procurement Regulation.		Updated SBDs need to be issued.

(c) The documents are kept up to date, with responsibility for preparation and updating clearly assigned.	Criterion (c) is partially met. The Procurement Regulation establishes that UFSA is responsible for proposing to the Minister of Finance the issuance or updating of the standard bidding documents (Article 19(1)(g)), but the SBDs are not updated in a timely manner.		There are no SBDs issued based on the Procurement Regulation. The SBDs are being updated to reflect the Procurement Regulation.		Updated SBDs need to be issued.
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2 (c) Standard contract conditions

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) There are standard contract conditions for the most common types of contracts, and their use is mandatory.	Criterion (a) is partially met. There are standard contract conditions for the most common types of contracts, and their use is mandatory, but they have not been updated to reflect the Procurement Regulation.		There are no standard contract conditions issued based on the Procurement Regulation.		Updated standard contract conditions need to be issued.
(b) The content of the standard contract conditions is generally consistent with internationally accepted practice.	Criterion (b) is partially met. The content of the standard contract conditions is generally consistent with internationally accepted practice, but they have not been updated to reflect the Procurement Regulation/ <i>Reglamento</i> .		There are no standard contract conditions issued based on the Procurement Regulation.		Updated standard contract conditions need to be issued.
(c) Standard contract conditions are an integral part of the procurement documents and made available to participants in procurement proceedings.	Criterion (c) is partially met. Standard contract conditions are an integral part of the procurement documents/SBDs and are made available to participants in procurement proceedings, but they have not been updated to reflect the Procurement Regulation.		There are no standard contract conditions issued based on the Procurement Regulation.		Updated standard contract conditions need to be issued.

2 (d) User's guide or manual for procuring entities

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) There is (a) comprehensive procurement manual(s) detailing all procedures for the correct implementation of procurement regulations and laws.	Criterion (a) is partially met. There is a comprehensive Procurement Manual which has been updated to take into account the Procurement Regulation & it is available on UFSA website. The Procurement Regulation establishes that UFSA is responsible for proposing to the Minister of Finance the issuance or updating of Manuals of Procedures (Article 19(1)(g)).		The Procurement Manual presents some editorial issues (e.g. no complete index with no page numbers, and some sections are not numbered). This make its reading, comprehension and use at times difficult. The Procurement Manual appears at times to introduce instructions which are not fully consistent with what is established in the Procurement Regulation (e.g. it states that it is the competence of the Minister of Finance to decides on debarment (Section 5.5) whereas in accordance with the Procurement Regulation it is understood that this falls under the competence of UFSA (Article 281(2)).		The Procurement Manual needs to be amended to address editorial issues in order to facilitate its reading, comprehension and application. Some parts of the Procurement Manual need to be adjusted to make sure that they do not introduce instructions which are not fully consistent with what is provided for in the Procurement Regulation.

(b) Responsibility for maintenance of the manual is clearly established, and the manual is updated regularly.	Criterion (b) is partially met. The Procurement Regulation establishes that UFSA is responsible for proposing to the Minister of Finance the issuance or updating of Manuals of Procedures (Article 19(1)(g)). The Procurement Manual is not updated in a timely manner.		The Procurement Manual is not updated in a timely manner.		The Procurement Manual needs to be updated in a timely manner in the future.
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3. The legal and policy frameworks support the sustainable development of the country and the implementation of international obligations.

3(a) Sustainable Public Procurement (SPP)

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The country has a policy/strategy in place to implement SPP in support of broader national policy objectives.	Criterion (a) is not met. There is not a national policy/strategy in place to implement Sustainable Public Procurement (SPP). Note: At a national level, it is understood that Mozambique has expressed commitment to the 2030 Sustainable Development UN agenda that proposes 17 Sustainable Development Goals (SDGs) and 169 corresponding targets. It is further understood that Mozambique does not have a specific national policy/strategy on sustainable objectives yet but that sustainable objectives are included in the 5-year Strategic Plan of the Government and that it is the responsibilities of each Ministry to implement sustainable objectives in the areas of its competence.		There is no national policy/strategy in place to implement SPP.		A national policy/strategy to implement SPP should be developed.
(b) The SPP implementation plan is based on an in-depth assessment; systems and tools are in place to operationalize, facilitate and monitor the application of SPP.	Criterion (b) is not met. There is no policy/strategy in place in Mozambique to implement SPP and thus no SPP implementation plan exists.		There is no SPP implementation plan in place.		A national policy/strategy to implement SPP together with a SPP implementation plan should be developed.
(c) The legal and regulatory frameworks allow for sustainability (i.e. economic, environmental and social criteria) to be incorporated at all stages of the procurement cycle.	Criterion (c) is partially met. The Procurement Regulation contains some provisions which allow for sustainability considerations to be considered in certain (but not all) stages of the procurement cycle/process which include the following: - possibility of including environmental benefits/considerations/ <i>benefícios ambientais</i> among the non-price attributes when the Combined Criterion/ <i>Critério conjugado</i> for contract award is used (Article 38(4)(I)); - with respect to work contracts, contractor shall comply with the requirements set out in the contract concerning environment protection and related legislation in force (Articles 163 and 173); - participation in procurement processes under the Small Value Procurement method is reserved to individual persons and micro and small enterprises (Annex A (n)).		While the Procurement Regulation allows for sustainability considerations to be taken into account in certain stages of the procurement cycle, it is silent with regard to the incorporation of sustainability considerations in all stages of the procurement cycle.		Provisions on the incorporation of sustainability considerations in all stages of the procurement cycle should be included in future amendments of the Procurement Regulation/ <i>Regulamento</i> .
(d) The legal provisions require a well-balanced application of sustainability criteria to ensure value for money.	Criterion (d) is not met. The Procurement Regulation does not contain specific provisions which require a well-balanced application of sustainability criteria to ensure value for money.		There are no specific provisions which require a well-balanced application of sustainability criteria to ensure value for money.		Provisions which require a well-balanced application of sustainability criteria to ensure value for money should be included in future amendments of the Procurement Regulation/ <i>Regulamento</i> .

3(b) Obligations deriving from international agreements

Public procurement-related obligations deriving from binding international agreements are:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
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(a) clearly established	Criterion (a) is met. The Procurement Regulation provides for a Special Regime (Article 7) whereby Contracting Authorities may adopt procurement rules different from the ones of the Procurement Regulation (with the approval of the Minister of Finance) for contracts arising from an international treaty or international agreement or contracts concluded in the context of projects financed by multilateral financing institutions or from an official cooperation agency when their conclusion requires the adoption of specific procurement rules. Note: Mozambique is a member of SADC (Southern Africa Development Community) but it is understood that there are no specific public procurement obligations deriving from it. Mozambique has also been a member of the WTO since 26 August 1995 and a member of GATT since 26 July 1992, but it is neither a signatory nor an observer to the WTO Government Procurement Agreement (GPA).				
(b) consistently adopted in laws and regulations and reflected in procurement policies.	Criterion (b) is met. The Procurement Regulation provides for a Special Regime as explained under the previous assessment criterion. Public procurement-related obligations deriving from the above-mentioned international agreements and treaties are recognized and adopted in the national legal procurement framework.				

*Highlighted fields: quantitative indicators; a black frame indicates minimum quantitative indicators.

Pillar II. Institutional Framework and Management Capacity

4. The public procurement system is mainstreamed and well-integrated into the public financial management system

4(a) Procurement planning and the budget cycle

The legal and regulatory framework, financial procedures and systems provide for the following:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Annual or multi-annual procurement plans are prepared, to facilitate the budget planning and formulation process and to contribute to multi-year planning.	Criterion (a) partially met. The legal basis for the multi-annual procurement plans is captured in the <i>Regulamento</i>: • Art 12/1/n on the Responsibilities of the Competent Authority (Autoridade Competente) that is charged with approving the multi-year scheduling of budgetary funds when contracting obligations span multiple years. • Art 14/1 on the UGEAS' attributions that include assessing contractual needs and prepare and maintain the procurement plan "<i>de cada exercício económico</i>". While there are regulatory requirements, the link procurement planning (annual and multi-annual) and budget planning is weak. There is no clear monitoring of multi-annual commitments and consistent update of the procurement plans for the budget planning purpose. UGEA survey confirmed that the link procurement planning activities, assessing of commitments based on rigorous planning and budget and treasury planning are weak. While the survey was conducted end of April 2019, the 2019 plan for some of the UGEAs (3/4 in one province) was not yet completed and generally not published. The situation is better at the Central UGEAs that have large contracts with donors' financing. There is no pluri-annual budget planning hence advance procurement is not feasible.		The effective use of procurement plans in budget planning is still to be achieved. Weak procurement planning is reflected in the budget preparation process. Treasury planning does not properly ensure the availability of resources necessary for the effective implementation of procurement plans.	Yes. This action requires concertation outside procurement (including PFM/budget authorities.).	Agencies: to enforce/update the procurement plan as basis for budgeting and treasury planning. Implementation of the Asset Module/ <i>Módulo de Património do Estado</i> (MPE) (now under piloting) will ensure that procurement plans are uploaded in the system and will enable a closer monitoring of commitments. Create a task-force to assess the situation and make recommendations.
(b) Budget funds are committed or appropriated in a timely manner and cover the full amount of the contract (or at least the amount necessary to cover the portion of the contract performed within the budget period).	Criterion (b) is partially met Art 9 (Budget for Contracting): stipulates that the Contracting Entity can enter into a contract only if it has a corresponding budget appropriation. 12 (f) (Responsibilities of the Competent Authority/Autoridade Competente): The Competent Authority must ascertain that the financial obligations under the contracts are met and budget funds set aside for this purpose (<i>cabimentação</i>). Tribunal Administrativo verifies that funds are appropriated, this being one of the pre-conditions for the VISTO (contracts' prior review). UGEA SURVEY: all contracts are subject to TA control (either prior review - VISTO or post review within 30 days - <i>Anotação</i>). Appropriation is included in the review. As confirmed by UGEA survey, while budget appropriation is generally verified, actual resources are not guaranteed for the contract implementation.		While budget funds are appropriated in a timely manner, Treasury planning and revenue collection does not properly facilitate the availability of resources necessary for the effective implementation of procurement activities. There is a chronic shortage of funds and therefore, funding for contracts is not always secured at an appropriate level.	Yes. Also requires action outside procurement including PFM authorities).	Issues to be tackled at the level of budget planning, budget revenue forecast and systems. Deployment of the Asset Module, <i>Modulo de Património do Estado</i> (MPE) now under piloting, has the potential to secure a better budget implementation discipline including setting aside the specific funding for each contract under implementation. At the procurement level, updated procurement plans should inform the cash plans used by the treasury for the preparation of cash ceilings.
(c) A feedback mechanism reporting on budget execution is in place, in particular regarding the completion of major contracts.	Criterion (c) is partially met. According to Art 14 (w) of the <i>Regulamento</i> UGEAS are required to maintain adequate information on the completion of contracts, any amendments and inform UFSA as appropriate. This reporting by UGEAS to UFSA on contract implementation does not seem to be complied with (no evidence available). Generally, there are no statistics readily available on contracts' implementation. However, some large UGEAS have Directories for the execution of works contracts outside UGEAs that keep track of this activity.		Feedback mechanisms for contract execution are not enforced.		UGEA to monitor contract implementation and report to UFSA consistent with the <i>Regulamento</i> . It is expected that the e-SISTAFE system including MPE (that is currently piloted) can ensure this information is available in real time.

	Internally there is a coordination between UGEA, the finance department and the technical department for planning and approval of payments in accordance with treasury availability. (UGEA Survey).				
	<i>Relatório de Execução Orçamental</i> , while it provides information on capital expenditures, does not identify major contracts.				

4(b) Financial procedures and the procurement cycle

The legal and regulatory framework, financial procedures and systems should ensure that:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis / conclusions</u> (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) No solicitation of tenders/proposals takes place without certification of the availability of funds.	Criterion (a) is met. Art. 9 (Budget for Contracting) and 12 (f) (Responsibilities of the Competent Authority) require that funding be available for contracting goods works and services by public entities. Budget appropriation is verified at the time of procurement launch at the Competent Authority level.				
(b) The national regulations/procedures for processing of invoices and authorization of payments are followed, publicly available and clear to potential bidders.*	Criterion (b) is not met. While there are relevant clauses in the <i>Regulamento</i> and standard contracts (as illustrated below) that are published, the existing requirement (e.g., payments within 30 days) the criterion is not met because of lack of financial resources but also poor estimation of commitments. UGEA Survey confirmed that there is no security of payment when contracts are signed. Payment delays could be as late as 6 months in the UGEAs surveyed. Furthermore, there are no clear internal Standard operation procedures on the payment flow so sometimes payments are requested through various units, so these is no clarity on behalf of the private sector either. <u>Relevant clauses in the REGULAMENTO on payment terms:</u> <i>Regulamento</i> Art. 119 (Payment Terms) stipulates that the Contracting Entity should make the payments in 30 days after the invoices are submitted by the Contractor after completing the related work. Art 120: further states that, in case of late payments, the Contracting Entity shall pay penalties (<i>juros de mora</i>) for late payment. ART 169: competencies for the Contract manager/<i>Gestor do Contrato</i> Other articles related to payments under Civil works: 222 (<i>Pagamento</i>), 224 (<i>Prazo</i>), 225 (<i>Mora no Pagamento</i>), 226 (<i>Pagamento por medição</i>), 228 (<i>Liquidação e Pagamento</i>), 230 (<i>Pagamento por Preço Global</i>), 232 (<i>Liquidação do Pagamento</i>), 233 (<i>Eventos Passives de Compensação</i>), 247 (<i>Pagamento Posterior a Recepção Provisória</i>).	Minimum Quantitative indicator: <u>2018 ES Survey:</u> < 50% of invoices are paid on time	The processes are not followed (approval by “Fiscal” and certification of payment by the “Contract Manager” – in cases of works/“ <i>empreitada</i> ”. Penalties for delays are not paid.	Yes. Requires action in the broader PFM arena.t	While correct procurement planning plays an important role in securing funds are available, the shortage of funds needs to be addressed at the budget planning, and execution level.
// Minimum indicator // * Quantitative indicator to substantiate assessment of sub-indicator 4(b) Assessment criterion (b): - invoices for procurement of goods, works and services paid on time (in % of total number of invoices). Source: PFM systems.					

5. The country has an institution in charge of the normative/regulatory function

5(a) Status and legal basis of the normative/regulatory institution function

The legal and regulatory framework, financial procedures and systems provide for the following:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The legal and regulatory framework specifies the normative/regulatory function and assigns appropriate authorities' formal powers to enable the institution to function effectively, or the normative/regulatory functions are clearly assigned to various units within the government.	Criterion (a) is partially met. The Procurement Regulation establishes that the <i>Unidade Funcional de Supervisão das Aquisições</i> /UFSA (which is established within the Directorate of State Assets of the Ministry of Finance) is responsible <i>inter-alia</i> for proposing to the Minister of Finance: the approval of the complementary rules/ <i>normas complementares</i> necessary for the application of the Procurement Regulation (Article 19 (1)(d)); and the issuance or update of standard bidding documents and Manuals of Procedures (Article 19 (1)(g)). The Procurement Regulation also vests in the UFSA the responsibility for issuing instructions and recommendations on procurement processes as well as on the application of the Procurement Regulation (Article 19(1)(e)). Article 19(1) of the Procurement Regulation lists the tasks which are vested in the UFSA – However, this list of tasks does not seem to be exhaustive since Article 19(1) uses the term “ <i>dentre outras</i> ”. The Procurement Regulation does not specify in a clear manner which institution is vested with normative/regulatory function in the field of public procurement.		The Procurement Regulation does not specify in a clear manner which institution/level in MEF is vested with normative/regulatory function in the field of public procurement.	Yes. revising <i>Regulamento</i> requires higher authority to endorse the initiative and approve the outcome.	<i>Regulamento</i> should be clearer about who is in charge of the normative/regulatory functions.

5(b) Responsibilities of the normative/regulatory function

The following functions are clearly assigned to one or several agencies without creating gaps or overlaps in responsibility:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) providing advice to procuring entities	Criterion (a) is met. The Procurement Regulation establishes that the UFSA is responsible for providing clarifications and advice on the application of the Procurement Regulation when requested (Article 19(1)(f)) and for issuing instructions and recommendations on procurement processes (Article 19(1)(e)). In the area of public works and other technical areas this advisory work is done in coordination with the line Ministries, Article 19(2) and (3).				
(b) drafting procurement policies	Criterion (b) is partially met. Procurement Regulation does not explicitly indicate who is responsible for drafting procurement policies. In practice, UFSA drafts the procurement policies and procedures and carry out studies to justify the proposed changes.		<i>Regulamento</i> does not clearly identify the UFSA role in drafting the procurement policy.	Yes, revising the <i>Regulamento</i> requires higher authority to endorse the initiative and approve the outcome	In a future revision of the <i>Regulamento</i> this responsibility must be clearly stated.
(c) proposing changes/drafting amendments to the legal and regulatory framework	Criterion (c) is partially met. The Procurement Regulation establishes that the <i>Unidades Gestoras Executoras das Aquisições</i> (UGEAs) are responsible for proposing to the UFSA the issuance or update of the public procurement rules/ <i>normas de contratação pública</i> (Article 14(1)(s) and the issuance or update of the Manual of Procedures (Article 14(1)(t)). The Procurement Regulation further establishes that the UFSA is responsible for proposing to the Minister of Finance the update of standard bidding documents and Manuals of Procedures (Article 19 (1)(g)). In practice changes to Procurement Regulation proposed and drafted by UFSA.		The Procurement Regulation does not contain specific provisions which indicate who is responsible for drafting amendments to the public procurement legal and regulatory framework and to the Procurement Regulation		In a future revision of the <i>Regulamento</i> this responsibility must be clearly stated.

(d) monitoring public procurement	Criterion (d) is met. The Procurement Regulation establishes that the UFSA is responsible for the coordination of the inspection/ <i>fiscalização</i> and supervision/monitoring of the activities related to public procurement & for taking the necessary measures to guarantee that the contracting authorities respect the Procurement Regulation (Article 19(1)(a) and (c) and Annex A (xx). In technical areas UFSA coordinates with line Ministries (Art 19,2 and 3).				
(e) providing procurement information	Criterion (e) is met. The Procurement Regulation establishes that the UFSA is responsible for elaborating and putting at the disposal of the public, information concerning contracting of procurement of works, goods and services (Article 19(1)(v) Annex A (xx)).				
(f) managing statistical databases	Criterion (f) is met. The Procurement Regulations vests in the UFSA the management of the centralized data national system/ <i>gestão do sistema nacional centralizado de dados</i> (Annex A (xx)). The Procurement Regulation further establishes that the UGEAs are responsible for sending to the UFSA the data and information necessary for the establishment, keeping and actualization of the statistical studies on public procurement (Article 14(1)(v)). Center for Development of Finance Information Systems /CEDSIIF through its role regarding the management of the financial management system e - SISTAFE is gathering important statistics on procurement that are shared with UFSA to be used in procurement monitoring.				
(g) preparing reports on procurement to other parts of government	Criterion (g) is partially met. The Procurement Regulation, established UFSA obligations in this respect, however, does not contain provisions which explicitly indicate who is responsible for preparing reports on procurement to other parts of the government - normally it is the Ministry of Economy and Finance/CEDSIIF that share this information (including on procurement) to other parts of the government based on information provided by UFSA and IGF. UFSA has responsibilities that enables it to collect and process public procurement information. In this respect, the Procurement Regulation establishes that the UFSA is responsible for the coordination, inspection and supervision/monitoring of all activities related to public procurement (Annex A (xx)); for assessing the results achieved with the application of the Procurement Regulation in view of the economy and efficiency in the use of public funds (Article 19.1(o)); and for establishing mechanisms of cooperation with internal and external control bodies (Article 19.1(l)). Furthermore, UFSA makes proposals for using information systems and technology in the contracting process (Article 19.1(s)); collects information on prices (Article 19.1(p)), does comparative price assessments with the market (Article 19.1(q)); assesses the outcome of public procurement policies based on principles of economy and efficiency. (Article 19.1(r)) UFSA prepares quantitative and qualitative studies for the formulation and implementation of the public procurement policy; (Article 19.1(v)) Prepares and makes available to the public information on the contracts of works, goods and services. In practice, every 6 months UFSA prepares reports to the MEF (they report about their activities and describe overall procurement status and methods used). MEF shares this information with the Prime Minister and the President's offices, through the Council of Ministers, and they become part of the Yearly General Accounts of the Government approved by the Parliament.		The Procurement Regulation, does not contain provisions which explicitly indicate who is responsible for preparing reports on procurement to other parts of the government	Yes, revising the <i>Regulamento</i> requires higher authority to endorse the initiative and approve the outcome..	In a future revision of the <i>Regulamento</i> this responsibility must be clearly stated.
(h) developing and supporting implementation of initiatives for	Criterion (h) is met.				

improvements of the public procurement system	Art 19.1.(r) UFSA prepares quantitative and qualitative studies for the formulation and implementation of the public procurement policy. Strategic initiatives that may be related to/or impact on procurement may be included in the strategy for the Financial management system that is prepared by CEDSIF.				
(i) providing tools and documents, including integrity training programs, to support training and capacity development of the staff responsible for implementing procurement	Criterion (i) is partially met. UFSA develops documents and tools (standard bidding documents, manuals, guidance) to support procurement staff as described under Pillar I. Furthermore, the Procurement Regulation establishes that the UFSA is responsible for preparing/ <i>elaborar</i> and managing training programmes in the field of public procurement (Article 19.1(b)) and Annex A (xx). UFSA has prepared a modular training program that includes material on integrity but not in- depth.		UFSA Training Program does not contain in-depth procurement integrity training.		Develop an integrity module in the UFSA training program.
(j) supporting the professionalization of the procurement function (e.g. development of role descriptions, competency profiles and accreditation and certification schemes for the profession)	Criterion (j) is partially met. The Procurement Regulation establishes that the UFSA is responsible for proposing the “profiles” for the officials and agents of the State allocated/ <i>afectos</i> to the UGEAs (Article 19.1(i).) The Procurement Regulation does not contain specific provisions which refer however to accreditation and certification schemes for the profession as stated in this assessment criterion- Responsible for the professionalization agenda is the the Ministry of State Administration (<i>Ministério de Administração Estatal e Função Pública</i> -MAEFP who prepares “qualificadores” (the requirements for a specific profession) and the line ministry MEF / CEDSIF – for public finance staff.		There is no professionalization of the procurement function.	Yes, MEF/CEDSIF/ Ministry of State Administration and Public Function (MAEFP)	Activities are under way to revise the “ <i>qualificadores</i> ” by the Ministry of State Administrationand Public Function (<i>Ministério de Administração Estatal e Função Pública</i> -MAEFP . This could be an opportunity to include the Procurement function. In the short term a system of certification can be followed based on the “profiles” already developed by UFSA.
(k) designing and managing centralized online platforms and other e-Procurement systems, as appropriate	Criterion (k) is met. The Procurement Regulation establishes that the UFSA is responsible for analysing best practices and proposing an e-procurement system for carrying out procurement processes (Article 19.1(s)). Under the e-Sistafe law, CEDSIF within MEF is responsible for the implementation of all e-Government public finance systems.				

5(c) Organization, funding, staffing, and level of independence and authority

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis / conclusions</u> (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The normative/regulatory function (or the institutions entrusted with responsibilities for the regulatory function if there is not a single institution) and the head of the institution have a high-level and authoritative standing in government.	Criterion (a) is not met. UFSA’s level of authority (a functional unit under the MEF department) and funding (US\$30,000 per year) is not consistent with its functions including functions that it may need to take on to effectively carry out its role in implementing the second-generation reforms.		UFSA level of authority is not high enough consistent with its regulatory body functions including new functions that may need to discharge such as: e-procurement, professionalization, performance monitoring, green procurement, “whole of government” procurement	Yes. Requires higher level Government decision.	UFSA level of authority needs to be strengthened to be able to effectively carry out its functions to implement the Second-Generation Procurement Reforms in Mozambique.
(b) Financing is secured by the legal/regulatory framework, to ensure the function’s independence and proper staffing.	Criterion (b) is not met. The Procurement Regulation does not contain provisions which deal with financing of the regulatory/normative institution. UFSA does not have its own budget as it is part of the DNPE. The Budget of DNPE is divided between UFSA and Assets (<i>Património</i>). Judged by the responsibilities listed in the <i>Regulamento</i> , UFSA does not have enough money to operate effectively. Funding depends on the country’s resources that are quite limited and support from donors.	Its annual budget is about 30k \$.	Level of authority and funding are not sufficient to support UFSA to effectively carry out its responsibilities.	Yes Requires higher level Government decision.	Secure a level of authority that allows UFSA to strengthen its organization and staffing. In the interim make best use of funds available and attract more funds from donors based on a strong strategic plan and performance results.
(c) The institution’s internal organization, authority and staffing are sufficient and	Criterion (c) is not met. The Procurement Regulation/ <i>Regulamento</i> does not contain provisions which deal with the institution internal organisation, authority, and staffing.		Internal organization, staffing are not entirely responding to UFSA needs.	Yes Requires higher level	Secure a level of authority that allows UFSA to strengthen its organization and staffing.

consistent with its responsibilities.	UFSA, a functional unit under a MEF Department, does not have the authority to hire their own people and the number and qualifications is insufficient to carry out its many functions. Currently UFSA has about 45 professionals. Given the challenges that lie ahead of UFSA including: (i) supervising and monitoring the performance of a large number (about 1,600) of Procurement entities with relatively new and inexperienced staff, with high turnover; (ii) significant requirements of coordination with a multitude of stakeholders (in the government, judicial, private sector, civil society, donors); (iii) responding to the demands imposed by the E-SISTAFE – <i>Módulo de Patrimônio do Estado</i> in terms of Registering private sector participants to public procurement, updating the Catalogue of Goods and Services and monitoring prices; (iv) advancing the e-procurement agenda, UFSA needs to strengthen its organization authority and staffing as well as decentralize some of its operations to bring its services closer to the procurement implementing agencies.			Government decision.	
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5(d) Avoiding conflict of interest

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The normative/regulatory institution has a system in place to avoid conflicts of interest.* * Recommended quantitative indicator to substantiate assessment of sub-indicator 5(d) Assessment criterion (a): - Perception that the normative/regulatory institution is free from conflicts of interest (in % of responses). Source: Survey.	Criterion (a) is met. Based on the Procurement Regulation USFA does not carry out procurement activities (Article 19) to generate Conflict of Interest (COI). UFSA advisory role is related to the policy interpretation on processes, without reviewing the underlying documents. Some COI issues that were raised in the private sector consultation are focused on procurement operations rather than the normative and regulatory institution.	Recommended quantitative indicator: survey did not identify any COI perception in the normative function.			

6. Procuring entities and their mandates are clearly defined

6(a) Definition, responsibilities and formal powers of procuring entities

The legal framework provides for the following:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Procuring entities are clearly defined.	Criterion (a) is met. The Procurement Regulation provides that the Procuring Entity/<i>Entidade Contratante</i> is a body or institution of the Public Administration, namely of the direct and indirect administration of the State, including its representation abroad, local authorities and <i>pessoa colectivas públicas</i>, which are represented by a Competent Authority/<i>Autoridade Competente</i> (Annex A (cc)). It is understood that the UGEA is a “procurement implementation unit” within a Procuring Entity which has <i>uma tabela orçamental</i>/budget and is responsible for the management of the procurement process from its planning and preparation				

	to the execution of the contract (Annex A (yy) of the Procurement Regulation). The Procurement Regulation further establishes that the UGEAs are directly subordinated to the Competent Authority/ <i>Autoridade Competente</i> (Article 14(2)) and are subject to UFSA supervision. (Article 14(3)).				
(b) Responsibilities and competencies of procuring entities are clearly defined.	Criterion (b) is met. The Procurement Regulation defines in a clear manner the competencies of the UGEAs [Art 14 and Annex A(yy)] which are directly subordinated to the Competent Authority/<i>Autoridade Competente</i> whose competencies are described in Art. 12 as representative of the Procuring Entity/Entidade Contratante. <i>Regulamento</i> identifies 27 responsibilities for UGEAS including: -collecting the procurement needs of the AC and preparing the procurement plan; -conducting all steps of the procurement process including coordination of the definition of specs and Terms of Reference; -dealing with complaints and contract implementation; -submitting the procurement documentation for the approval of the TA and support the internal controls and audit; -ensuring effective contract management; -maintain adequate information on contract implementation; -maintaining and updating the <i>Cadastro Único de Fornecedores</i>; -sharing with UFSA the procurement plan, information on complaints and appeals, anti-ethical practices, implementation for contracts; recommending to UFSA companies to be debarred, conducting training programs, improving the legal and regulatory framework. Other responsibilities according to Art. 45, 64 and 99 are for UGEAs to share with UFSA: - the advertisements notices for Public Tenders; -information on awards/cancelation/unsuccessful contracts; and -information on direct contracting cases.				
(c) Procuring entities are required to establish a designated, specialized procurement function with the necessary management structure, capacity and capability.* <i>// Minimum indicator // * Quantitative indicator to substantiate assessment of sub-indicator 6(a) Assessment criterion (c):</i> <i>- procuring entities with a designated, specialized procurement function (in % of total number of procuring entities).</i> <i>Source: Normative/regulatory function.</i>	Criterion (c) is partially met. The Procurement Regulation establishes that the Competent Authority/<i>Autoridade Competente</i> shall nominate/<i>indicar</i> officials or agents of the State of the respective UGEA in line with the “profiles”/<i>perfis definidos para o efeito</i> and communicate them to the UFSA (Article 12(2)). The Procurement Regulation establishes that the UFSA is responsible for proposing the “profiles” for the officials and agents of the State allocated/<i>afectos</i> to the UGEAs (Article 19(1)(i)). There is a standard structure for UGEAs for provinces, districts and municipalities. As per the 2018 annual progress report for budget planning - there are 1629 Units that have budget (<i>tabela orcamental</i>) that are called <i>Unidades Gestoras Beneficiaries</i> (UGB). Not all UGEAs are formally established, including, when procurement activity is not sufficient to justify a full-fledged UGEA. In such cases procurement is organized “ad hoc” on a need basis or some of the procurement centralized at a superior (textbooks, medicine etc) to allow for economies of scale. Procurement profiles are prepared by UFSA but are not yet effective. UGEAs survey identified most of the UGEAS as formally established: i.e., by <i>despacho</i> of the <i>Autoridad Competente</i>, subordinated to the AC, being part of the organigram of the institution, having manager and permanent personnel (even when some may be temporary). Some UGEAs however, are not formally established. From the 18 UGEAS surveyed 4 (37%) are not deemed formally constituted. There is need for a clear understanding of the UGEAs’ status, number, capacity.	Minimum quantitative indicator: All agencies that have budget (<i>tabela orcamental</i>) have a procurement function but some of the UGEAs are not formally created – they operate on a need basis.	There is no clear picture of existing UGEAs, at various levels, including their capacity to see how the procurement function is established.		Carry out a mapping of UGEAs at national level to identify ways to improve capacity and rationalize operations to increase efficiency in procurement. Mapping UGEAs is also an objective in the UFSA strategic plan.

(d) Decision-making authority is delegated to the lowest competent levels consistent with the risks associated and the monetary sums involved.	Criterion (d) partially met. The Procurement Regulation does not contain specific provisions in this respect. According to the <i>Regulamento</i>, the procurement function depends on the existence or not of a budget allocation regardless of the amount and risk. Normally at the Procuring Entity level all procurement is approved by the Competent Authority head (<i>Secretário Permanente, Governador, Presidente Conselho Municipal</i>) at the Evaluation Commission/Júri recommendation. Sometimes, but very seldom, the CA delegates to other levels (1/22 cases identified in the UGEA Survey). TA is reviewing contracts above 5 mil MZN (80k US\$) to ensure compliance with the <i>Regulamento</i> as well as conducts post review for contracts below this threshold. TA threshold is established every year by the budget circular. PGR has also supervision authority and conducts prior reviews (however the scope is not clear when compared to what TA does).		<i>Regulamento</i> does not mention approval authority for procurement transactions.	Yes, requires MAEFP involvement	Address this aspect in regulations/standard procedures based on the PFM laws
(e) Accountability for decisions is precisely defined.	Criterion (e) is partially met. The Procurement Regulation does not contain specific provisions in this respect. This is covered under the broader public administration regulations and TA by laws.		Procurement regulations do not contain specific provisions on accountability for decisions.	Yes, requires MAEFP involvement.	Address this aspect in regulations/standard procedures based on the PFM laws

6(b) Centralized procurement body

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The country has considered the benefits of establishing a centralized procurement function in charge of consolidated procurement, framework agreements or specialized procurement.	Criterion (a) partially met. The Procurement Regulation does not contain provisions on a Centralized Procurement Function. However, there are sector procurement activities that are centralized (e.g., procurement of textbooks and drugs). Until 2017 procurement of vehicles was centralized in DNPE/MEF but this activity was discontinued. Adopting a new procurement method - Reverse Auctions/<i>Concurso por Lances</i> is a step in the right direction to increase the efficiency of recurrent procurements of goods and services including through aggregation		In spite of the centralization of textbooks and medicine, procurement is quite fragmented in particular for recurrent goods.	Yes. Revising the <i>Regulamento</i> requires higher authority to endorse the initiative and approve the outcome.	Include in the <i>Regulamento</i> provisions for centralized/aggregate procurement including framework agreements to benefit from economies of scale and reduced transaction costs. Develop an e-catalogue for recurrent goods procurement and, in the interim, consider further centralizing certain procurement activities at the sector, province and district level.
(b) In case a centralized procurement body exists, the legal and regulatory framework provides for the following: • Legal status, funding, responsibilities and decision-making powers are clearly defined. • Accountability for decisions is precisely defined. • The body and the head of the body have a high-level and authoritative standing in government.	Criterion (b) cannot be evaluated. There is no Centralized Procurement Body (CPB) for carrying out procurement. The Procurement Regulation does not contain provisions on framework agreements and does not provide for a CPB.				
(c) The centralized procurement body's internal organization and staffing are sufficient and consistent with its responsibilities.	Criterion (c) cannot be evaluated. T there is no Central Procurement Body (CPB) for carrying out procurement.				

7. Public procurement is embedded in an effective information system

7(a) Publication of public procurement information supported by information technology

The country has a system that meets the following requirements:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Information on procurement is easily accessible in media of wide circulation and availability. Information is relevant, timely and complete and helpful to interested parties to understand the procurement processes and requirements and to monitor outcomes, results and performance.	Criterion (a) partially met. Information is generally accessible, published in media of large circulation and on the UFSA website that contains procurement opportunities, procurement legal information, other information of interest (see 7ab below). Information is available but is rather fragmented since publication of procurement processes can be made in any medium of publicity (newspaper, poster, web portal, radio and other medium (<i>Regulamento</i> Art. 33). Regarding publicity, it is commendable that the legal framework supports transparency through extensive requirements for publication of procurement opportunities and contract awards; it was noted, however, that the cost of advertising in the press for lower value contracts is disproportionately high compared with the contract value <i>Regulamento Art. 33 Para. 3 and 4:</i> It is mandated to publicize: (i) the invitations to bid/to express interest/to register in <i>Cadastro</i>, (ii) the contract award with specifics (what is procured, method, successful bidder, amount), (iii) the bid cancellation, (iv) any changes in the invitation to bid (see excerpt in Portuguese below). 3. É obrigatória a publicação de: a) Anúncio de Concurso, que divulga a sua realização, bem como a indicação da respectiva modalidade de concurso; b) Convite para a manifestação de interesse; c) Convite para inscrição no Cadastro Único; d) Adjudicação do objecto do concurso, com a indicação da respectiva modalidade de contratação, o valor da Adjudicação e o concorrente vencedor; e e) Cancelamento ou Invalidação, com indicação das razões para o efeito. 4. Nos casos de alteração do Anúncio do Concurso, o mesmo deve ser divulgado antes do termo do prazo estabelecido para apresentação de propostas e documentos de qualificação, pela mesma forma que o texto original, com a prorrogação do prazo, se necessário.		Information actually published is fragmented and not sufficient and comprehensive enough to monitor public procurement outcomes and performance. An additional observation is that in the absence of a centralized portal and given the publicity demands (which is a positive factor) publicizing procurement information is quite expensive		Make more use of the UFSA portal and/or Ministries, Provinces, State portals to ensure that information is published is real time is updated and complete and cost effective. Reduce the cost of publicity by using less expensive means allowed under <i>Regulamento</i>. UFSA is also looking into the cost of publicity in UFSA's strategic plan.
(b) There is an integrated information system (centralized online portal) that provides up-to-date information and is easily accessible to all interested parties at no cost.	Criterion (b) partially met. There is a centralized on line portal on procurement, i.e. the UFSA website, that contains information related to UFSA mission, vision and values, the legal framework for procurement, bidding processes (ongoing and closed) the Catalogue of Contractors/Supplier/Service Providers/Consultants, (Cadastro), including those suspended from public procurement, Procurement Manual, quarterly statistics on methods of procurement used, training events, supplement published by UFSA in <i>Jornal do Mozambique</i> on public procurement legislation, registered suppliers and other issues of interest related to public procurement. Bidding documents have been removed from the site while they are in the process of being updated. The portal is easily accessible to all interested parties at no cost. UFSA could use its portal to publicize more extensive and up to date information based on the information UGEAs are supposed to submit to UFSA under the		There is a UFSA portal, but information is not comprehensive and up to date.		Implement e-procurement in the Medium Term. Until e procurement is implemented at least two options are available: (i) CEDSIF to provide more data to UFSA based on the roll out of the MPE. (ii) Enforce <i>Regulamento</i> requirement for UGEAs to submit information on UFSA website and operationalize the direct uploading of information on UFSA website by UGEAs

	<i>Reglamento</i> (Art. 14) however, UGEAs are not submitting regularly to UFSA this information: • Planning management and execution of the contracting processes; • Complaints and appeals; • Any information required for UFSA studies on public procurement; • Information regarding the completion of contracts; • Advertisements for open bidding; • Contract awards, cancelations; and • Direct contracting cases. UGEA Survey identified that the specific information required above is not systematically sent to UFSA.				
(c) The information system provides for the publication of: * • procurement plans • information related to specific procurements, at a minimum, advertisements or notices of procurement opportunities, procurement method, contract awards and contract implementation, including amendments, payments and appeals decisions • linkages to rules and regulations and other information relevant for promoting competition and transparency. // Minimum indicator // Quantitative indicators to substantiate assessment of sub-indicator 7(a) Assessment criterion (c): • procurement plans published (in % of total number of required procurement plans) • key procurement information published along the procurement cycle (in % of total number of contracts) : • invitation to bid (in % of total number of contracts) • contract awards (purpose, supplier, value, variations/amendments) • details related to contract implementation (milestones, completion and payment) • annual procurement statistics • appeals decisions posted within the time frames specified in the law (in %). Source: Centralized online portal.	Criterion (c) is partially met UFSA website, the only centralized procurement portal includes selected advertisements of notices of procurement opportunities, processes canceled or declared unsuccessful, the Manual, list of debarred firms, procurement methods, Procurement Regulations, other relevant legislations. At the time of the assessment UFSA Portal did not include procurement plans, information related to contract awards, contract implementation, amendments, payments and appeal decisions.	Minimum quantitative indicators based on a centralized online portal: • 0% procurement plans published (in % of total number of required procurement plans) • invitation to bid (in 10% of total number of estimated contracts) on UFSA website • 0% contract awards (purpose, supplier, value, variations, amendments) • 0% details related to contract implementation (milestones, completion and payment) • semi- annual procurement statistics: procurement methods • 0% appeals decisions posted within the time	Not all information identified under this criterion is published on a centralized portal (e.g., procurement plans, contract amendments, payments, appeals) to be able to generate the indicators mentioned under this criterion.		In the absence of e-procurement UFSA can use its portal to publish more information based on inputs obtained from UGEAs and MPE.

		frames specified in the law			
(d) In support of the concept of open contracting, more comprehensive information is published on the online portal in each phase of the procurement process, including the full set of bidding documents, evaluation reports, full contract documents including technical specification and implementation details (in accordance with legal and regulatory framework).	Criterion (d) is not met. While bidding documents and evaluation reports are available for consultation at UGEAs level, this information and the one related to contracts and implementation details, including the full set of bidding documents, evaluation reports, full contract documents including technical specs - is not available on the online portal as required in this MAPS criterion .		Information that supports the “open contracting” concept is not available online.		Include these options in the design of e-procurement.
(e) Information is published in an open and structured machine-readable format, using identifiers and classifications (open data format).* * Recommended quantitative indicator to substantiate assessment of sub-indicator 7(a) Assessment criterion (e): - Share of procurement information and data published in open data formats (in %). Source: Centralized online portal.	Criterion (e) is not met. Information is not published in open and structured machine-readable format, using identifiers and classifications (open data format).	Recommended quantitative indicator: 0% information in open data format	Information is not published in an “open data” format.		Integrate this “open data” approach in the design of the centralized on-line portal and in the e-procurement design.
(f) Responsibility for the management and operation of the system is clearly defined.	Criterion (f) is met. For the information published responsibilities are defined in the <i>Regulamento</i> . UFSA is responsible for the management and operation of the system, UGEAs for providing the information and UFSA has an arrangement with CEDSIF, for CEDSIF to share every 3 months e-SISTAFE information relevant to procurement.				

7(b) Use of e-Procurement

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) E-procurement is widely used or progressively implemented in the country at all levels of government.* // Minimum indicator // * Quantitative indicators to substantiate assessment of sub-indicator 7(b) Assessment criterion (a): uptake of e-Procurement - number of e-Procurement procedures in % of total number of procedures	Criterion (a) is not met. There is no end-to-end e-procurement at this stage. It is still in the early stages. An e-procurement readiness assessment and road map, financed by Department for International Development (DFID), were prepared in 2015 to establish the key activities and milestones for e-procurement implementation. Currently, UFSA and CEDSIF are jointly involved in advancing this agenda in the context of the broader PFM system, that is, e-SISTAFE.	Minimum quantitative indicator: <i>uptake of e-Procurement</i> <i>There is no e-procurement yet.</i>	End to end e- procurement is not available in Mozambique.	Yes. CEDSIF cooperation is required	UFSA/CEDSIF to elaborate a clear updated strategy and road map identifying actions, cost, timing and technical assistance needs.

- value of e-Procurement procedures in % of total value of procedures Source: e-Procurement system.					
(b) Government officials have the capacity to plan, develop and manage e-Procurement systems.	Criterion (b) is partially met. There is capacity in CEDSIF to help develop the modules related to e-procurement, but technical assistance will be needed in targeted areas. Capacity building of Government officials, in general, to manage the system is part of the strategy for the implementation of the e-procurement system.		Technical assistance is needed including on the elaboration of regulations for e-procurement and electronic signature.	Yes, requires other actors involved including CEDSIF.	Contract out the needed technical assistance to support the design/rollout/management of the new e-procurement system.
(c) Procurement staff is adequately skilled to reliably and efficiently use e-Procurement systems.	Criterion (c) is not met Capacity building of procurement staff to manage the e-procurement system (to be developed) is part of the strategy for the implementation of the e-procurement systems.		No capacity so far.		Procurement staff capacity will need to be developed as part of the implementation of e-procurement.
(d) Suppliers (including micro, small and medium-sized enterprises) participate in a public procurement market increasingly dominated by digital technology.* * Recommended quantitative indicators to substantiate assessment of sub-indicator 7(b) Assessment criterion (d): - bids submitted online (in %) - bids submitted online by micro, small and medium-sized enterprises (in %) Source: e-Procurement system.	Criterion (d) is not met. There is no e-procurement.	Recommended quantitative indicator: N/A	E-procurement is yet to be developed.	Yes, requires other actors involved including CEDSIF	UFSA/CEDSIF to elaborate a clear updated strategy and road map identifying actions, cost, timing and technical assistance needs
(e) If e-Procurement has not yet been introduced, the government has adopted an e-Procurement roadmap based on an e-Procurement readiness assessment.	Criterion (e) partially met. There is an e-procurement strategy and a road map which is still being developed by UFSA/CEDSIF.		UFSA/CEDSIF still to finalize the updated strategy and road map.	Yes requires other actors involved including CEDSIF	UFSA/CEDSIF to elaborate an updated road map including cost, timing and technical assistance needs.

7(c) Strategies to manage procurement data

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) A system is in operation for collecting data on the procurement of goods, works and services, including consulting services, supported by e-Procurement or other information technology.	Criterion (a) partially met. The PFM system supported by e-SISTAFE provides macro data on public procurement (goods, works services) in terms of value/payments under public contracts and methods of procurement – this data is processed by UFSA to assess the volume and further identify the share of competitive versus non-competitive methods: this information is published on UFSA website every 3 months. However, there is no system so far to collect procurement data in real time supported by information technology. There is no comprehensive data on processes e-SISTAFE provides information by payment. The contract information is not always identified by the system; hence statistics cannot be grouped clearly by number of contracts.		Only general information on procurement methods and values is collected, processed and published on UFSA website.	Yes, requires CEDSIF input.	Comprehensive information can be obtained once the e-procurement is in place. Until then key information should be prioritized based on e-Sistafe/ MPE and UGEAs submissions.

(b) The system manages data for the entire procurement process and allows for analysis of trends, levels of participation, efficiency and economy of procurement and compliance with requirements.	Criterion (b) not met. There is no e-procurement system in place providing information on the entire procurement process to support a comprehensive performance assessment. Nor are UGEAs providing consistently information to UFSA, as required, for UFSA to be able to aggregate it at the national level. As mentioned above, some useful insights in terms of competitive versus not competitive procurement at the national level can be derived from the data published online (by UFSA).		There is no system in place managing data for the entire procurement process to allow for comprehensive analysis of trends, level of participation, efficiency and economy of procurement and compliance with requirements.	Yes, it requires CEDSIF input.	Comprehensive information can be obtained once the e-procurement is in place. Until then key information should be prioritized based on e-Sistafe/ MPE and UGEAs submissions.
(c) The reliability of the information is high (verified by audits).	Criterion (c) is not met. The macro information on General Government Finances is verified by audits including 2017. Information for 2018 is being validated at this time. The procurement information on procurement processed from e-Sistafe is not validated by audit.		The reliability of procurement information is not verified by audits.	Yes, auditors are charged with this task.	Incorporate the audit of procurement data/information in the audit scope.
(d) Analysis of information is routinely carried out, published and fed back into the system. * <i>// Minimum indicator // *</i> Quantitative indicators to substantiate assessment of sub-indicator 7(c) Assessment criterion (d): • total number and value of contracts • public procurement as a share of government expenditure and as share of GDP • total value of contracts awarded through competitive methods in the most recent fiscal year. Source: Normative/regulatory function/E-Procurement system.	Criterion (d) is partially met. Analysis of information is limited to competitive, noncompetitive procedures , broken down by goods, works services and the statistics are not verified by audit The information collected does not provide a clear picture as SISTAFE uses as a reporting unit the “processing step” (e.g., payments) rather than the “contract”. UFSA has on its website the total number of contracts since 2015 based on UGEA reporting, but not clear up to what year and how comprehensive it is.	Minimum quantitative indicator. There are no statistics on the total number and annual value of contracts. only on payments published by CEDSIF: 157 MZN Bil.in 2017 (not verified by audit). There is no official data on the share of public procurement in GDP hence it was approximated based on the capital and recurrent exp.. : 33% of public expenditures and 10.2%.of GDP for 2018. Total value of contracts awarded through competitive methods (based on CEDSIF payment information). 58.7 MZN bil. in 2017 (not verified by audit).	There is no official macro (national) public procurement information on public procurement to accurately determine its weight in the GDP and public expenditures.		CEDSIF, UFSA and other relevant agencies should work together to ensure a consistent stream of relevant and reliable national statistics on public procurement.

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8. The public procurement system has a strong capacity to develop and improve

8(a) Training, advice and assistance

There are systems in place that provide for:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) substantive permanent training programs of suitable quality and content for the needs of the system.	Criterion (a) is met. UFSA elaborated a training program in 2016 with the support of DFID. It promotes knowledge of the legal and regulatory framework but also builds practical experience through case studies. The program comprises around 30 modules that can be grouped according to the needs in 5 basic courses with “n” variations, lasting from 1-5 days covering all procurement topics. The program is designed mainly for procurement practitioners and it is consistent with the latest 2016 Regulations.				
(b) routine evaluation and periodic adjustment of training programs based on feedback and need.	Criterion (b) is partially met. Obtaining feed-back from the trainees is part of the project design. The design of the program allows for the courses to be adjusted to the needs of the audience. There is no information that the program was updated until now based on feed back		Training Program has not been updated so far.		Collect feedback and update the Training Program as needed. Include an e-module to encourage distance learning and support future certification.
(c) advisory service or help desk function to resolve questions by procuring entities, suppliers and the public.	Criterion (c) is partially met. According to the <i>Regulamento</i> Art 19.1.f. UFSA provides information and clarifications on the enforcement of the <i>Regulamento</i> , when requested. In practice, UFSA provides advisory services on request and has a FAQ window on its website for both suppliers and UGEAs.		Advice to UGEAs is limited. FAQ sections is not much developed and populated. Weak support at the decentralized level.		Use the UFSA website to provide more information on solutions to practical issues that UGEAs and the private sector are facing. Further develop the FAQ section of the website. Establish a more structured advisory methodology to the UGEAs UFSA decentralization (can help with making advisory services more available Strengthen the Provincial Department for Economy and Finance PDEF / <i>Direcção Provincial de Economia e Finanças</i> that could also support procurement services at the decentralized level.
(d) a strategy well-integrated with other measures for developing the capacity of key actors involved in public procurement.	Criterion (d) partially met. UFSA has a strategy (under finalization) that provides also for developing the capacity of key actors including private sector.		Training activities for the auditors and senior staff are not included in the strategy but they are included in the Strategic Plan.		Broaden the strategy to include other stakeholders in addition to the private sector.

8(b) Recognition of procurement as a profession

The country's public service recognizes procurement as a profession:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Procurement is recognized as a specific function, with procurement positions defined at different professional levels, and job descriptions and the	Criterion (a) is not met. Procurement is not recognized as a profession or specific function in the public sector nomenclature. UFSA is in the process to design a certification program. To this end, UFSA has elaborated job descriptions/profiles for procurement specialists incorporating the requisite qualifications and competencies at different professional levels (managerial and technical- with probation and		Procurement is not a profession and the certification program although designed is not approved and implemented.		The job descriptions and profiles of procurement specialists and certification program to be approved and implemented to enable certification. Pursue professionalization in the Medium/Long term MT/LT.

requisite qualifications and competencies specified.	confirmation timelines). There are about 3,500 people in procurement to be certified. This would be an anchor for staff – reportedly there is a high turn-over of procurement staff.				
(b) Appointments and promotion are competitive and based on qualifications and professional certification.	Criterion (b) is not met. While there is a principle in public service that appointments and promotions be competitive and on merit based, the absence of professional standards does not provide the needed benchmark for assessing the qualifications of the staff in procurement. UGEA Survey supports the conclusion that the appointments in UGEAS are generally not competitive.		Absence of professional standards does not provide the needed benchmark for assessing the qualifications of the staff in procurement.	Yes. Requires actors outside procurement (MAEFP)	Work with the Ministry of State Administration and public function / <i>Ministerio da Administração Estatal e Função Pública</i> (MAEFP) towards professionalization in the Medium/Long Term, approve profiles and launch certification in the Short Term to ensure improved tenure and better capacity procurement staff.
(c) Staff performance is evaluated on a regular and consistent basis, and staff development and adequate training is provided.	Criterion (c) partially met. Staff evaluation is required as per the Civil Service regulation. The lack of professional standards for procurement staff and the impossibility for UFSA to meet the demand for training given the lack of resources, compounded by the quick turn over of procurement staff, hinder the use of “performance” as a meaningful tool in staff evaluation. UGEA survey confirmed that there is no particular performance evaluation of procurement staff - the performance evaluation system for civil servants SIGEDAP applies but is not adapted for procurement.		Evaluation is not consistent and hampered by lack of standards for evaluating procurement staff.		Approve the profiles and start certification process to have meaningful standards for staff evaluation.

8(c) Monitoring performance to improve the system

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The country has established and consistently applies a performance measurement system that focuses on both quantitative and qualitative aspects.	Criterion (a) is not met. There is no performance measurement system to consistently measure both quantitative and qualitative aspects of public procurement. The only consistent reporting on performance is on the use of procurement methods. Otherwise, performance information is looked at on an ad-hoc basis. UGEA survey confirms that there is no collection of performance data at the UGEA level. Some do keep evidence of prices to support future planning.		No consistent performance monitoring system. While Procurement methods at the national level are monitored by UFSA there is no comprehensive performance monitoring system at national and UGEA level.		In the short term, in the absence of e- procurement, develop a monitoring system beyond competitive methods by UGEAs and at the national level by UFSA based on critical performance information submitted by UGEA and e-SISTAFE/MPE.
(b) The information is used to support strategic policy making on procurement.	Criterion (b) is partially met. Information is collected ad hoc and based on representative samples supports various strategic documents and policy formulation (see below) however information is not comprehensive and systematic to support effective policy making. UFSA is charged with the preparation of quantitative and qualitative studies to support the formulations of policies in the area of public procurement (<i>Regulamento</i> Art. 19/1/r). It is also charged with analyzing trends and proposing the use of information technology (Art. 19./1/s). UFSA with DFID support, prepared about 5 studies to support changes in procurement systems as detailed below: • First Strategic Plan for UFSA – December 2014, updated 2017 • Electronic Government Procurement Readiness Assessment – January 2015 • e-Procurement Roadmap – June 2015 • Concept Paper – The Future of the Public Procurement System in Mozambique – July 2015 • Strategic Plan for dissemination the New Mozambican Procurement Regulation (Decree 5/2016 of 8 March) – April 2016 • Revised Strategic Plan – June 2017, to align it to the Ministry of Economy and Finance 5-year Strategic Public Finances Plan		There is no comprehensive and systematic data collection to support policy making on procurement, except for the monitoring of the procurement methods and some ad hoc collection to support policy/procedural decisions.		Until e-procurement is implemented, scale up data collection to support policy making based on key performance information from e-SISTAFE/MPE and enforce UGEAs’ mandate to submit procurement performance information to UFSA. Build UFSA capacity to monitor performance.

(c) Strategic plans, including results frameworks, are in place and used to improve the system.	Criterion (c) partially met. A strategic plan was prepared in 2014 (covering the 2015-2019 period) and was updated in 2017. It has a results framework, but it is still to be fully used as a management tool to improve the system and monitor the attainment of its objectives.		Strategic plan not fully operationalized.		An action plan to be prepared under the MAPS assessment in consideration of UFSA strategic plan.
(d) Responsibilities are clearly defined.	Criterion (d) is met. UFSA responsibilities regarding the collection of information and preparation of studies and UGEAS' regarding the submission of information are clearly defined.				

*Highlighted fields: quantitative indicators; a black frame indicates minimum quantitative indicators.

Pillar III. Public Procurement Operations and Market Practices

9. Public procurement practices achieve stated objectives

9(a) Planning

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Needs analysis and market research guide a proactive identification of optimal procurement strategies.	Criterion (a) is not met. UGEAs collect the needs from sectors and other departments to prepare the procurement plan within the budget available. In this process, there is no real needs and market analysis at UGEAs level to inform the procurement strategy.		The decisions on how to procure are not based on an analysis of the market and risks for both recurrent and more complex procurement.		Include in the Manual provisions on how to conduct needs analysis and market research in order to identify the optimal procurement strategy. Address strategic procurement for recurrent goods and services.
(b) The requirements and desired outcomes of contracts are clearly defined.	Criterion (b) is partially met. UFSA has developed a Goods and Services Catalogue (<i>Catalogo de Bens e Servicos</i> – CBS) which is an important tool that includes the goods and services that are mostly procured and identifies their technical specifications. It follows the US Federal Supply Standards and is available on UFSA portal. In spite of this, one of the shortcomings identified by bidders is the weak definition of the requirements. The private sector survey (Private Sector Survey Focus Group - FG) identified the definition of the scope of the work as one of the key barriers to good procurement. UGEA Survey identified, in particular at the province level, that the CBS is hardly used – the technical specifications in contracts are based on experience (theirs and other UGEAs) and on discussions with technical staff from other sectors (<i>Patrimonio</i> , workshop, IT, construction department for works, urban for cars), internet research and a specific data base for office material kept by some UGEAs. One UGEA did not know about CBS. However, with the piloting of the MPE the link to CBS becomes a requirement. Good contract estimates are essential in the planning process and the Price Catalogue has gaps (construction sector needs to be added, aligning it with the National Institute of statistics methodology).		Catalogue of Goods and Services(CGS) has not been updated on UFSA’s website since 2016. The Price Catalogue that supports realistic price estimates has gaps (e.g construction sector is missing).		Catalogue to be updated and train UGEAs on how to use it. The rollout of the MPE (will be expanded from 5 to 23 sectors) will secure the use of CGS as it will be made available through e-SISTAFE/MPE. Similarly the Price Catalogue to be updated ot support robust estimates. (Increasing UGEAs access to the Catalogues is an objective in the UFSA Strategic Plan).
(c) Sustainability criteria, if any, are used in a balanced manner and in accordance with national priorities, to ensure value for money.	Criterion (c) is partially met. The 2016 <i>Regulamento</i> introduced sustainable features in public procurement to support the country sustainable development agenda such as: (i) green procurement (i.e., environmental benefits are included as evaluation criteria with non-price attributes and environmental considerations are part of the standard contract conditions) Art. 38.4(I); (ii) application of national preferences to support national bidders and national industry (Art. 28) and (<i>“Orgulho Moçambicano. Made in Mozambique.”</i>); (iii) use of Limited Procurement (<i>Concurso Limitado</i>) and Small Value Procurement Method reserved for individual persons and micro and small and medium enterprises (MSMEs) and proprietorships to support their participation in public procurement (<i>Regulamento</i> Annex A(n and q)). UGEA Survey revealed that <i>“Concurso de pequena dimensao”</i> is used in particular at the provincial level (overall 26 % of the contract reviewed – 36% including quotations). Domestic preference was not used nor environmental evaluation criteria, albeit for large works contracts environmental considerations are built into the design. More guidance may be needed on how to incorporate the domestic preference and <i>“Orgulho Moçambicano”</i> criteria in the evaluation process).		Users, generally, do not have the appropriate knowledge and tools to make use of sustainability criteria and methodology.		Revised bidding documents (SBD) including sustainability criteria to be issued. Manual with guidance on the application of the methodology to be disseminated. Training to help users understand and apply it.

9(b) Selection and contracting

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Multi-stage procedures are used in complex procurements to ensure that only qualified and eligible participants are included in the competitive process.	Criterion (a) is met. Yes, the legislation provides for such procedure. It is not normally used for locally financed projects as they are generally fewer complex contracts. It was identified during the UGEA Survey in one case (1/29 UGEAs interviewed) for a large, complex transport contract.				
(b) Clear and integrated procurement documents, standardized where possible and proportionate to the need, are used to encourage broad participation from potential competitors.	Criterion (b) partially met. Bidding documents are available but not updated to be consistent with the 2016 <i>Regulamento</i> . UGEAs survey revealed that the UGEAs use the SBDs in 81% of the cases, which is generally consistent with the use of methods that require SBDs.	81% use of SBDs	Updated bidding documents (SBD) not yet issued.		Issue updated bidding documents.
(c) Procurement methods are chosen, documented and justified in accordance with the purpose and in compliance with the legal framework.	Criterion (c) partially met. While the <i>Regulamento</i> requires the justification of launching the competitive process or direct contracting (see below) and this is reiterated more extensively in the Manual the practice does not always support this approach. Art 11 Summary: (General rules) states the requirement to justify the launch of a competitive process or direct contracting based on the economy, efficiency and efficacy and the evaluation criteria that guarantee the most advantageous bid/proposal with the quality necessary to meet the public interest. The legal and factual reasons in defining the method of procurement should be in writing. <i>Ar. 11 Regras Gerais:</i> <i>e) Fundamentar a autorização para a abertura de Concurso ou para o Ajuste Directo com a necessária justificação quanto à sua economicidade, eficiência e eficácia e os critérios de avaliação, devendo garantir a escolha da proposta com padrões de qualidade exigidos à realização do interesse público, dentro dos prazos acordados;</i> <i>f) Garantir que as razões de facto e de direito na definição da modalidade de contratação adoptado e dos correspondentes actos praticados sejam previamente indicadas por escrito;</i>	In 71% of the cases the approach was justified (UGEAs survey).	The procurement method not always justified.		Enforce this practice through training and effective supervision
(d) Procedures for bid submission, receipt and opening are clearly described in the procurement documents and complied with. This means, for instance, allowing bidders or their representatives to attend bid openings, and allowing civil society to monitor bid submission, receipt and opening, as prescribed.	Criterion (d) is partially met. Both the <i>Regulamento</i> and bidding documents provide details on the public bid submission, receipt, opening - they are similar to the ones in the IFIs standard bidding document. However, while the <i>Regulamento</i> is more general when addressing bid opening allowing anyone who is registered to attend, in the bidding documents there are no provisions for others than the bidders to participate in the bid opening. Regulamento Art. 54 <i>A abertura das propostas é feita pelo Júri em acto público e nele podem participar as pessoas que o desejarem, previamente registadas.</i> In the bidding documents however, the presence is restricted to the bidders. UGEAs survey revealed that normally only bidders participate. In one case media was cited as having participated. The private sector representatives interviewed were not aware of the participation of the civil society in procurement (Private Sector Survey FG).	In 83% of cases there is an act for the opening of bids/proposals . (UGEAs survey)	In the Standard Bidding Documents, the presence at the bid opening is limited to the bidders registered.		Revised Standard Bidding Documents to include other interested parties in the bid opening.
(e) Throughout the bid evaluation and award process, confidentiality is ensured.	Criterion (e) partially met. Observing confidentiality is mentioned in <i>Regulamento</i> Art. 34 that states that all procurement related documents are open to public consultation, free of charge from the invitation to bid until 60 days after the process completion, except for those aspects that have a confidential character and those that are related to national security.		There are provisions of confidentiality, but they require more clarity.		In the revised bidding documents (SBD) provide more clarity on how confidentiality is to be maintained during and after the bidding process and what can be disclosed to the public for consultation. Supplementary guidance/ <i>instrucoes</i> is required. On record keeping see indicator 9(c) (g)

	It is not clear however how to operationalize and apply Article 34 during the evaluation process. <i>Todos os documentos integrantes do procedimento administrativo de contratação são abertos à consulta do público, a título gratuito, desde a publicação do Anúncio de Concurso até sessenta (60) dias após a sua conclusão, salvo aqueles casos cuja divulgação possa comprometer a confidencialidade do processo durante as fases de preparação, recepção e avaliação das propostas, bem como que respeitem a defesa e segurança nacional.</i> Bidding documents (draft): 31.1 After bid opening the information related to evaluation, comparison and post qualification and award recommendations will be maintained confidential (<i>tratada de forma reservada</i>) and will not be revealed to competitors or any other person which is not officially part of the evaluation process until the information is communicated to competitors in writing. The Manual requires the evaluation committee to sign a Declaration of impartiality, confidentiality and absence of Conflict of Interest “<i>Declaração de Imparcialidade, de Confidencialidade e de Ausência de Conflito de Interesses</i>” where there is a commitment to confidentiality that goes beyond the procurement process. While UGEA survey confirmed that bids are kept confidential and in a safe place – overall there is generally lack of office space and file cabinets to store procurement related documentation; often procurement documents are not located in a safe space therefore not protected from loss or theft and can be accessed by unauthorized personnel. UGEAs need more clarity with the application of art. 34. Private sector survey identified the publicity of the evaluation report as being desirable for more transparency				
(f) Appropriate techniques are applied to determine best value for money based on the criteria stated in the procurement documents and to award the contract.	Criterion (f) is partially met. For consultants a merit point system is used that is meant to promote value for money. However, the private sector expressed doubts about the quality of the evaluation and its objectivity as required in the <i>Regulamento</i> (Private Sector Survey FG). For goods works and services, UGEAs use the lowest evaluated price and the UGEA survey did not identify life cycle cost, green procurement or merit point approach except for textbooks. Some UGEAs indicated that, when identifying specifications, they consider maintenance factors (cars, IT, equipment), and are mindful about guarantees.		Bidding documents that include combined evaluation criteria are not yet issued.		Issue the bidding documents (SBD), publicize the Manual and provide training for the practitioners to be able to use appropriate techniques for best value for money.
(g) Contract awards are announced as prescribed.	Criterion (g) is partially met. The compliance level is high based on the UGEA survey – 82%. Art 33: mandates the publicity of the results of the competitive procurement (concurso) processes indicating the procurement method, the amount and the successful bidder. According to the <i>Regulamento</i> all awards are to be published as all the methods are identified as “<i>Concurso</i>” except for <i>Ajuste Directo</i>. whose publication is addressed under art 96. Methods identified as “concurso” include the default procurement method, that is Public Tender/<i>Concurso Público</i> (Article 6 – Articles 44-64) (<i>General Regime</i>). - Other procurement methods may be used under specified circumstances (Exceptional Regime) (Article 8), i.e. oTender with Pre-Qualification (Article 65-68); Concurso com Prévia Qualificação oLimited Tender (Article 69-72); Concurso Limitado	82% of award publicized (UGEAs Survey)	Although the level of compliance is quite high not all awards are published as per <i>Regulamento</i> . Those published are scattered through various media and quite expensive when newspapers are used.		UFSA to address this through the development of an electronic platform to enable the publication free of charge (The reduction of the cost is one of the objectives in the UFSA strategic plan). Also addressed under 7 (a)

	oTwo-Stage Tender (Article 73-7-85). Concurso em Duas Etapas oReverse Auction/Concurso por lances (Article 78 & Annex A (p)) (only for goods and services). Concurso por Lances oSmall Size Tender/Procurement (Article 86-89 & Annex A (n)). Concurso de Pequena Dimensão oRequest for Quotations (Article 90-93). Concurso por Cotações Similarly: consulting services methods are based on <i>concurso</i>: - The default procurement method is Selection Based on Quality and Cost (Article 263-264) (General Regime). - Other procurement methods may be used under specified circumstances (Exceptional Regime) (Article 265) are: oQuality Based Selection (Article 266). oSelection Based on Maximum Price (Article 267). oSelection Based on Minimum Price (Article 268). The following methods are not considered <i>concurso</i>: Selection Based on Consultant Qualifications (Article 269).; Direct Contracting <i>Ajuste directo</i> (Article 270); Selection of Individual Consultants (271). Art. 96 states that it is compulsory to publish the award made by Direct contracting consistent with art 33/3 except for paras e/f/g of art 94 that govern “exceptional” procurement related to security, special military operations. The publishing can be done by use of publicity board (<i>edital</i>), National Gazette (<i>Boletim da República</i>), website (<i>portal</i>), print (<i>imprensa</i>), <i>radio</i>, newspaper (<i>jornal</i>), or other medium of communication and easy access by the target audience.				
(h) Contract clauses include sustainability considerations, where appropriate.	Criterion (h) is partially met. There are contract clauses that include sustainability features, but the bidding documents are in draft form and not yet available to the procuring agencies. Standard bidding documents goods: - Section III Includes criteria related to domestic preference, combined criteria, life cycle cost. - General Conditions of Contract: Art. 48.1 include environmental provisions consistent with the law.		The sustainability criteria and methodology are not fully disseminated and understood by users and updated bidding documents (that incorporate some of them) are not yet issued .		Revised bidding documents (SBDs) including sustainability contractual clauses , Manual with guidance on the application of the methodology to be disseminated. Training to help users understand and apply it. In addition to strengthening the environmental sustainability features, other forms of sustainability (social economic) could be promoted through contract clauses.
(i) Contract clauses provide incentives for exceeding defined performance levels and disincentives for poor performance.	Criterion (i) is partially met Draft bidding documents: Standard Bidding Documents for Works include penalties for each day exceeding the agreed completion date. Standard Bidding Documents for Goods also include a penalty “<i>multa indemnizatoria</i>” capped at 5%. There are no incentives for exceeding the contractual performance levels.		Contract clauses in the Standard Bidding Documents do not incentivize exceeding performance levels.		Include incentive clauses in the Standard Bidding Documents. - SBDs
(j) The selection and award process is carried out effectively, efficiently and in a transparent way. * *Recommended quantitative indicators to substantiate	Criterion (j) not met. UGEAS do not maintain statistical data base to monitor procurement performance.	Recommended quantitative indicators: No statistical information available for	UGEAs do not monitor procurement implementation.		UGEAs to develop a monitoring mechanism for procurement implementation (planned/actual) at UGEA level.

assessment of sub-indicator 9(b) Assessment criterion (j): - average time to procure goods, works and services number of days between advertisement/solicitation and contract signature (for each procurement method used) - average number (and %) of bids that are responsive (for each procurement method used) - share of processes that have been conducted in full compliance with publication requirements (in %) - number (and %) of successful processes (successfully awarded; failed; cancelled; awarded within defined time frames) Source for all: Sample of procurement cases.		these indicators.			
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9(c) Contract management

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Contracts are implemented in a timely manner.* Recommended quantitative indicator to substantiate assessment criterion (a): time overruns (in %; and average delay in days)	Criterion (a) is not met. There is no national statistical information on contracts average delay in days and the UGEA survey could not produce this data as information on contract implementation time vis a vis the original implementation date was not readily available. However, there is anecdotal information that there are delays in particular for works contracts and some of the contract sites are abandoned when contractors are not able to continue the works, including because of chronic delays in payments.	Recommended quantitative indicator. No statistical information on contract implementation.	No statistical information on contract implementation		UGEAs to develop a monitoring mechanism for contract implementation (planned/actual) and share the information with UFSA as per Regulamento.
(b) Inspection, quality control, supervision of work and final acceptance of products is carried out.* Recommended quantitative indicator to substantiate assessment criterion (b): quality-control measures and final acceptance are carried out as stipulated in the contract (in %)	Criterion (b) is not met. Inspection, quality control, work supervision and final acceptance of the products is still deficient, particularly in the supervision of works. Often, invoices are not certified with the contract manager, or paid without warranty or before the end of the work and the payments of the invoices are delayed or not as stipulated in the contract. Procurement statistics are not readily available and there is no efficient system for measuring and improving procurement practices Records are not complete, accurate and easily accessible in a single file.	Recommended quantitative indicator 22% contracts benefited from supervision and quality control (UGEAs survey)	No readily available statistics on quality control and final acceptance.		UGEAs to monitor and maintain statistics on quality control and final acceptance.
(c) Invoices are examined, time limits for payments comply with good international practices, and payments are processed as stipulated in the contract.	Criterion (c) is not met. UGEAs Survey: - identified delays of 3-6 months in payment of invoices (2018 ES Survey of 18 months on average). -There are no clear procedures. Some invoices are channeled through the Patrimonio units, others through UGEAs, DAF, Operational units of the ministry. -There are no penalties for delays charged by UGEAs.	Recommended quantitative indicator: Less than 50% invoices paid on time (2018 ES Survey).	Chronic payment delays.	Yes, this requires intervention of actors outside procurement.	Addressing payment delays, requires a concerted effort of many parties at multiple levels (budget planning treasury, procuring entities As regards procurement, there should be more visibility into the planning process, in particular once the budgets are approved and reporting on the cash flow needs as per the contract implementation status to inform the treasury planning. MPE could bring more discipline in this area. Standard operating procedures on Payment of Invoices to be prepared at UGEA level..

Recommended quantitative indicator to substantiate assessment criterion (c): invoices for procurement of goods, works and services are paid on time (in % of total number of invoices).					
(d) Contract amendments are reviewed, issued and published in a timely manner.* Recommended quantitative indicator to substantiate assessment criterion (d): contract amendments (in % of total number of contracts; average increase of contract value in %)	Criterion (d) is not met. UGEA survey pointed out to the serious deficiencies in contract management. The fact that there is no strategy in place, supervision is weak, amendments are not prepared on time and many contracts are actually no more valid because their completion time expires while they are still implemented. Private Sector Survey FG: points to the need for a continuous management of contract not only at the reception time.	Recommended quantitative indicator Statistics not available.	Weak contract management including poor contract amendment discipline. The implementation gaps are high on all counts assessed: supervision, payment of invoices, quality control, preparation of contract amendments, and coordination among various units involved.	Yes, requires involvement of technical departments.	Possible solutions: - Contract management strategy in particular for complex contracts, identifying the parties involved responsibilities and timeline . - Clear Standard Operating Procedures on the contract implementation and invoice payment. - Contract management training (in UFSA plan). - Improved UFSA supervision, through a monitoring and compliance framework for contracts
(e) Procurement statistics are available and a system is in place to measure and improve procurement practices.	Criterion (e) is not met. Aggregated procurement statistics are limited to those published by UFSA online on the aggregate amount of procurement and methods used, number of contracts, number of debarred bidders. UGEAs are supposed to submit to UFSA as per the <i>Regulamento</i>: - Advertising cases -Complaints: -Unethical practices -Contract implementation information -Direct contracting cases. -Awards, cancelations, unsuccessful processes.	only 29% of all bid opportunities are sent to UFSA (UGEA Survey)	Limited number of statistics that do not allow for meaningful procurement performance monitoring.		Enforce UGEAs obligation to submit information on and start building statistics using also MPE input. Have a specialized data analysis and studies unit in charge of this activity.
(f) Opportunities for direct involvement of relevant external stakeholders in public procurement are utilized. * Recommended quantitative indicator to substantiate assessment criterion (f): percentage of contracts with direct involvement of civil society: planning phase; bid/proposal opening; evaluation and contract award, as permitted; contract implementation) Source for all: Sample of procurement cases.	Criterion (f) is not met. Private Sector Survey FG and UGEA Survey pointed to the fact that civil society is not involved in the procurement process. There are some situations when the municipal council gets involved in monitoring procurement and contract management for specific contracts; unfortunately, according to the interviews this was also linked with the tendency to try to unduly influence the process. A pilot under a donor financed project used a new approach “<i>Orcamento Participativo</i>” that involved citizens in the project definition and supervision while sharing the costs. Private Sector Survey FG revealed that they would welcome civil society participation as independent observers. <i>Regulamento</i> does not exclude participants to public bidding – however bidding documents limit participation to registered bidders.	Recommended quantitative indicator: 0% contracts with direct involvement of civil society in various stages of the procurement cycle.	Civil society is not involved in the procurement process which limits its ability to exercise independent oversight over the public procurement operations and the use of public funds.		Specify in the updated bidding documents the possibility for other interested stakeholders to participate in the bid opening, session which does not seem inconsistent with the <i>Regulamento</i>. In the MT/LT incorporate appropriate provisions in the <i>Regulamento</i> to include civil society involvement in other stages of the procurement cycle.
(g) The records are complete and accurate, and easily accessible in a single file.* // Minimum indicator // * Quantitative indicators to substantiate assessment of sub-indicator 9(c) Assessment criterion (g): - share of contracts with complete and accurate records and databases (in %) Source: Sample of procurement cases*	Criterion (g) is partially met. Procurement files are reasonably well preserved for the documents submitted to TA for prior or post-reviews. For the other documents (bids, consultants proposals) and contract management it is less systematic. Overall, there is generally lack of office space and file cabinets to store procurement related documentation; normally procurement units are not located in a safe space where files and documents cannot be inspected by unauthorized personnel or protected from loss or theft. A recent archive law has been passed including information on procurement Decree 84/December 2018. Decree no. 84/2018 of 26 December provides a <i>Tabela de Temporalidade</i> for different documents which include procurement	Minimum quantitative indicator: 86 % compliance for the documents submitted to <i>Tribunal Administrativo</i> for review	There is a relatively new archive law (December 2018) with specific requirements in terms of conservation of procurement documents that is not yet disseminated and enforced.		Publicize the new archive law to UGEAs/ its impact on the procurement record management/issue implementing rules/instructions on the new archive law; and include relevant provisions in the training program. Supervision/audits and internal controls to assess the quality of record management and make appropriate recommendations and follow up.

	related documents. It is understood that the time for keeping procurement records is in line with the statute of limitations for investigating and prosecuting cases of fraud and corruption and with the audit cycle requirements.				
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10. The public procurement market is fully functional

10(a) Dialogue and partnerships between public and private sector

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 230% No: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The government encourages open dialogue with the private sector. Several established and formal mechanisms are available for open dialogue through associations or other means, including a transparent and consultative process when formulating changes to the public procurement system. The dialogue follows the applicable ethics and integrity rules of the government.* * Recommended quantitative indicator to substantiate assessment of sub-indicator 10(a) Assessment criterion (a): - perception of openness and effectiveness in engaging with the private sector (in % of responses). Source: Survey.	Criterion (a) is partially met. While UFSA engages private sector when new legislations/amendments are envisaged (2-3 meetings were organized when the Regulamento was revised, there is no formal transparent and consultative process mechanism for systematic involvement of the private sector when formulating changes to the public procurement system. Nor is there an established feedback mechanism to follow up with the private sector on issues they present to the Government.	Recommended quantitative indicator: Contact with Gov. 44% never 33% not frequently 22% sometimes (Private Sector Survey).	UFSA should step up the engagement of the private sector and make it standing activity.		Create a platform of periodic dialogue with the private sector. (Also, in UFSA strategic plan).
(b) The government has programs to help build capacity among private companies, including for small businesses and training to help new entries into the public procurement marketplace.	Criterion (b) is not met. While there is a dialogue between the public and private sector, there are no training programs tailored for private sector in particular for SMEs. Private sector training in 2017. In 2019 – informative meeting.	67% not aware of training events organized by UFSA (Private sector Survey)	No specific/comprehensive communication/training programs from the private sector perspective.	.	Create programs for the private sector training (MSME included) in collaboration with the Associations/ Chamber of Commerce, training institutes. (Also, in UFSA strategic plan). Create an on-line training module for the private sector for broader outreach.

10(b) Private sector's organization and access to the public procurement market

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The private sector is competitive, well-organized, willing and able to participate in the competition for public procurement contracts.* * Recommended quantitative indicator to substantiate	Criterion (a) is partially met. The private sector is organized in associations: for contractors, consultants. There is a Chamber of Commerce. However, the private sector faces serious difficulties because of the shortage of public funds. There are other hurdles related to access to information, bid security cost, <i>cadastro</i> registration, lack of trust the appeal mechanism that may discourage participation. , This leads to companies entering in financial stress (closing the doors rather the	Recommended quantitative indicator: Statistics available: 6033 entities in Cadastro.	Though the private sector is relatively well organized in associations, there are no mechanisms in place to address private sector constraints and boost the private sector participation.		Addressing private sector constraints (see 10.b.b. below) will help to develop the local market. A centralized and well populated e-Procurement portal would increase the possibility for private sector firms to participate in the national public procurement market and would decrease their participation cost.

assessment of sub-indicator 10(b) Assessment criterion (a): • number of registered suppliers as a share of total number of suppliers in the country (in %) • share of registered suppliers that are participants and awarded contracts (in % of total number of registered suppliers) • total number and value of contracts awarded to domestic/foreign firms (and in % of total) Source: E-Procurement system/Supplier Database.	declaring bankruptcy) – reportedly about 50% of contractors are in this situation. Hence the participation in government funded contracts is not attractive for private sector.	15.94% of the surveyed companies have contracts with Government (2018 ES SURVEY). 40% of those who attempted to get contracts were not successful. (2018 ES Survey).			Engaging the private sector in a coordinated and systematic manner, to understand their concerns, is also a good avenue to address real or perceived constraints
(b) There are no major systemic constraints inhibiting private sector access to the public procurement market. * Recommended quantitative indicator to substantiate assessment of sub-indicator 10(b) Assessment criterion (b): - perception of firms on the appropriateness of conditions in the public procurement market (in % of responses). Source: Survey.	Criterion (b) is not met. A major challenge faced by the private sector is the long time that the government takes to pay invoices; this inhibits participation in the procurement process. This further inflates the price of the bids Other constraints identified are risk distribution, complaints/appeal and dispute settlement, bid security cost, registration, access to finance, conditions, fairness and transparency of the of the debarment/appeal process.	Recommended quantitative indicator: Statistics available: 74% of the responses identified market impediments (Private Sector Survey FG). >50% not paid on time. Payment delay of up to 18 months. 100% lack of confidence in the challenge/appeals mechanism.	There are constraints inhibiting private sector access as spelled out in the qualitative analysis.	Yes. Payment arrears are outside the procurement control.	Addressing bid security cost, <i>cadastro</i> registration hurdles, and making the appeal mechanisms and debarment process more transparent. A study could be conducted to assess the non-judiciary dispute settlement rules enforcement and make recommendations to address any challenges. Payment arrears are assessed/addressed in collaboration with the donors. It is recommended that penalties are applied for late payment under PP contracts. Create a forum of dialogue and consultation with the private sector to discuss and address impediments.

10(c) Key sectors and sector strategies

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Key sectors associated with the public procurement market are identified by the government.	Criterion (a) is partially met. In the 5-year plan (PQG 2015) the Government has identified a few sectors as critical: power electricity and gas, road and street network, irrigation and water storage, sanitation and management of hydrographic basins, health network, large infrastructure: port, rails, fishing, communication and logistics. Many of these sectors are handled by large SOEs. In this context, UFSA has paid attention to the expansion of the public procurement regulations for Public works in the context of the Regulamento. UFSA also pays attention in its Strategic Plan of activities to the Health sector. It is also a fact that some of the donors' interest drive public procurement activity: like DFID/UNICEF support for water and sanitation and United States Agency for International Development/USAID interest in supporting UFSA to build capacity to procure efficiently in the health sector. German Agency for		UFSA strategy is not explicitly linked to strategic sectors, as identified by the Government .		Include such provisions in the UFSA strategy and link it to sectors that are prioritized by the government.

	International Cooperation (GIZ) interest in strengthening procurement auditing at local levels and with the Tribunal Administrativo; Swedish International Development Agency SIDA (and Norwegian Agency for Development Cooperation/NORAD in supporting procurement improvement in EDM (electricity utility), etc. However, there is not an overall sectoral approach in the UFSA strategy.				
(b) Risks associated with certain sectors and opportunities to influence sector markets are assessed by the government, and sector market participants are engaged in support of procurement policy objectives.	Criterion (b) not met. Besides the above initiatives we did not identify a sectoral approach in procurement, including assessing risks associated with certain sectors and opportunities to influence sector market. .		UFSA strategy is not explicitly linked to strategic sectors, as identified by the Government, hence there are not (sector related risks and opportunities assessments.		. Link UFSA strategy to priority sectors based on risk and opportunities assessments to substantiate the course proposed.

Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

11. Transparency and civil society engagement foster integrity in public procurement

11(a) Enabling environment for public consultation and monitoring

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) A transparent and consultative process is followed when formulating changes to the public procurement system.	Criterion (a) is partially met. The law 34/2014 Art. 8 regarding the right to information legislates the right of citizens to have access to information of public interest, to formulate and manifest their judgement over public issues in order to influence the decision process of the entities that exercise public power. In this context, UFSA reaches out to the private sector and UGEAs when formulating changes in the public procurement system but on a limited scale and civil society is not involved. (The Private Sector Survey FG : UFSA contacts private companies when changes in the legislation: 45% responded “not often” and 55% “never”).	2 meetings with the private sector to discuss the revision of the <i>Reglamento</i> .	The consultation process in both breadth and depth is not systematic.		Expand and broaden up the scope of the consultation each time there is a change in the Procurement policy.
(b) Programs are in place to build the capacity of relevant stakeholders to understand, monitor and improve public procurement.	Criterion (b) partially met. There are programs in place to build capacity of the procurement specialists at UGEA level but there are no programs tailored to other stakeholders. The UFSA strategy identifies the need to collaborate with other educational entities and prepare programs for the private sector.		There are no capacity building programs tailored to other stakeholders than UGEAs.		UFSA to further develop its training program to target new audiences (private sector, civil society). In this respect UFSA can further collaborate with the educational sector (public sector vocational training institutes and universities) and private sector associations/ the Chamber of commerce.
(c) There is ample evidence that the government considers the input, comments and feedback received from civil society.	Criterion (c) is not met. No information available to support this indicator.		There is no supporting evidence that Government takes into account input from civil society in the area of public procurement.		Create a platform for engaging the civil society

11(b) Adequate and timely access to information by the public

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Requirements in combination with actual practices ensure that all stakeholders have adequate and timely access to information as a precondition for effective participation.	Criterion (a) partially met. UFSA website provides information on procurement but it is not comprehensive and not always updated. Information on publication of bidding opportunities, awards etc. is scattered through various publications. It is compulsory to publicize (<i>Reglamento</i> Art. 33): - Notifications of bidding opportunities. - Invitations to express interest - The award of contract with indication of the method, the amount and who is the successful bidder. - The canceling, invalidation of the process with the reasons thereof.	UGEAs Survey: 76% of all contracts are advertised in newspapers. No information is available about the other reporting requirements.	Information is scattered and therefore not easily accessible.		Consolidate all public information on procurement on a centralized platform (e.g., UFSA's).

11(c) Direct engagement of civil society

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The legal/regulatory and policy framework allows citizens to participate in the following phases of a procurement process, as appropriate: - the planning phase (consultation) - bid/proposal opening (observation) - evaluation and contract award (observation), when appropriate, according to local law - contract management and completion (monitoring).	Criterion (a) partially met There seem to be no restrictions in the <i>Regulamento</i> for the civil society participation in the public bid opening, for instance Art. 54: states that <u>the public bid opening is open to persons who want to participate and are previously registered.</u> <i>Art. 54: Abertura das propostas é feita pelo Júri em acto público e nele podem participar as pessoas que o desejarem, previamente registadas.</i> However, in the bidding documents the reference is made only to “registered” bidders’ participation in bid opening. UGEA Survey revealed that mainly bidders participate in bid opening and other public phases of the procurement process. In one case media was cited 1/22.		No provision in the bidding documents allowing other than bidders to participate in the public stages of the procurement process.		In the final bidding documents (SBD) broaden up the opportunities of participation in the bidding process. Revise the legal framework to allow for civil society participation, in various phases of the procurement cycle
(b) There is ample evidence for direct participation of citizens in procurement processes through consultation, observation and monitoring.	Criterion (b) is partially met There is not ample evidence for direct participation of citizens in procurement processes through consultation, observation and monitoring. There are some initiatives, however, at the budget planning and formulation level: e.g., the <i>Forum de Monitoria do Orcamento</i> involved in publicizing the budgetary process to citizens.		No meaningful civil society participation in procurement for observation and monitoring purposes.		Educate and encourage civil society’s participation.

12. The country has effective control audit systems

12(a) Legal framework, organization and procedures of the control system

The system in the country provides for:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) laws and regulations that establish a comprehensive control framework, including internal controls, internal audits, external audits and oversight by legal bodies	Criterion (a) is met. There are laws and regulations that establish a comprehensive and complex control framework, including internal controls, internal audits, external audits and oversight by legal bodies. EXTERNAL AUDIT Constitution 2004/Art. 230: identifies the Competencies of Tribunal Administrativo in the prior, review and post review control of activities and contracts financed from public funds. Law 16/97 creates the Administrative Tribunal /<i>Tribunal Administrativo</i> with 3 sections: <u>Administrative litigation</u> that includes litigation over administrative contracts including procurement complaints and contractual disputes. <u>Fiscal administration</u> and tax litigation. <u>Public accounts</u> that plays the role of the Supreme Audit Institution of the country (<i>Tribunal de Contas</i>). This section is involved in the prior review of public procurement contracts above a certain threshold (VISTO)				

	and post review (<i>Anotação</i>) – this activity is linked with preventive/internal controls part of the control systems. INTERNAL CONTROLS AND AUDIT: The legal framework and the key institutional actors involved are listed below. Law 9/2002: is the umbrella law that established the financial administration system of the State of Mozambique (<i>Sistema de Administração Financeira do Estado</i> - SISTAFE). It comprises 5 sub-systems of which one is <u>Internal Controls</u>. Decree 23/2004 issued SISTAFE Regulations. The entities identified as part of the internal controls are central provincial and municipal. Among them there are two transversal/cross cutting agencies that cover all internal controls, and both are relevant to procurement: • IGF- General Inspectorate of Finance/Inspecao Geral de Financas is the supervisory body for all state entities including public entities with majority shareholding by the state. IGF operates under Decree 60/2013. IGF oversees the implementation, enforcement and monitoring of the internal control systems in the country including the defining profiles, qualifications and skills for internal auditors, building capacity; its staff devotes more than 60% of time to internal audits (Public Expenditure and Financial Accountability /PEFA 2015). • IGAP General Inspectorate for State Administration/Inspecao Geral da Administracao Publica has also a cross cutting role covering administrative issues, recruitment, staff management, archives, capacity development. Other entities involved in internal controls are: • Various Inspectorates at sectoral, central and provincial levels; and • UFSA (Decreto 5/2016) could be considered part of the internal control as it conducts procurement supervisions. • Art. 19.1/ a/c/m regulates UFSA supervisory and advisory role. • Art. 14 (n): UGEAS: are required to provide all support to agencies conducting internal and external controls.				
(b) internal control/audit mechanisms and functions that ensure appropriate oversight of procurement, including reporting to management on compliance, effectiveness and efficiency of procurement operations	Criterion (b) partially met. Oversight agencies (IGF, TA) typically include procurement in the scope of their inspections/audits and their findings are reported to management. While there are control/audit mechanisms in place, supervisions/audits are not systematic for lack of resources. However, when done, the management of the audited entity is informed about its outcome since a copy of the internal and external audit reports, is provided to the <i>Autoridade Competente</i> (audited entity). The procurement dimension of internal controls is described below: UFSA conducts compliance supervision of UGEAs' procurement activities. A supervision methodology has been set in place that builds around 15 areas of the procurement cycle, including an on-line data base to be populated with the supervision findings. There are about 1600 UGEAS –UFSA supervises from 150-300 a year, even less in 2018 for lack of resources.		Not enough resources to adequately cover the government agencies subject to supervision/audit to ensure appropriate oversight.	Yes. It requires concertation at the oversight agencies level.	Adequately fund the supervision/ audit function and ensure that the use of funds is optimized through coordination of activities and sharing of information, including mutual reliance. Clarify the scope of PGR prior review.

	IGF and TA do not have specialized procurement audit, but they usually include a procurement dimension in their compliance audit, given that public procurement is a major area of systemic risk. Inspectorates at the provincial level also include procurement in their area of control (as underscored in GIZ Report on internal controls at the decentralized level 2014). This was confirmed by UGEA Survey in 2019. TA undertakes the prior review approval (VISTO) regarding the legality of the process and the appropriate funding of Government contracts. All contracts above 5 mil Mzn (about USD 80k) are prior reviewed (VISTO) by TA while those below this threshold are subject to post review (ANOTAÇÃO). Incorporating both audit and post review functions under the same department may potentially create a conflict of interest risk. Until this can be addressed at the statute level donors (GIZ) are working with TA to mitigate this potential conflict. PGR is also in charge of prior reviewing contracts above a certain threshold. Finally, while internal control units have procurement as part of the areas of risk, the controls may benefit for more concertation and harmonization and exchange of information among the internal control actors. Both UFSA and IGF are working towards this objective.				
(c) internal control mechanisms that ensure a proper balance between timely and efficient decision-making and adequate risk mitigation	Criterion (c) is partially met. Internal controls are generally system-based (e-SISTAFE) and complemented by manuals and instructions and verified by audit. Internal controls (including in the area of procurement) by IGF/other Inspectorates audit and UFSA supervision are increasingly risk based: - IGF risk rating system focuses on the major areas of systemic risk assessed based on a series of risk criteria. - UFSA has created a methodology using a traffic light rating system to map UGEA's risk level measured based on the robustness of procurement, contract planning and management. 80 organizations have been categorized so far. However, after the pilot phase, that was funded by DFID , the expansion of the methodology and its wider use was not possible due UFSA not having the internal funding for these activities - TA prior and post review is based on prior and post review thresholds approved by MEF and covers all government contacts. One of the key risks that involves procurement identified in the PEFA report that shows lack of compliance with the public expenditure process is still current, however progress is made in addressing it through the roll out of the Module of Patrimônio. <i>Quote. As we have noted, the rules for internal control are well established and, in general, are implemented. However, due to the limitations that still prevail in some areas of the country....compliance with the expenditure cycle (commitment, verification and payment - cabimentação, liquidação e pagamento) is not always respected. It is apparent that it is not uncommon for these phases of the expenditure cycle to be registered in the e-SISTAFE system simultaneously rather than as separate processes.</i> Unquote		There are weaknesses in the internal control systems as identified by the 2015 PEFA and confirmed during assessment (see qualitative analysis) . regarding compliance with the expenditures cycle. The prior and post review process by TA covers all government contracts, irrespective of nature and amount which impacts on the procurement process lead time and is taxing on UGEAs and TA resources.	Yes. The achievement of this objective depends on factors/actors outside procurement (TA, IGF, other PFM actors)	Rolling out the Asset Module/<i>Modulo de Patrimonio do Estado</i> (MPE) will ensure hard controls at every step of the procurement / expenditure cycle; this should be coupled with capacity building and clear instructions to the actors involved. MEF recommended thresholds for prior/post review should be based on robust analysis and consider delegating more authority to UGEAs based on risk.
(d) independent external audits provided by the country's Supreme Audit Institution (SAI) that ensure appropriate	Criterion (d) partially met. TA includes procurement in its compliance audits however resources (funding and procurement expertise) is lacking for carrying out consistent audit and follow up.		While TA also requests specialist supervisors from UFSA to participate in some of their audits, this covers a small	Red flag: Involves TA that is in the judicial sphere.	Systematize the inter-agency (TA, UFSA and IGF) relationship to enable a more effective and efficient use of the specialized staff (supervisors and auditors) of each organization on the compliance auditing

oversight of the procurement function based on periodic risk assessments and controls tailored to risk management	Tribunal Administrativo is the Supreme Audit Institution controlling the legality and efficiency of the public revenues and expenditures and undertaking, among other functions the ex-post control of the entities under its jurisdiction (external Audit) (PEFA 2015). External audits follow INTOSAI standards. TA audit planning is based in risk evaluation. The “Risk Matrix” is the fundamental tool for risk-based planning. Law 8/2015 Art. 90/6 identifies the elements of the risk matrix that include inter alia: the amount of resources managed, inherent risks, control risks previously identified, level of interdependency with other units etc.		portion of the annual compliance audits planned.		
(e) review of audit reports provided by the SAI and determination of appropriate actions by the legislature (or other body responsible for public finance governance)	Criterion (e) is partially met TA submits to the Parliament /AR/ <i>Assembleia de la República</i> , an Annual Report of the State Accounts (CGE). In addition, given their importance for the Government economic performance, Performance Audits are sent to the Parliament for information. TA audit decisions are based on a judicial process and are enforceable and they are published in the <i>Boletim da Republica</i> and on the TA website - whether as a result of judgements based on “collegiate decisions” (for most serious findings) or the result of “ <i>certificação</i> ”, monocrat decisions (for audits that did not result in critical findings). TA by its legal status does not report to the Parliament nor to another body and TA is not supposed to submit the audit reports to the Parliament although there is no legal impediment for the TA to request them.		Legislator has limited mandate over the external audits review.	Yes solution lies outside procurement	Limited AR mandate in the review of external audits should be compensated by a high quality follow up by TA on its audit findings and recommendations.
(f) clear mechanisms to ensure that there is follow-up on the respective findings.	Criterion (f) is partially met. At the Auditee public agency level, the direct manager is responsible for implementing the recommendations and the head of the Autoridade Competente for monitoring; at the decentralized level: the sector supervisor is responsible for implementing the recommendations and the Permanent Secretary for monitoring the implementation. At the auditors level IGF has a tracking system where the level of compliance is recorded ; IGF follows up also on some of TA’s recommendations. There is also the practice to follow up on the recommendations during the following audit/inspection. The effectiveness of the systems is rated below by PEFA. PEFA 2015 ratings: Effectiveness of internal audit (PI21): was rated by PEFA a B+ Scope, nature and follow up of external audit (PI26) was rated C+.		The follow up mechanisms are not fully effective.	Yes, this is an area that falls under the broader PFM system.	The follow up mechanisms need to be strengthened, see 12(a)(e) above and 12(b)(b) below.

12(b) Coordination of controls and audits of public procurement

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	
(a) There are written procedures that state requirements for internal controls, ideally in an internal control manual.	Criterion (a) is met. According to PEFA: There is a set of procedural rules defined in guidelines, circulars and handbooks that provide information on the additional controls to those resulting from the automatic controls in the IT system. Among these documents, the <u>e-SISTAFE manual</u> deserves special attention and the <u>Financial Administration Manual of Accounting Procedures</u> which covers most of the				

	procedures to be adopted by users. In addition to other routines, it imposes the obligation of adopting the internal control routines considered appropriate in view of the activity developed by the entity. Similarly, the <u>Internal Control Manual</u> also contains these routines, which are complemented by audits carried out by the IGF, or by the TA in the framework of their competence (' <i>fiscalização sucessiva</i> ').				
(b) There are written standards and procedures (e.g. a manual) for conducting procurement audits (both on compliance and performance) to facilitate coordinated and mutually reinforcing auditing.	Criterion (b) is partially met. There are written standards, but coordination could be strengthened. UFSA has issued regulations for supervision of procurement. UFSA, with the support of DFID, developed a tool that covers 15 areas of the procurement cycle and as a result, based on a system algorithm, mapping UGEAs based on risk. This approach led to a centralized data base with detailed information on all supervision activities findings and is an effective risk mapping tool. IGF Manual has an extensive procurement section (chapter 523-553). Neither IGF nor TA Manuals are public. They were not available for review at the time of the assessment. In the area of coordination progress has been made both on the legislative side and in practice: UFSA is mandated (<i>Regulamento</i> Art. 19.1.I) to establish cooperation mechanisms with the internal and external control agencies. In practice, this consists in Joint audits and exchange of information. 8 Joint audits have been conducted so far. Furthermore, IGF has created a web platform to share internal control audit information with TA. The procurement information is also shared with UFSA. This cooperation is also reflected in the IGF follow up on TA recommendations. There is room for improvement in coordinating oversight activities. Based on the UGEA Survey, one municipal council reported 7 inspections/audits in one year – so the question is how much the various auditors/inspectors benefited from each other findings.		There are multiple oversight agencies and sometimes overlapping responsibilities/activities among the various actors. Hence, there is room for improvement in the cooperation between all the internal controls actors (including Provincial and local inspectorates) including in the interpretation of procurement requirements	Yes. Requires coordination among various audit entities	The manuals were not available during the assessment so it is recommended that the procurement dimension of the manual be reviewed to ensure that procurement aspects are appropriately captured; UFSA and IGF could fully coordinate their activities in the area of procurement controls whether through joint audits or by exchanging information on findings.(Joint audits and platform of exchanges with IGF and TA) also in UFSA strategic plan). Develop a common platform UFSA/IGF/TA for posting audit/supervision findings on procurement that can be also accessed by other audit/inspectorate bodies. Decentralize UFSA activity to be closer to the Clients. The Assessment team was advised that the Government has an agenda of streamlining and stepping up coordination among the internal control/audit actors.
(c) There is evidence that internal or external audits are carried out at least annually and that other established written standards are complied with.* * Recommended quantitative indicator to substantiate assessment of sub-indicator 12(b) Assessment criterion (c): - number of specialized procurement audits carried out compared to total number of audits (in %). - share of procurement performance audits carried out (in % of total number of procurement audits). Source: Ministry of Finance/Supreme Audit Institution.	Criterion (c) is not met. Internal and external audits are carried out annually, but each agency is not subject to audit every year; most probably they are audited at an interval of 2-4 years: audits are conducted based on a sample of entities identified based on risk level. The number of entities audited depend on the resources available: reportedly their number has decreased over the last couple of years. UFSA supervises from 150-300 a year, even less in 2018 for lack of resources. No information on TA and IGF. IGF and TA include procurement in all general audits except for the specialized ones that focus on a specific issue however there is no information on the % of specialized procurement audits. UFSA and IGF have conducted joint audits (8 so far) but this is not yet systematic. UGEA Survey indicated that 11/20 UGEAs asked were not aware of internal controls mechanisms in their agency. However, it was confirmed that there were oversight agencies other than UFSA checking on procurement aspects resulting in procurement recommendation such as: UGEAs formalization, preparation of procurement plans, channeling of invoices to the finance department, the excessive use of '<i>ajuste directo</i>', need for training).	Recommended quantitative indicator: Specialized procurement audits: For UFSA 100%; For IGF and TA - no information Procurement performance audits: no information	There is no evidence that internal and external audits are conducted at least annually.	Yes. There is need for concertation with IGF and TA.	More systematic coordination by UFSA with IGF, ideally through a standing cooperation agreement (e.g. memorandum of understanding) to formalize the coordination of activities) to expand audit/supervision coverage/frequency.
(d) Clear and reliable reporting lines to relevant oversight bodies exist.	Criterion (d) is met. IGF reports to the Minister of Economy and Finance who signs off on the audits that are shared with the auditees. A copy is usually sent to TA when there are financial irregularities that need to be settled by TA. TA “audit reports”: given TA status a judicial body, TA “audit reports” have a				

	special regime (Law 7/2015): -The compliance audit: after it is approved at the judicial level is sent to the audited entity. -The performance audit: after the report is finalized at the judicial level the final report is sent to the audited entity, Government and Parliament of the country or of the Province. -Decisions related to the audit reports regardless of type are published in the Boletim da Republica and the TA internet page. - Finally, TA submits to the Parliament an annual opinion (<i>Parecer</i>) on the Financial Accounts of the Executive (<i>Conta Geral do Estado- CGE</i>).				
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12(c) Enforcement and follow-up on findings and recommendations

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Recommendations are responded to and implemented within the time frames established in the law.* * Recommended quantitative indicator to substantiate assessment of sub-indicator 12(c) Assessment criterion (a): - Share of internal and external audit recommendations implemented within the time frames established in the law (in %). Source: Ministry of Finance/Supreme Audit Institution.	Criterion (a) is partially met. For IGF the level of response within the 45 days is still not fully up to the target although the trend has been positive. PEFA 2015 provides B and C ratings for follow up on audit recommendations as outlined below: For internal audit: PEFA provides a “B” rating to the indicator: PI – 21: Effectiveness of internal audit; (iii) Extent of management response to internal audit findings. For external audit PEFA provides a “C” rating to the indicator: Scope, nature and follow-up of external audit PI – 26: (iii) Evidence of follow up on audit recommendations.	Recommended quantitative indicator: Compliance with auditors’ recommendation s according to PEFA 2015: for IGF: compliance % : Increased from 27.6% to 51.4% (from 2012-2014). There are no comparable statistics for TA.	Implementation of the recommendations by audited agencies has significant room for improvement.	Yes. Solution is outside procurement, i.e., with the oversight agencies.	Stronger enforcement of the deadlines for the auditees to respond to the auditors’ recommendations. Examine the existing mechanisms to identify the bottlenecks and the underlying causes of poor follow up and propose remedies.
(b) There are systems in place to follow up on the implementation/enforcement of the audit recommendations.	Criterion (b) is partially met. There are systems in place, but it is not entirely effective because of lack of resources. IGF: regarding recommendations resulting from audits of the IGF, a tracking system has been designed which details the recommendations made and the degree of compliance for both IGF and TA (i.e. not implemented, in progress or completed). Under the last PEFA the trend was described as positive. TA and Inspectorates follow up on their recommendations during the next audit/control. At the Provincial Inspectorate level and other Inspections bodies the ability to follow up is even lower as they lack resources and sometimes are dependent of donors’ funds. UGEA survey revealed the procurement department was not always clear about follow up mechanisms on audit recommendations in general and indicated that most of the time they were not involved or there was little feedback. However, in some UGEAs they were aware that recommendations were debated by the Municipal council and the head of the agency was coordinating the response.		There is no consistent follow up. Availability of resources is a critical issue; need for more cooperation.	Yes, Solution is outside procurement at the PFM level.	Making more resources available for supervision/audit coupled with more information sharing/cross support among various agencies involved. Assessment team understanding is that this is being addressed at the PFM level.

12(d) Qualification and training to conduct procurement audits

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis / conclusions</u> (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) There is an established program to train internal and external auditors to ensure that they are qualified to conduct high-quality procurement audits, including performance audits. * * Recommended quantitative indicator to substantiate assessment of sub-indicator 12(d) Assessment criterion (a): - number of training courses conducted to train internal and external auditors in public procurement audits. Source: Ministry of Finance/Supreme Audit Institution. * Recommended quantitative indicator to substantiate assessment of sub-indicator 12(d) Assessment criterion (a): - share of auditors trained in public procurement (as % of total number of auditors). Source: Ministry of Finance/Supreme Audit Institution.	Criterion (a) is partially met. UFSA has the expertise required to conduct procurement supervision and provided procurement training to auditors (IGF and TA) albeit not on a systematic basis. Since 2016 UFSA delivered 2 training programs to auditors on the revised <i>Reglamento</i>. IGF reportedly includes some procurement in its training modules for auditors. TA expressed interest to benefit more from procurement training. UGEA Survey confirmed that procurement training of auditors/inspectors is lacking in particular at the provincial level.	Recommended quantitative indicator: statistics were not available to assess the % of auditors trained in public procurement. There were trainings for Auditors (by UFSA) one in 2017 and 2019 one for IGF and one for TA. IGF delivers procurement training as part of their annual/general auditors' training.	There is no consistent auditors' training in public procurement to ensure that their procurement knowledge is current and to ensure a uniform interpretation of the audit findings.	.Yes. Requires concertation with actors outside procurement.	UFSA and IGF to work on a procurement module for auditors that is aligned to the audit methodology and meets the auditors' needs and can be used by auditors/controllers across the country. UFSA will deliver 3 training sessions to TA auditors as part of an USAID financed capacity building program.
(b) The selection of auditors requires that they have adequate knowledge of the subject as a condition for carrying out procurement audits; if auditors lack procurement knowledge, they are routinely supported by procurement specialists or consultants.	Criterion (b) is partially met. Some of the auditors understand procurement from the UFSA and IGF training – when there is no expertise available, IGF and TA can hire expertise in this area or do joint audits (IGF carried out 8 joint audits with UFSA). However, there are not sufficient auditors trained/or support available.		There are not sufficient auditors trained/or support available	Yes. Involves TA.	Step up auditors' training in public procurement. See 12(d)(a)
(c) Auditors are selected in a fair and transparent way and are fully independent.	Criterion (c) is met. In the TA Law 8 /2015 it is stated that selection of auditors for external audit is done in consideration of technical knowledge and behavioral traits like impartiality and integrity." As reported by IGF and TA, the selection process is competitive and comprehensive including: technical, written, oral and psychologic testing. The profiles of auditors are established in Qualificadores of the Ministry of State Administration and Public Function (MAEFP).				

13. Procurement appeals mechanisms are effective and efficient

13(a) Process for challenges and appeals

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis / conclusions</u> (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations								
(a) Decisions are rendered based on available evidence submitted by the parties.	Criterion (a) not met. The Procurement Regulation does not contain provisions which regulate how decisions are rendered and the procedures for deciding on procuring complaints are not regulated. <i>Reglamento</i> provides general information and reference to the judicial process which is addressed under specialized legislation.		There are no implementing rules/ <i>normas complementares</i> that regulate how decisions are rendered.		Implementing rules/ <i>normas complementares</i> to be prepared.								
(b) The first review of the evidence is carried out by the entity specified in the law.	Criterion (b) is met . The first level of decision is the entity who conducted the procurement process.												
(c) The body or authority (appeals body) in charge of reviewing decisions of the specified first review body issues final, enforceable decisions. * // Minimum indicator // * Quantitative indicator to substantiate assessment of sub-indicator 13(a) Assessment criterion (c): - number of appeals. Source: Appeals body. * Recommended quantitative indicator to substantiate assessment of sub-indicator 13(a) Assessment criterion (c): number (and percentage) of enforced decisions. Source: Appeals body.	Criterion (c) is not met. The Procurement Regulation/ <i>Reglamento</i> does not contain provisions which specify that the decisions of the administrative appeals body (under the Hierarchical Appeal/ <i>Recurso Hierárquico</i>) are final and enforceable. As per its bylaws the TA decisions are enforceable unless they are appealed in the Court however TA, being a judicial body is not considered in the assessment of this indicator. . UGEAs should submit information on complaints and appeals to UFSA (Art. 14.1.i) but not clear if this is done The Bodies that are in charge of the <i>Recurso Hierárquico</i> can also ask for UFSA's opinion on how to address the complaint. (Art. 276.6). UGEA Survey confirmed that the number of complaints and appeals is relatively low; only the central UGEAs in ministries had complaints and those in donor financed projects.	Minimum quantitative indicator: The number of appeals is not available/published on the procurement portal. Recommended quantitative indicator: number of enforced decisions: not available/published.	No legal provisions on the enforceability of the appeals body decisions . No information available on the complaints/appeals (including enforced decisions).		Implementing rules/ <i>normas complementares</i> need to be adopted to regulate the process and remedies including their enforceability. Enforce the <i>Reglamento</i> requirement under Art 14.1(i) for UGEAs to report to UFSA information on challenges and appeals UFSA to publish statistics and appeal resolutions on UFSA website.								
(d) The time frames specified for the submission and review of challenges and for appeals and issuing of decisions do not unduly delay the procurement process or make an appeal unrealistic.	Criterion (d) is partially met. The timeframes specified in the Procurement Regulation for the submission and review of challenges and for review of appeals are reasonable (Articles 275, 276) except for the time frame for submission of appeals under the Hierarchical Appeal/ <i>Recurso Hierárquico</i> , which is only 3 working days , and which may make a Hierarchical Appeal/ <i>Recurso Hierárquico</i> unrealistic. (To be noted that the decision issued in the Hierarchical Appel/ <i>Recurso Hierárquico</i> can be subject to Judicial Appeal/ <i>Recurso Contencioso</i> - judicial appeals are regulated in specific legislation – Art. 278) Table 7: Timeframe submission of complaints, appeals & issuance of decisions - Procurement Regulation <table><tr><th>Level of Complaint/C hallenge</th><th>Articles <i>Regula mento</i></th><th>Time frame for submission of complaints/ap peals</th><th>Time frame for issuance of decision</th></tr><tr><td>Complaint to contracting authority</td><td>275</td><td>5 working days from the date of notification of decision/act</td><td>- 5 working days for the Evaluation Committee/<i>Júry</i> to forward the complaint and its opinion to the contracting authority - 10 working days from the date of receipt of the complaint for</td></tr></table>	Level of Complaint/C hallenge	Articles <i>Regula mento</i>	Time frame for submission of complaints/ap peals	Time frame for issuance of decision	Complaint to contracting authority	275	5 working days from the date of notification of decision/act	- 5 working days for the Evaluation Committee/ <i>Júry</i> to forward the complaint and its opinion to the contracting authority - 10 working days from the date of receipt of the complaint for		Time frames for the hierarchical appeal is unrealistic.	Yes, Revising the <i>Reglamento</i> requires higher authority to endorse the initiative and approve the outcome.	If hierarchical appeal is maintained provide a realistic time frame in the revised <i>Reglamento</i> to allow reasonable time to aggrieved bidders to appeal
Level of Complaint/C hallenge	Articles <i>Regula mento</i>	Time frame for submission of complaints/ap peals	Time frame for issuance of decision										
Complaint to contracting authority	275	5 working days from the date of notification of decision/act	- 5 working days for the Evaluation Committee/ <i>Júry</i> to forward the complaint and its opinion to the contracting authority - 10 working days from the date of receipt of the complaint for										

				contracting authority to decide					
	Hierarchical Appeal/ <i>Recurso Hierárquico</i>	276	3 working days from notification of the decision on the complaint	- 30 working days from the date of receipt					
	Judicial Appeal/ <i>Recurso Contencioso</i>	278	Time frame provided Under specific legislation (lei 7/2014).	No time frame provided (specific legislation regulates this type of appeal)					

13(b) Independence and capacity of the appeals body

The appeals body:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) is not involved in any capacity in procurement transactions or in the process leading to contract award decisions	Criterion (a) is partially met. The first level of appeal (<i>Recurso Hierárquico</i>) is not independent from the procurement entities as they are subordinated to these bodies. The Procurement Regulation provides that the decision of the contracting authority on a procurement complaint can be subject to a Hierarchical Appeal/<i>Recurso Hierárquico</i>, “<i>dentre outros</i>”, to the relevant Line Ministry/<i>Ministro de tutela</i>, Provincial Governor and Administrator of the District for the central, provincial and district level as applicable (Article 276 (1)). These bodies can ask the specialized opinion of the UFSA (Article 276 (6)). However, it is understood that these bodies are not independent from the procuring entities. The <i>Tribunal Administrativo (TA)</i> is however independent, not involved in procurement transactions or in the process leading to contract award decisions.		<i>Recurso Hierarchico</i> is not independent and does not have the capacity to handle complaints.	Yes. Establishment of an independent administrative appeal body would require endorsement by a higher authority.	Create the function of ‘independent administrative procurement appeal body’ in an agency that is not involved in procurement operations (to avoid conflict of interest), that is appropriately staffed, and has the authority to issue binding decisions for both the government and the private sector. Remove fees that may discourage appeals The first two steps for filing challenges and appeals (that is, with UGEAs/procuring entities and hierarchical appeal) could be merged as they are within the same ‘administrative body’. UFSA could play this role of independent administrative appeal body – provided that resources (financial and staff) are secured and there are no conflicts of interest that are not addressed/mitigated.
(b) does not charge fees that inhibit access by concerned parties	Criterion (b) is partially met. The Procurement Regulation provides that, as a condition for the admissibility of a Hierarchical Appeal/<i>Recurso Hierárquico</i>, a complainant shall submit a guarantee - whose value is defined in the Bidding Documents – which cannot exceed 0.25% of the estimated value of the procurement and is limited to 125.000,00 MZN - may be updated by means of executive act by the Minister of Finance (<i>atualizável mediante despacho do Ministro que superintende a área da Finanças</i>). The Procurement Regulation further provides that this amount shall be returned to the complainant if it is determined that the complaint is valid/ <i>é procedente</i> (Article 277). The fees charged were not raised as an issue by the private sector representatives surveyed. However, more analysis may be required to come to a clear assessment of the impact of the fees. The bigger issue seems now to be the confidence in the system which makes the appeal unappealing for the bidders. None of the private sector representatives surveyed appealed the decision to the higher body. All raised the issue of lack of confidence in the system rather than fees charged (Source: Private Sector Survey FG).		The primordial reason for not using the system came out as the lack of confidence but fees may also discourage appeal as well. .		Monitor the operation of the system to assess its performance, the impact of the fees charged, including seeking private sector views.

(c) follows procedures for submission and resolution of complaints that are clearly defined and publicly available	Criterion (c) is not met. There are no procedures clearly defined and publicly available. The Procurement Regulation (which is publicly available) regulates only in general terms the procedures for the submission and resolution of complaints (i.e., it provides the timeframes for submission and review of appeals and issuing of decisions by the relevant appeals bodies (Article 276) and it provides that, as a condition for the admissibility of a Hierarchical Appeal/ <i>Recurso Hierárquico</i> , a complainant shall submit a guarantee as specified in Article 277).		Implementation rules/ <i>normas complementares</i> for submission and resolution are not defined and there is no monitoring of complaints and appeals.		UFSA to Issue implementation rules/ <i>normas complementares</i> and design a monitoring system.
(d) exercises its legal authority to suspend procurement proceedings and impose remedies	Criterion (d) partially met. The Procurement Regulation establishes that the Hierarchical Appeal/ <i>Recurso Hierárquico</i> has the effect of suspending the procurement process (Article 276 (5)). The Procurement Regulation do not regulate the remedies that the appeals body may impose.		The Procurement Regulation/ <i>Reglamento</i> do not mention -regulate the remedies that the appeals body may impose		UFSA to Issue implementation rules/ <i>normas complementares</i> and design a monitoring system
(e) issues decisions within the time frame specified in the law/regulations* <i>Minimum indicator // * Quantitative indicator to substantiate assessment of sub-indicator 13(b) Assessment criterion (e): - appeals resolved within the time frame specified in the law/exceeding this time frame/unresolved (Total number and in %). Source: Appeals body</i>	Criterion (e) could not be evaluated there is no information available.	Minimum quantitative indicator. There are no statistics available.	No information available on the decision time.	.	Create an information and monitoring system.
(f) issues decisions that are binding on all parties	Criterion (f) is partially met. The Procurement Regulation/ <i>Reglamento</i> does not contain provision in this respect for the administrative level. TA decisions are binding unless appealed in the judicial courts, but TA has judicial status .		No requirement for appeal decisions at the administrative level to be binding unless challenged at the judicial level.		Clarify this aspect in the implementation rules/ <i>normas complementares</i> to be issued on this topic.
(g) is adequately resourced and staffed to fulfil its functions.	Criterion (g) is not met. Given the broad coverage of the institutions involved in complaints and the staff turn-over perhaps except for the TA (judicial status), it is difficult to maintain a core of well-trained professional staff able to review and respond to complaints.		Multiplicity of appeal bodies makes building adequate capacity for them to fulfill their function costly and difficult to achieve.	Yes. A decision in this area requires a higher-level review approval.	See recommendation under criterion 13.b.a. above. On the need for an ‘independent administrative procurement appeal body’ UFSA could play this role of independent administrative appeal body.

13(c) Decisions of the appeals body

Procedures governing the decision-making process of the appeals body provide that decisions are:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) based on information relevant to the case.	Criterion (a) is not met. It is to be noted that the Procurement Regulation does not regulate the procedures governing the decision-making process of the appeals body. Neither is there are implementation rules/ <i>normas complementares</i> regulation in place to specify the procedures to be followed the agencies in charge.		There are no <i>normas complementares</i> guiding the decision-making process of the appeal body		Issue <i>normas complementares</i> for the challenge/appeal process.

(b) balanced and unbiased in consideration of the relevant information.* Recommended quantitative indicator to substantiate assessment of sub-indicator 13(c) Assessment criterion (b): - share of suppliers that perceive the challenge and appeals system as trustworthy (in % of responses). Source: Survey. - share of suppliers that perceive appeals decisions as consistent (in % of responses).Source: Survey.	Criterion (b) is not met. Private sector representatives do not trust the system. They may complain at UGEA level, a few at the hierarchical level and almost none at the TA level. UGEA Survey revealed that out of the 22 UGEAs only 2 had experienced the appeals: (i) 2 hierarchical level cases; and (ii) one TA case (but was not aware of the outcome). More than half of the private sector representatives surveyed did not submit complaints, none appealed, and even those that submitted expressed doubts in the system.	Recommended quantitative indicator: 100% of those surveyed do not trust the complaint system. (Private Sector Survey FG).	Lack of trust in the complaint mechanism.		Develop implementing rules/<i>normas complementares</i> for the challenge/appeal mechanism, to increase trust in the process publicize the outcomes and engage the private sector in a dialogue on this topic.
(c) result in remedies, if required, that are necessary to correcting the implementation of the process or procedures.* * Recommended quantitative indicator to substantiate assessment of sub-indicator 13(c) Assessment criterion (c): - outcome of appeals (dismissed; decision in favor of procuring entity; decision in favor of applicant) (in %).Source: Appeals body.	Criterion (c) is not met. The Procurement Regulation/<i>Reglamento</i> does not mention the remedies that the appeals body may impose. There is no information (statistical or case specific) publicly available on procurement challenges/appeals resolved at the administrative level including remedies. At the judicial level, TA publishes its decisions for all appeal cases it addresses but the challenges/appeals that are procurement related are not identified as such.	Recommended quantitative indicator Statistics on complaints are not available.	Publication is not required under <i>Reglamento</i>; there is no information on appeals on UFSA website.	Yes, Requires TA involvement	Enforce the <i>Reglamento</i> requirement for UGEAs to submit information on complaints and appeals to UFSA. Implementation rules/ <i>normas complementares</i> to provide for publication of appeals. UFSA to obtain from TA information on appeals related to procurement outcomes are published on their website.
(d) decisions are published on the centralized government online portal within specified timelines and as stipulated in the law. * // Minimum indicator // <i>*Quantitative indicator to substantiate assessment of sub-indicator 13(c) Assessment criterion (d):</i> - share of appeals decisions posted on a central online platform within timelines specified in the law (in %).Source: Centralized online portal.*	Criterion (d) is not met. The UFSA website does not contain appeal decisions. The Procurement Regulation is silent in this respect.	Minimum quantitative indicator: There are no appeal decisions posted on a central online platform.	It is to be noted that the Procurement Regulation does not regulate the procedures governing the decision-making process of the appeals body, including publication.		Implementation rules/<i>normas complementares</i> to provide also for publication of appeals.

14. The country has ethics and anticorruption measures in place

14(a) Legal definition of prohibited practices, conflict of interest, and associated responsibilities, accountabilities, and penalties:

The legal/regulatory framework provides for the following:

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
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*Highlighted fields: quantitative indicators; a black frame indicates minimum quantitative indicators.

(a) definitions of fraud, corruption, and other prohibited practices in procurement, consistent with obligations deriving from legally binding international anti-corruption agreements.	Criterion (a) is met. Mozambique is a signatory of the following international conventions related to the anti-corruption agenda: • UN Convention on Anti-Corruption Resolution 31/2006 • African Union African Convention against Corruption: Resolution 30/2006 • SADC Protocol against corruption: Resolution 33/2004 <i>Regulamento</i>, Section II, Art 279 Ethics and illicit acts defines: Corrupt, fraudulent, Collusion, coercion practices consistent with international standards in this area. (a) “<i>Prática corrupta</i>” - to offer, give or receive something of value in order to influence an action by a public servant related to procurement or contract implementation; b) “<i>Prática fraudulenta</i>” – misrepresentation or omission of facts to influence a procurement process or the implementation of a contract by causing prejudice to the Contracting Authority; c) “<i>Prática de colusão</i>” – complicit action among competitors, with or without the knowledge of the Contracting Authority, with the objective of setting bid prices at artificial, non-competitive levels and deprive the Contracting Authority from the benefits of open and free competition ; and d) “<i>Prática de coerção</i>” – to threaten or have a threatening behavior towards persons and their families in order to influence participation in the procurement process or contract execution.				
(b) definitions of the individual responsibilities, accountability and penalties for government employees and private firms or individuals found guilty of fraud, corruption, or other prohibited practices in procurement, without prejudice of other provisions in the criminal law.	Criterion (b) is met. The responsibilities and penalties for Government employees and private firms found guilty of fraud and corruption (under Art. 279) are stated under: <i>Regulamento</i> Art. 279 (bidders), Art. 280, (Gov. employees) Art. 281 (bidders). Article 280 (Acts by State agents) Irrespective of any other applicable procedure, disciplinary proceedings shall be subject, in accordance with the general statute of officials and agents of the state, agents or employees, participating in or taking part in the procedure for Contract, violate or cease to observe the foregoing in this Regulation, in the tender documents and other applicable legislation. Article 281 (Acts practiced by competitors) 1. They shall be subject to administrative proceedings referred to in the following paragraphs by competitors who, by themselves or through others, induces or compete for the practice of an act which violates the foregoing in this Regulation or in the tender documents. 2. The Procurement Supervisory functional unit shall establish, conduct, and decide the administrative procedures referred to in the preceding paragraph, in accordance with the terms to be established by order of the minister supervising the finance area. 3. Irrespective of any other procedure, the following penalties shall apply: a) Fine payment; b) Prohibition of contracting with the State for a period of one (1) year; And c) In case of recurrence, prohibition of contracting with the State for a period of five (5) years. 4. The penalties referred to in the preceding paragraph shall take into account: (a) The seriousness of the infringement in relation to the subject of the contract;				

	(b) The economic and financial situation of the competitor, its capacity to generate revenues; (c) The degree of involvement of the competitor for the consummation of the illicit act; (d) The benefit collected by the competitor; (e) The value of administrative expenditure caused by the invalidation of the unlawful act; and f) Recurrence.				
(c) definitions and provisions concerning conflict of interest, including a cooling-off period for former public officials.	Criterion (c) is met. Conflict of interest in procurement is addressed in detail under: <i>Reglamento</i> : Art. 22. 2, Art. 18 and Art. 254 Law 16/2012 on Public probity provides general guidance for civil servants in order to avoid COI situations during and after leaving the public position. - Section IV Ethical norms of conduct/Conflict of interest (starting Art. 33); and - Subsection III (starts Art. 5) Conflict of interest after leaving the public position.				

14(b) Provisions on prohibited practices in procurement documents

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The legal/regulatory framework specifies this mandatory requirement and gives precise instructions on how to incorporate the matter in procurement and contract documents.	Criterion (a) is met. The prohibited practices are defined in the <i>Reglamento</i> and there is a clear mandate to include anti-corruption provisions in contracts. - <i>Reglamento</i> Section X: Contract formation Art. 112 (i) requires that all contract entered in by the Government contain an anticorruption clause. - Similarly, Law 6/2004 (that strengthened the legal framework to combat corruption and created the Central Agency for Combatting Corruption)), Art. 5 mandates that all contracts financed out of public funds include an anti-corruption clause.				
(b) Procurement and contract documents include provisions on fraud, corruption and other prohibited practices, as specified in the legal/regulatory framework.	Criterion (b) is partially met. UFSA prepared standard Bidding documents (the updated version still to be issued) the Manual and Contract Documents that include fraud, corruption and other prohibited practices, as specified in the legal/regulatory framework.		The updated version of the bidding documents (SBD) and standard contracts have not been issued yet.		Issue the updated SBDs with fraud and corruption and conflict of interest provisions.

14(c) Effective sanctions and enforcement systems

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) Procuring entities are required to report allegations of fraud, corruption and other prohibited practices to law enforcement authorities, and there is a clear procedure in place for doing this.	Criterion (a) is met. <i>Reglamento</i> identifies UFSA and UGEAs responsibilities in relation to reporting irregularities and fraudulent and corrupt and anti-ethical practices. Art. 14: Competencies of UGEAS: (u) mandates that UGEAs inform UFSA on any anti ethical and illicit practices that occur.				

	Art. 19 Competencies of UFSA, para 1(n): UFSA has to report to the competent bodies the irregularities identified in the discharge of its functions. Complaints can be filed directly by the citizens: both GCCC and TA have sites where they provide information on how to report unethical behavior. Besides informing UFSA, UGEAs or their staff have various avenues to complain on irregularities they identify in the procurement process and in general. Any person can inform of corrupt practice an administrative authority, the police or the Public Ministry/GCCC. The complaints can be signed or anonymous; whistleblowers are protected (Art. 13 Law 6/2004) and Law 15/2012 GCCC has on its website information on how these complaints/<i>denuncias</i> can be done, addresses where information can be directed, phone lines etc. GCCC issues pamphlets publicizing its role and their “coordinates” for public knowledge. The report of the PGR provides the number of complaints received (see also: criteria 14(f)(a)). TA has a website for complaints (<i>denuncias</i>) that can be submitted online http://www.ta.gov.mz/Pages/SubmissaoDenuncias.aspx.				
(b) There is evidence that this system is systematically applied, and reports are consistently followed up by law enforcement authorities.	Criterion (b) is partially met. There is no data published on ~~complaints~~ on allegation of corruption specifically for procurement at the UGEA/UFSA/IGF level and how they are handled and submitted to relevant authorities. There are no national statistics specific to procurement. However, there is information published by PGR in their Annual Report identifying the criminal cases at the country level and by provinces in the current year against the previous year and the stage of the judicial process. The cases dealt with by PGR/GCCC are of criminal nature: GCCC does the investigations (lead by the Head of Investigation) including a process of verification whereby the persons involved are heard. If, at the end of the investigation phase an accusation is made by the Magistrate the case is referred to the Competent Criminal Court (where also the Ministry of Public State Administration (<i>Ministério de Administração Estatal e Função Pública</i> - MAEFP is represented).		UGEAs do not report to UFSA consistently the cases the anti-ethical and illicit practices as required in the <i>Regulamento</i> PGR information is global. There is no specific information on how the system is enforced in the area of public procurement.	Yes Entails coordination with GCCC	In coordination with GCCC, UFSA to monitor allegations of corruption specific to procurement. Enforce submission by UGEAs to UFSA information on anti-ethical and illicit practices (Art 14.1 u.).
(c) There is a system for suspension/debarment that ensures due process and is consistently applied.	Criterion (c) partially met. Contractors are sanctioned with debarment: Under the anti-corruption Law 6/2004 Contractors are debarred from future business with State (Art. 11. (d), and Under <i>Regulamento</i>] Article 14 (1)(y), 14 (1)(u), 22(1)(c); 279(3); and Article 281 address debarment as follows: - UGEAS propose to UFSA the inclusion in the debarment list. - UGEAs inform UFSA of anti-ethical practices and illicit acts. - The impediments to participate in bidding include firm or person sanctioned by any organ of the Public administration...for reason of illicit acts in the contracting process. Quote In case one of the above-mentioned cases (i.e. fraud, corruption, collusion, coercion) the Contracting Entity will reject the bid and will declare the Bidder debarred under the terms of this <i>Regulamento</i>. Unquote The UFSA debarment is an administrative process – if as a result of the GCCC investigation a criminal court finds the firm/individual guilty the firm/individual is added the UFSA list of debarred firms.		There are no implementing rules/<i>normas complementares</i> for debarment issued by UFSA as per Art. 281.2 of the <i>Regulamento</i>. While the intent is for UFSA to debar the language in the <i>Regulamento</i> is sometimes confusing.		UFSA to prepare a <i>Despacho/normas complementares</i> for debarment rules as per Art. 281.2 of the <i>Regulamento</i>.

(d) There is evidence that the laws on fraud, corruption and other prohibited practices are being enforced in the country by application of stated penalties.* * Recommended quantitative indicator to substantiate assessment of sub-indicator 14(c) Assessment criterion (d): - Firms/individuals found guilty of fraud and corruption in procurement: number of firms/individuals prosecuted/convicted; prohibited from participation in future procurements (suspended/debarred). Source: Normative/regulatory function/anti-corruption body. - Government officials found guilty of fraud and corruption in public procurement: number of officials prosecuted/convicted. Source: Normative/regulatory function/anti-corruption body. - Gifts to secure public contracts: number of firms admitting to unethical practices, including making gifts in (in %). Source: Survey.	Criterion (d) partially met. Except for debarred firms' corruption in procurement is not monitored separately and statistics are global. The PGR report annually publishes cases of corruption and where they stand in the judicial process (see statistics under indicator 14.d.c). Overall, in spite of the progress and the 2012 passing of a comprehensive National Governance Legal Package its enforcement is not really effective. According to Transparency International, Mozambique Corruption Perception Index has deteriorated over the last years. Thus, Mozambique's score fell from 31 in 2015, to 23 in 2018. In terms of ranking, Mozambique was in 2018 in the 158th position out of 180 countries down from 112th out of 168 countries in 2015.	Recommended quantitative indicator: 113 firms debarred (UFSA website). No other statistics were available on enforcement of laws on fraud and corruption in public procurement	Cases of fraud and corruption in public procurement not identified separately in PGR Report.	Yes Entails coordination with GCCC	In coordination with GCCC, UFSA to monitor procurement cases.
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14(d) Anti-corruption framework and integrity training

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) The country has in place a comprehensive anti-corruption framework to prevent, detect and penalize corruption in government that involves the appropriate agencies of government with a level of responsibility and capacity to enable its responsibilities to be carried out.* *Recommended quantitative indicator to substantiate assessment of sub-indicator 14(d) Assessment criterion (a): - percentage of favorable opinions by the public on the	Criterion (a) partially met. Mozambique has a comprehensive governance framework largely aligned to international standards. It includes: Law 6/2004 (Anti-corruption), the role of the Public Ministry, establishment of GCCC and defining how denunciations can be made to the administrative authority, Public Ministry or police. Law 4/2017: regulates the Statute of the Magistrates: <i>Estatuto dos Magistrados</i>: - Establishes the organization of the Public Ministry. - Responsibilities of PGR including prevention and fighting criminal acts, receiving and reviewing the disclosure of assets. - Responsibilities of GCCC related to investigating corruption, providing specialized integrity capacity building in the area of prevention, investigation and addressing corruption, coordination with other agencies, proposing to PGR adequate measures to further strengthen the anti-corruption framework.	Recommended quantitative indicator: 30% private sector companies do not consider corruption a significant impediment to business. (ES-2018)	Perception is low regarding the effectiveness of the implementation of anti-corruption regulations.	Yes. Requires exchanges of information with PGR/GCCC/AT, auditors, courts)	Strengthen effectiveness through , inter alia: (i) further coordination and exchange of information among the various agencies involved (UFSA, PGR/GCCC, CCEP, Courts, Auditors); (ii) integrity training of staff to increase awareness of the options to mitigate the risk and report on such cases.

effectiveness of anti-corruption measures (in % of responses). Source: Survey.	(Updated) Criminal/Penal Code 35/2014 Law 15/2012: (Protection of Whistleblower): that protects whistleblowers from retaliation including through witness protection programs. Law 16/2012: (Public Probity)- that elaborated on: - ethical principles for public servants (Art 6-22) - conflict of interest and categories - Section II and III - including family relations and modalities to prevent COI during the time before and after leaving the civil servant position. - Creation of the Central Public Ethics Commission (CCEP) to establish laws and mechanisms to prevent conflict of interests (COI), handle complaints related to COI, provide interpretation of COI cases, cooperate with GCCC (by submitting formally all its decisions to GCCC). - Disclosure of assets by public officials and political appointees. - Law 34/2014: regarding citizens' right to information: that states that any citizen has the right to request and receive information of public interest. . GCCC National Strategy for combatting Corruption: January 2018 of GCCC that has formulated as key objectives: - Strengthen inter-institutional coordination - Promote values of integrity through the education system and specialized training - Training for agents involved in prevention - Capacity building of magistrates of the Public Ministry investigators and judges - Involve civil society and private sector, create partnerships for coordinated action - Pay attention to the areas of procurement and SISTAFE - Making use of Information technology - Having GCCC at the center of information for corruption cases - Sensitizing citizens for the use of the "green line" - Create a monitoring system				
(b) As part of the anti-corruption framework, a mechanism is in place and is used for systematically identifying corruption risks and for mitigating these risks in the public procurement cycle.	Criterion (b) is partially met. The legal framework is in place, but its effectiveness is not evident. UGEAS (procurement units) are mandated to inform UFSA regarding anti-ethical and illicit practices (14.1.u). Similarly, they are mandated to submit to UFSA all the complaints and appeals related to procurement (Regulamento 14.1.h). At its turn, UFSA/MEF reports to the competent bodies the irregularities identified in the discharge of its functions. Besides informing UFSA, UGEAs or their staff have various avenues to complain on irregularities they identify in the procurement process and in general. Any person can inform of corrupt practice an administrative authority, the police or the Public Ministry/GCCC. The complaints can be signed or anonymous; whistleblowers are protected (Art. 13, Law 6/2004) and Law 15/2012. The law provides civil, administrative or penal sanctions. Contractors that are found guilty are debarred from future business with state (Art. 11. d). GCCC has on its website information on how these complaints/<i>denuncias</i> can be done, addresses where information can be directed, phone lines etc. GCCC issues pamphlets publicizing its role and their "coordinates" for public knowledge. The report of the PGR provides the number of complaints received (see also: criteria 14 (f)(a)). TA has a website for complaints (denuncias) that can be submitted online http://www.ta.gov.mz/Pages/SubmissaoDenuncias.aspx.	Cases of fraud and corruption are only 1.5% of all the cases reported by PGR. Of the 22 UGEAs surveyed 3 had identified potential anti-ethical and illicit cases of which one case was sanctioned.	Cases of fraud and corruption in public procurement are not identified separately in PGR Report. While a mechanism is in place for reporting by UGEAs to UFSA cases/allegations of fraud and corruption it is not fully enforced. UGEAs do not report to UFSA consistently the cases the anti-ethical and illicit practices as required in the <i>Regulamento</i>	Yes. This action requires involvement of multiple governance actors (incl. PGR/GCCC/AT).	Create a mechanism to systematically collect and assess information related to corruption in procurement provided from various sources (complaints, reporting through official channels PGR/GCCC/AT, UGEAs reporting on unethical practices and illicit acts as per Art. 14(1)(u) of the <i>Regulamento</i>) to identify and mitigate corruption risk in the procurement cycle -Assess the underlying causes of non-enforcement by UGEA and engage them and their authorizing environment to address the shortcoming. -Assess the possibility for GCCC/ AT to identify separately the procurement cases. -Sensitization of civil servants and citizens in general on the fraud and corruption issues and the channels of reporting is critical. Therefore, it could be helpful to develop summary information spelling out the role of each agency and options on when and how to contact them. -Publicizing UFSA MANUAL that contains useful information on reporting such cases.

(c) As part of the anti-corruption framework, statistics on corruption-related legal proceedings and convictions are compiled and reports are published annually.	Criterion (c) is met. Statistics can be found in the PGR annual report on various corruption cases (active, passive, traffic of influence, fraud, enrichment without just cause, receipt of emoluments etc). the number of cases broken down by accused, sent to the tribunal, archived etc.)	In 2016: 1124 cases of fraud and corruption of all crimes analyzed by PGR) / of which 427(38%) accused. Of the accused 70% are categorized under active and passive corruption. (source PGR Report 2017, p.158			
(d) Special measures are in place for the detection and prevention of corruption associated with procurement.	Criterion (d) is partially met. Measures are in place for the detection and prevention of fraud and corruption (see below) however procurement is not identified in national statistics. Existing procedural framework : - <i>Regulamento</i> tailors its anti-corruption and COI provisions to procurement. - The bidding documents (currently updated) have provisions related to procurement specific fraud and corruption - The Manual includes a Declaration committing the signatory to impartiality and confidentiality “Declaração de Imparcialidade e Confidencialidade”. - There are templates for UGEAs use in case of complaints of ethical nature: (“ <i>Queixa de Alegada Inconformidade com o CECP da Entidade Contratante</i> ” (manual p.256) e “Resposta à Alegada Inconformidade ao <i>Código de Ética e de Conduta Profissional</i> ”). - GCCC in its strategy and action plan has special activities that are focused on preventing and combating corruption in procurement.		Cases of fraud and corruption in public procurement not identified separately in PGR Report. UGEAs do not report to UFSA consistently the cases the anti-ethical and illicit practices as required in the <i>Regulamento</i> .	Yes. This action requires involvement of multiple governance actors (incl. PGR/GCCC/AT	In coordination with GCCC UFSA to monitor procurement cases. Enforce submission by UGEAs to UFSA of information on anti-ethical and illicit practices (Art 14.1 u.). Publicize information on corrupt cases in procurement to increase transparency and demonstrate effectiveness of the integrity systems’ operation.
(e) Special integrity training programs are offered, and the procurement workforce regularly participates in this training.	Criterion (e) is partially met. There is integrity training that targets civil servants in general organized by the Ministry of State Administration and Public Function (MAEFP). PGR/GCCC have training programs , see 14 (g) (d), to which procurement staff participate. UFSA includes in its training program integrity aspects but not extensively.		The UFSA training program contains some integrity aspects but not in depth.		UFSA to prepare an integrity training module to include in its training program and publicize its Manual that contains many tools useful to reporting illicit and anti-ethical acts including disclosing COI..

14(e) Stakeholder support to strengthen integrity in procurement

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) There are strong and credible civil society organizations that exercise social audit and control.	Criterion (a) partially met. While there are civil society organizations, the civil society as a whole is characterized as weak. <i>The Forum de Monitoria de Orçamento</i> worked with the Government in the budget area. In the area of policy and anti-corruption CMI identifies the following CSOs: <i>Grupo Moçambicano da Dívida (GMD)</i> , <i>Centro de Integridade Pública (CIP)</i> ; and the following Professional associations related to Public Procurement: The Association of Contractors, The Association of Consultants, The Confederation of Public Enterprises.		There is no consistent oversight of PFM/procurement from the CSOs.	Yes. This requires broader Government and donors’ support	Government and donors to support the development of effective CSOs in Mozambique.

	In spite of the progress made, the WB Strategic Country Diagnostic underscores that, overall the CSOs in Mozambique are weak and dependent on the donors (in particular the bilateral agencies whose funding has been shrinking); while vocal, it is further stated that these organizations generally do not have the capacity for mass mobilization or a credible claim on public representation.				
(b) There is an enabling environment for civil society organizations to have a meaningful role as third-party monitors, including clear channels for engagement and feedback that are promoted by the government.	Criterion (b) is partially met. The general policy framework is open to the civil society participation but there is no effective civil society involvement. The legal framework has provisions supporting the citizens involvement in policy formulation and implementation: • The 5-year Plan of the Government 2015-2019 includes among its priority actions to achieve the sustainable development objectives: (i) an open, participatory and inclusive government; (ii) strengthening the participation of the civil society in the local development. • The Law on the right to information (34/2014) legislates the citizens right to have access to information of public interest to formulate and manifest their judgement over public issues in order to influence the decision process of the entities that exercise public power. • The Regulamento provides for the right of public to access procurement documents while making sure that confidentiality is preserved, (Art. 34). However, effective civil society development and involvement are still to be enabled through information, education and the use of appropriate channels.		There is not an effective involvement of the civil society as a third-party monitor.	Yes. This requires broader Government and donors support.	Government to encourage CSO involvement and encourage the use of existing channels for CSO feedback.
(c) There is evidence that civil society contributes to shape and improve integrity of public procurement.* * Recommended quantitative indicator to substantiate assessment of sub-indicator 14(e) Assessment criterion (c): - number of domestic civil society organizations (CSOs), including national offices of international CSOs) actively providing oversight and social control in public procurement. <i>Source: Survey/interviews.</i>	Criterion (c) partially met. There are a few CSOs that are active in the area of public finance and raise issues related to public procurement while attempting to increase economic and public finance literacy of CS - however there is no consistent oversight and social control in public procurement. For instance, CSOs active in the PFM arena are: the Fórum de Monitoria do Orçamento (FMO) de Moçambique and Transparency International Chapter in Mozambique, namely the <i>Centro de Integridade Pública (CIP)</i>, <i>Grupo Moçambicano da Dívida (GMD)</i>.	Recommended quantitative indicator: 3 CSOs	The civil society organizations except for occasional interventions, are not systematically involved in public procurement (e.g. to participate directly or exercise consistent monitoring) nor is enough information including in “open data format”.		UFSA to create a platform for exchanges with the civil society.
(d) Suppliers and business associations actively support integrity and ethical behavior in public procurement, e.g. through internal compliance measures.* * Recommended quantitative indicator to substantiate assessment of sub-indicator 14(e) Assessment criterion (d): - number of suppliers that have internal compliance measures in place (in %). <i>Source: Supplier database.</i>	Criterion (d) partially met. 70% of the private companies surveyed indicated that they have an ethical code. However, there is no indication that private companies have internal compliance measure in place. Fostering integrity should be a continuous effort of developing systems and monitoring their implementation	Recommended quantitative indicator 70% have an ethical code (Private Sector Survey FG). No statistics on compliance measures.	There is no evidence that private sector companies have internal compliance measures.	Yes. While UFSA can help influence, other national agencies (including GCCC) should support this important objective.	GCCC to continue advancing this agenda. UFSA to support this objective.

14(f) Secure mechanism for reporting prohibited practices or unethical behavior

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis / conclusions</u> (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations												
(a) There are secure, accessible and confidential channels for reporting cases of fraud, corruption or other prohibited practices or unethical behavior.	Criterion (a) is met. There are various channels used to report to PGR/GCCC Central Commission for Public Ethics (<i>Comissão Central de Ética Pública -CCEP</i> established under Law 16/2012, submits report to GCCC on all its decisions on COI cases. CGR reports on the frequency of visits, audiences, calls to prosecutor phone lines, green lines, complaints – see statistics under the Quantitative analysis column). TA has a website for complaints (denuncias) http://www.ta.gov.mz/Pages/SubmissaoDenuncias.aspx	Channels	2016														
		Visits	1860														
		Audience	16415														
		Calls Prosecutor line	1821														
		Complaints	4467														
		Green line	53														
		PGR Report 2017															
(b) There are legal provisions to protect whistle-blowers, and these are considered effective.	Criterion (b) partially met. Yes, there are legal provisions (Law 15/2012) that protect whistle-blowers from retaliation including through witness protection programs, but the evaluation team was not able to find information related to the effectiveness of its implementation,		No information on the enforcement of the whistle blower protection act to determine its effectiveness and the level of protection of the whistleblowers.	Yes. This action is outside UFSA responsibility.	Government to monitor the enforcement of the whistle blower protection act and provide public statistics on the outcome												
(c) There is a functioning system that serves to follow up on disclosures.	Criterion (c) partially met. Complaints are recorded by the anti-corruption agency and there is a follow up system but there is no information/statistics linking the complaints with the outcome. Statistics on the frequency of citizens reports and channels of communication used are shown in the Table 19 below. There is no public information as to the disclosures related to procurement. 1. Table 19: Frequency of events - PGR/GCCC <table><tr><th>Channels</th><th>Number of events in 2016</th></tr><tr><td>Workshops/Palestras</td><td>1,860</td></tr><tr><td>Audiences</td><td>16,415</td></tr><tr><td>Calls Prosecutor line</td><td>1,821</td></tr><tr><td>Presentations/Exposições</td><td>4,467</td></tr><tr><td>Green line</td><td>53</td></tr></table> 2. Source: PGR Report 2017.	Channels	Number of events in 2016	Workshops/Palestras	1,860	Audiences	16,415	Calls Prosecutor line	1,821	Presentations/Exposições	4,467	Green line	53	.	No mechanism for systematic following up on disclosures and outcomes. No information on the enforcement of the whistleblower protection. No information on disclosures in the area of public procurement.	Yes. This action requires intervention outside procurement.	Strengthen the enforcement of the disclosure/ including whistleblower systems and identify procurement cases.
		Channels	Number of events in 2016														
		Workshops/Palestras	1,860														
		Audiences	16,415														
		Calls Prosecutor line	1,821														
		Presentations/Exposições	4,467														
		Green line	53														

14(g) Codes of conduct/codes of ethics and financial disclosure rules

Assessment criteria	Step 1: <u>Qualitative analysis</u> (comparison of actual situation vs. assessment criteria)	Step 2: <u>Quantitative analysis</u>	Step 3: <u>Gap analysis</u> / conclusions (describing any substantial gaps)	Potential red-flag?	Initial input for recommendations
(a) There is a code of conduct or ethics for government officials, with particular provisions for those involved in public financial management, including procurement.* * Recommended quantitative indicator to substantiate assessment of sub-indicator 14(g) Assessment criterion (a):	Criterion (a) is met. Law 10/2017 approves the General Statute of the Civil Servants and State Agents -Estatuto Geral dos Funcionários e Agentes do Estado (EGFAE). <i>Código de Ética e Conduta Profissional de Contratação (CECP)</i> addresses those involved in procurement.	Recommended quantitative indicator: 100% procuring entities/civil servants are subject to the General Statute for civil servants' requirements.			

- share of procurement entities that have a mandatory code of conduct or ethics, with particular provisions for those involved in public financial management, including procurement (in % of total number of procuring entities). Source: Normative/regulatory function.					
(b) The code defines accountability for decision making, and subjects decision makers to specific financial disclosure requirements.* * Recommended quantitative indicator to substantiate assessment of sub-indicator 14(g) Assessment criterion (b): - officials involved in public procurement that have filed financial disclosure forms (in % of total required by law). Source: Normative/regulatory function.	Criterion (b) is partially met. Law 10/2017 that approves the General Statute of Civil Servants and State Agents (<i>Estatuto Geral de Funcionários e Agentes do Estado - EGFAE</i>) clearly identifies the responsibilities of the civil servants and the Agents of the State. The law emphasizes the principles of legality, impartiality, incompatibility with other activities, probity. It addresses the career and progression, the merit-based recruitment, obligations and rights of the civil servants and managers, performance evaluation, capacity building, disciplinary sanctions, right of appeal. The Law 16/2012 -Public Probity Law (PPL), <i>Lei da Probidade Pública</i> requires disclosure of assets from public servants (public officials and political appointees).	Recommended quantitative indicator: 55% of the public officials submitted financial disclosure in 2017 – no statistics on officials in public procurement.	Procurement civil servants (i.e. public officials) are not monitored separately for disclosure purposes.	Yes. It requires PGR cooperation.	PGR could identify the information on procurement officials.
(c) The code is of mandatory, and the consequences of any failure to comply are administrative or criminal.	Criterion (c) is met. Yes. The employee can be criminally and administratively sanctioned through warnings, fines, demotion, firing; if his/her superior does not penalize the employee, the superior will be deemed at fault and will be sanctioned under the law. Legal basis: General Statute of the Public Servants: <i>Estatuto Geral de Funcionários e Agentes do Estado - Lei 10/2017 de 1 de Agosto, Secção XV - Art. 90 +</i>				
(d) Regular training programs are offered to ensure sustained awareness and implementation of measures.	Criterion (d) is partially met. Procurement training programs do not have a comprehensive integrity section on their curriculum,. Ministry of State Administration and Public Function (MAEFP), PGR/GCCC have training programs on integrity: see also 14.d (e). – As per the PGR Annual report several training programs have been carried out: GCCC in coordination with the Ministry of Public Administration (<i>Ministério de Administração Estatal e Função Pública -MAEFP</i>) formed 565 trainers at the central and provincial level in the areas of fighting corruption and 200 inspectors - also overseeing the area of procurement have been formed since 2015 to 2017. GCCC signed a Memorandum with IGEPE to train 791 public servants in state companies that have lucrative purpose. GCCC entered into discussion with IFAPA to develop Modules on integrity in order to have a harmonized approach throughout the country.		Procurement training program may not ensure sustained awareness as they contain some integrity aspects but not in depth.		Need to systematically raise awareness and provide integrity training of procurement officials and practitioners: UFSA to prepare an integrity training module to include in its training program and publicize its Manual that contains important tools useful to reporting illicit and anti-ethical acts.
(e) Conflict of interest statements, financial disclosure forms and information on beneficial ownership are systematically filed, accessible	Criterion (e) is partially met. IMF 2018 Chapter IV Report states that lack of resources and poor prioritization have resulted in an ineffective implementation of the anti-corruption legal framework. While asset disclosure system is comprehensive, its implementation falls behind international best practices: asset disclosures		No systematic monitoring of COI in procurement. No information about financial disclosures by procurement officials No reporting of beneficial ownership.	Yes, also requires intervention of actors outside procurement (e.g. PGR).	Integrity training and sensitization on COI issues including the tools in the Manual. UFSA to monitor COI cases and publicize. Government to add to the information to be disclosed: the beneficial ownership.

and utilized by decision makers to prevent corruption risks throughout the public procurement cycle.	are not published, there is no information on sanctions for non-compliance or false declarations Disclosure of assets by civil servants (public officials and political appointees) are submitted annually and PGR takes stock of them and reports on their submission and follows up in the Annual Report published on its website however the level of implementation is still low (55% in 2017). Beneficial ownership information is not collected. Conflict of interest declaration: The Manual for procurement includes a chapter on “ <i>Código de Ética e de Conduta Profissional</i> ” containing a (“ <i>Declaration of impartiality, confidentiality and absence of conflict of interest</i> ”) should be signed by all civil servants that have to decide on third parties, including the members of the evaluation committee. UGEA Survey showed that these tools are not known because of the Manual has been recently updated and not yet disseminated.		UGEAs not aware of tools available in the Manual.		Making public the asset declaration by procurement officials.
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*Highlighted fields: quantitative indicators; a black frame indicates minimum quantitative indicators.

Methodology for Assessing Procurement Systems (MAPS)



MAPS

MOZAMBIQUE

Assessment of the Public Procurement System Volume III - Annexes

June 2019 - updated May 2020



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TABLE OF CONTENTS

<u>Annex 1: Detailed Action Plan to Improve Public Procurement</u>	4
<u>Annex 2: Stakeholder Mapping and Representatives Interviewed</u>	21
<u>Annex 3: UGEAs Interviewed</u>	25
<u>Annex 4: Validation Process</u>	29
<u>Annex 5: UGEA Survey Results Procurement Process Compliance</u>	33
<u>Annex 6: Private Sector Survey Focus Group</u>	37
<u>Annex 7: Private Sector Specific Recommendations</u>	40
<u>Annex 8: Steering Committee Composition</u>	42
<u>Annex 9: Background Documents</u>	43

Annex 1: Detailed Action Plan to Improve Public Procurement

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
STRATEGIC OBJECTIVE # 1: STRENGTHEN UFSA AUTHORITY AND ABILITY TO EFFECTIVELY CARRY OUT ITS LEAD PROCUREMENT AGENCY FUNCTIONS. CONTINUE TO IMPROVE THE PUBLIC PROCUREMENT LEGAL FRAMEWORK								
		Elevate UFSA's authority to improve procurement outcomes and thus support the efficient use of public funds and delivery of timely and quality services to citizens.	MEF	Ministers' Council	MT/LT	UFSA's authority will be consistent with UFSA's current responsibilities to implement the "2nd generation" reforms.	Public Procurement (PP) will not be effectively supporting the Government's socio-economic agenda	High
	Secure technical assistance to support/strengthen the UFSA's role.		UFSA	MEF/DPs	ST/MT	Supporting UFSA implementing the reform agenda.	UFSA may not be able to carry out the reform agenda to improve procurement outcomes in all areas envisaged.	High
	UFSA to recruit staff to handle key areas such as: data collection and analysis, legal		MEF	UFSA	ST/MT	Building UFSA capacity to sustain the PP reforms in the medium-long term.	Technical assistance received by UFSA will not be sustainable as	High

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
	advisory services and IT, strategic planning, training.						UFSA will not be able to implement the PP reforms in the absence of adequate human resources.	
Creation of a discussion forum with stakeholders for periodic consultations.	Develop platforms for collaboration with stakeholders including UGEAs, private sector, civil society, oversight integrity agencies.		UFSA	All stakeholders	ST/MT	Ensure that PP reforms consider the needs and initiatives of all stakeholders and there is coordination of actions.	PP reforms are not inclusive and therefore, not effective.	High
	Decentralize UFSA services through building DPEFs' capacity.	UFSA decentralization.	MEF/UFSA	DPEF	ST/MT	Strengthening UFSA's capacity to provide services to stakeholders (public and private) in the provinces.	UFSA inability to effectively provide services at the decentralized level.	High
	Improve performance monitoring (of both PP and contract implementation) through improved data collection from e-SISTAFE/MPE/UGEAs.		UFSA/CEDSIF	UGEAs	ST/MT	Enables UFSA to monitor the PP performance and contract management.	UFSA is unable to monitor and optimize the country PP systems and outcomes.	High

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
	Addressing gaps identified in the legislation through complementary regulation / Procedures Manual / SBDs/Standard Evaluation Reports.		UFSA	MEF	ST/MT	Increase the efficiency and effectiveness of the UGEAs performance and ensure consistency in the application of the <i>Reglamento</i> .	Inefficient and inconsistent enforcement of the legal framework that results in poor procurement outcomes.	High
		Addressing gaps in the legislation (identified by MAPS) through revision of the <i>Reglamento</i> .	MEF	UFSA	MT	Ditto, addressing gaps that cannot be filled through secondary legislation.	Ditto	Medium
Adopt SOE procurement regulations in accordance with Law # 3/ 2018 and Decree 10/2019			SOEs	MEF/IGEPE	ST/MT	Regulation of a great part of the PP, to ensure the efficient use of public expenditure.	Legal void in an important area of PP.	High
	In the longer term, adopt a Unified Public Procurement Regulation for SOEs based on the Public Procurement Principles.		MEF/IGEPE	SOEs	LT	Uniform regulation of SOEs while allowing them to adapt it to their specificity. Facilitates private sector access to the	Fragmented legislation that does not promote competition and creates obstacles and additional costs for the	High

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
						opportunities offered by SOEs PP.	participation of PP suppliers	
	Ensure effective oversight of SOEs (including PP) by an institution responsible for public enterprises (possibly IGEPE).		MEF	IGEPE other stakeholders	ST/MT	More effective supervision of high-risk public expenditure area	Potential waste of public resources.	High
STRATIGIC OBJECTIVE # 2: ADOPT A MORE STRATEGIC AND VALUE FOR MONEY APPROACH TO PROCUREMENT AND CONTRACT MANAGEMENT								
Strategic procurement planning Aggregation at district, province central level, as appropriate (hotel, fuel, car rental, furniture etc.)	Develop framework agreements / e-Catalog (feasibility study, pilot and roll it out).		UFSA/ UGEAs/Competent Authorities	UGEAs	ST/MT	Value for Money PP to improve efficiency of public spending.	High-cost, fragmented PP.	High
Rationalization of the number of UGEAs - Governmental initiative in progress.	Conduct UGEAs' mapping.		UFSA	UGEAs /DPEFs /Competent Authorities	ST/MT	UGEAs number consistent with procurement volume optimizing PP planning. Clear basis for UFSA to carry out its activities including capacity	Poor planning of supervision/ training and inability to promote strategic, efficient PP.	High

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
						building and supervision.		
	Formalize all UGEAs: with the decentralization process there is an opportunity for UGEAs to be integrated at the provincial level as part of the preparation of the <i>Estatuto Organico</i> of Government structures.		MAEFP	MEF/ UFSA/ Competent Authorities	ST/MT	Strengthening authority and accountability of UGEAs in the provinces and districts to carry out effective PP.	Weak UGEAs in provinces and districts that translates in poor procurement outcomes.	Medium
	UGEAs to reduce the costs of advertising through the use of less costly means provided in the <i>Reglamento</i> , such as the on-line Portal and for small-scale procurement notice boards and radio announcements	Review <i>Reglamento</i> to remove the requirement of advertising twice (in MT/LT may be rendered unnecessary by on-line advertising).	UFSA	UGEAs	ST/MT	Saving money and time.	High cost procurement and waste of scarce public resources.	High

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
Define a minimum threshold for contract formalization.			MEF/UFSA	UGEAs	MT	Reduced bureaucracy and transaction costs.	Inefficient use of scarce public resources.	High
Appropriate use of procedures in the Exceptional Regime: UFSA to disseminate guidance and strengthen supervision for: (i) automatic falling back on shopping /direct contracting when open bidding fails because of lack of bids.			UFSA	UGEAs	ST	Value for Money PP.	Lack of competition increases the cost of PP and brings less transparency in the process.	High
Promote Sustainable Public Procurement	Include in UFSA strategy a sustainable procurement section. Develop implementation tools to enable UGEAs to apply the sustainable procurement provisions (domestic preference, MSMEs preference, green		UFSA	UGEAs	ST/MT	Promoting value for money procurement, job creation and achievement of the SDG objectives.	Inability to execute sustainable contracting mechanisms.	Medium

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
	procurement, <i>critério conjugado</i>) of the <i>Regulamento</i> .							
Use advance procurement once the multi-year budget is effective.			UFSA	MEF	When multi-year budget adopted	Flexibility, timeliness and increased efficiency in PP procedures	Small window (time frame) for PP effective implementation.	Medium
	MPE roll out after addressing issues identified in the pilot.		UFSA/CEDSI F	UGEAs	ST?MT	Budgetary discipline, availability of information and transparency	Weak controls in procurement/budget execution, low transparency.	High
	Design of an end-to-end e-Procurement solution		UFSA/CEDSI F	UGEAs	ST/MT	Transparency, efficiency and availability of information for the management and supervision of the PP system	The PP system will not benefit from tools that promote transparency, efficiency and effective systems' controls.	Medium
	E-Procurement Regulation		UFSA/CEDSI F	UGEAs	ST	Ditto	Ditto	Medium

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
		Implementation of the end-to-end e-Procurement solution	UFSA/CEDSI F	UGEAs	MT/LT	Ditto	Ditto	Medium
	Make procurement performance monitoring an integral part of UGEA business		UGEAs	UFSA	ST/MT	Optimizing the procurement process and value for money.	Maintain the status-quo, lacking key PP performance information; and inability to improve PP outcomes.	High
STRATEGIC OBJECTIVE # 3: BUILD A CRITICAL MASS OF PROCUREMENT CADRE								
Approve the procurement staff profiles for UGEA and UFSA	Certification – in collaboration with other education agencies including IFAPA. Develop on-line learning tools to support the process.		MEF (approval staff profiles) UFSA	UFSA Education Institutes (in the certification process)	ST/MT	Supports staff tenure and provides a basis for effective staff performance evaluation and merit-based recruiting. Good quality staff supports effective procurement.	Continuation of the present situation with the PP personnel not able to perform the functions, high turnover and low esteem, discipline and credibility with impact on the quality of PP.	High
		Capacity	MAEFP	UFSA	MT	Value for money and strategic procurement.	Obstacle to the implementation of	High

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
		building agenda. Professionalization			MT/LT		strategic and complex PP.	
Provide tools for Practitioners: issue SBDs, implementation rules / <i>normas complementares</i> / <i>instruções</i> , in areas such as debarment, payments, complaints, archives).	Provide tools for Practitioners: Manual to be finalized and distributed. Prepare Standard Evaluation Reports. Update " <i>Catalogo de precos</i> " and " <i>Bens and servicos</i> "		UFSA	MEF	ST/MT	Practitioners with knowledge and ability to carry out value for money procurement.	Non-transparent and inconsistent application of the <i>Regulamento</i> .	High
	Training for MPE users at the central level	Training of MPE users once MPE is rolled out in the rest of the Country	UFSA	CEDSIF	ST/MT	UGEAs able to execute PP through MPE	Delays in the execution of PP and payments.	High
STRATEGIC OBJECTIVE # 4: IMPROVE PRIVATE SECTOR ACCESS TO PP MARKET AND PROMOTE ITS EFFECTIVE PARTICIPATION								

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
Improve access to future bidding opportunities and procurement information: mandate publication of the procurement plan.	Improve access to bidding opportunities and procurement information through a unique PP portal: Improve UFSA website to serve as a unique portal for PP information with links to UGEAs portals and build UGEA capability to publish/upload. UFSA to hire IT specialist(s). Acquire related IT equipment.		UFSA	UGEAs and private sector	ST/MT	Increased competition and potential cost savings for the public sector, greater transparency and private sector development	Lower competition, higher prices, inefficiency in the PP process and potential increase in corruption.	High
Simplify bid submission procedures: Simplify bid security guarantees for goods and works and services and waive them for consultants. Monitor reasonability of bidding documents prices.	Simplify the bid submission procedures to cutdown costs for bidders: (i) provide support to bidders for <i>Cadastro</i> registration at the provincial level though the		UFSA	UGEAs and private sector	ST/MT	Increased competition and potential cost savings for the public sector.	Inefficiency in the PP process, waste of resources and potential increase in corruption.	High

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
	Provincial MEF Departments; (ii) enable documentary on-line verification by UFSA and UGEAs for <i>Cadastral</i> Registration/updates.							
Remove provisions for foreign bidders to have local representation.			UFSA		MT	Increased competition and technological/know-how transfer.	Reduced competition and higher prices	Medium
	Private sector capacity: Develop training modules (including on-line) for private sector in collaboration with the Professional Associations and Education Institutes. Prepare specific modules for MSMEs for the methods dedicated to MSMEs. Develop the Q&A platform for	Roll out the training.	UFSA	Education Institutes and private sector associations.	ST/MT	Increased competition and valid bids	High number of unresponsive bids. Inefficient PP.	High

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
	participants in the PP process,							
	Address payment issues. Strengthen linkage procurement budget planning and commitment control mechanisms and oversight.		MEF	Ministries/Departments/Agencies	ST/MT MPE roll out	Ensure timely payments to support the financial health of private sector companies and their interest to participated in PP.	Increases the financial risk for the private sector and reduces its interest to participate in PP with impact on competition, prices and private sector own development.	High
	Enforce Contract penalties for delays.		MEF/UFSA	UGEAs	ST	Ditto	Ditto	Ditto
	Identify the impediments to the effective enforcement of non-judicial dispute resolution		UFSA	UGEAs private sector	ST/MT	Increases confidence of the private sector in PP systems and saves time and money.	Lower competition, slower results.	Ditto

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
	mechanism and possible remedies.							
.	Monitor the effectiveness of MSMEs participation and how they benefit from the preferences built into the <i>Reglamento</i> .		UFSA	IPEME/APEME	ST/Reg.	Evaluation of the design and implementation of the policy to support MSMEs in order to optimize it and its application.	Lack of tools to evaluate the effectiveness of the preferential policy for MSMEs.	Medium
		Complaint mechanism Identify an independent administrative body to review complaints. Simplify the complaint mechanism by merging step 1 and 2 (that take place at the same admin. Level). Remove the	MEF	UFSA/ Competent Authorities/ UGEAs	MT	Increase private sector confidence to participate in PP, improve integrity.	Low trust in the PP system and weak competition. Ineffective use of one tool that can help support integrity in procurement.	High

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
		complaint filing tax.						
STRATEGIC OBJECTIVE # 5: STRENGTHEN OVERSIGHT AND BOOST INTEGRITY IN PUBLIC PROCUREMENT								
Oversight agencies collaboration Strengthen collaboration UFGA/IGF/TA State/ Provincial Inspectorates for mutual reliance, planning, cost sharing and harmonized positions in the interpretation of the <i>Reglamento</i> . Strengthen internal controls.	Create a secure and unique database on the Internet to share supervisory / audit information.		UFGA	IGF, TA, sectoral and provincial Inspections etc.	ST/MT	More effective control of PP, through streamlining of supervisory and audit resources, harmonization of approaches and exchange of information.	Inefficient, fragmented and costly control of PP.	High

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
Step up the risk-based approach for procurement oversight by establishing risk based prior-review thresholds and more delegation of authority within Ministries/Departments /Agencies.			MEF/UFGA	Ministries/D eapartments/ Agencies	ST/MT	More effective controls.	Inefficient procurement and oversight.	Medium
	Procurement training module for auditors and inspectors.	Roll out the training program for all oversight agencies.	UFGA	IGF, TA, sectoral and provincial Inspections etc.	ST	More effective and consistent PP oversight.	Inefficient oversight with inconsistent interpretation of the <i>Reglamento</i> among various oversight agencies.	High
	Holding of information sessions for other supervisory entities: district and provincial assemblies, civil society organization.		UFGA	District and provincial Assemblies, and civil society organization s	ST/MT	Strengthening social control institutions	Inefficient of social control.	Medium

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
Debarment mechanism Publish complementary regulations on debarment to ensure due process clarifying that UFSA is a sole debarment authority.			UFSA	UGEAs	ST	Increased transparency and discipline in debarment process.	Lack of private sector confidence in the debarment process with impact on their participation in PP.	High
Consistently apply sanctions for violation of integrity requirements in PP (including by the civil servants) and publicize them.			TA, PGR, UFSA	UGEAs, private sector, civil society	Reg.	Provide evidence that laws are enforced and there is no tolerance for violating the integrity laws.	Undermines confidence of the private sector, civil society in the system and its capacity to enforce and sanction unwanted behaviour and perpetuates people acting with impunity.	

Funding Scenarios			Entity Responsible	Entities involved	Timing	Benefits	Impact of non-execution	Level of Risk
Options under current funding level	Low case scenario	High case scenario						
Collaboration between UFSA with other integrity agencies (CGR, GCCC, TA) to share information and collect procurement specific statistics.	Preparation and dissemination of an informative brochure on the institutions responsible for receiving complaints, with contact information and procedures for reporting. Prepare a Handbook, with procedures for reporting unethical and illegal conduct in public procurement. Inclusion in the training program of a module dealing with integrity in PP.		UFSA/PGR/G CCC/TA	Ditto	ST/MT	Increasing the impact of integrity supervisory and control activities. Better understanding by citizens of how to proceed to file complaints	Inefficiency of social control.	High
Evaluate the scope of the PGR inspection.			PGR		ST	Identify the scope of the prior review by PGR and TA to avoid duplication.	Increases the lead time for procurement without clear benefits.	High

¹ ST: Short term; MT: Medium term; LT: Long Term; IMMID: immediate; REG: Regularly; Recommendations may include multiple activities that span more than one timeline.

Annex 2: Stakeholder Mapping and Representatives Interviewed

Type of function or institution	Name of Institution	Representatives
Authority in charge of the assessment (typically the regulatory authority, ministry, or center of government)	Ministry of Economy and Finance (Ministerio da Economia e <i>Finanças</i> MEF)/ Functional Unit for Procurement Supervision (<i>Unidade Funcional de Supervisão das Aquisições – UFSA</i>)	Albertina Fruquia Fumane and team of experts: Helena Francisco Irmantina M. Dias Manuel Guioche Samuel Rututo
Institution in charge of the normative/regulatory function for public procurement	MEF/UFSA	Albertina Fruquia Fumane and team
Administrative/judicial review (appeals) body for procurement	Ministries, Provincial Governors (administrative level appeal) <i>Tribunal Administrativo</i> (Section for Disputes/ <i>Contencioso</i>)	Judge José Luís Cardoso, Head of the Section for Disputes
Selected number of procuring entities including state owned enterprises	Ministry of Health (<i>Ministério da Saúde</i>) Ministry of Education (<i>Ministério da Educação</i>) Municipal Council of Maputo (<i>Conselho Municipal de Maputo</i>). State Owned Equity Holding Management Institute (Instituto de <i>Gestão das Participações do Estado-IGEPE</i>)	Zacarias Castigo Zindoga, Permanent Secretary Jose Seiuane Junior, Permanent Secretary Fernando Ngonhamo, Department Chief UGEA Jacinto Uqueio, Managing Director Shareholdings Management/Control

Type of function or institution	Name of Institution	Representatives
	Other procurement units: See Annex Procurement entities/UGEAs surveyed.	
Centralized procurement body	N/A	N/A
Authorities responsible for budgeting, payment and financial procedures	Ministry of Economy and Finance (<i>Ministério da Economia e Finanças</i>)	Domingos Lambo, Permanent Secretary
e-procurement/ PFM IT systems	Center for Development of the Finance - Information Systems (<i>Centro de Desenvolvimento de Sistemas de Informação de Finanças – CEDSIF</i>)	Marcelino Chemane, Project Manager Anilda Gaide Manhique, Milton Saranga, Androk Albino, Experts
Authorities in charge of internal and external controls and audits	<i>Tribunal Administrativo</i> • Audit • Prior review/Visto General Inspectorate of Finance (<i>Inspecção Geral de Finanças-IGF</i>) General Inspectorate for State Administration (<i>Inspecção-Geral da Administração Estado -IGAE</i>). Administrative Court	Ivan Jorge Pedro Estajo, Deputy General Accountant Altenor Osvaldo, Accountant Alberto Bata, Chief Accountant Mercia Macuacua, Chief Accountant Maria Nelita Mandava Director Emanuel Mabumo, Deputy Inspector Augusto Mangove General Inspector Denise Nurmahomed, Audit Director
Anti-corruption agencies	General Attorney Office (<i>Procuradoria Geral da República - PGR</i>) The Central Anti-Corruption Agency (<i>Gabinete Central do Combate à Corrupção – GCCC</i>)	Roberto Machava, Division Chief Muthiasse Tivane, Coordinator Florencia Panguane, DAF

Type of function or institution	Name of Institution	Representatives
Competition bodies, e.g. Competition Commission	N/A	N/A
Authority responsible for Public Private Partnerships	MEF – Treasury (<i>Tresoreria</i>)	Luis Matsinhe, Head of <i>Tutela Financeira</i> for PPP
Arbitration Body	Center of Arbitration, Concilation and mediation (<i>Centro de Arbitragem, Conciliação e Mediação- CACM</i>).	Ilka Collinson, Finance Manager
Public Service	Ministry of State Administration and Public Function (<i>Ministerio da Administração Estatal e Função Publica -MAEFP</i>)	Grilo Lubrino, National Director <i>DEGRH</i>
State Owned Company (parastatal)	Ports and Railways of Mozambique (<i>Portos e Caminhos de Ferro de Moçambique- CFM</i>).	Aboobacar Mussa, Advisor to the Board/Head of Procurement
Training institutions	Training Institute for Public Administration (<i>Instituto de Formação e Administração Pública- IFAPA</i>).	Iveth Cassamo, Deputy Director for Training
Procurement professional body	APROCUR	Luis Loforte, President (LL) Candido Ramalho, Director (CR)
Representatives of private sector	Association of Mozambique Consulting Companies (<i>Associação Empresas Moçambicana de Consultoria</i>) Mozambique Federation of Contractors (<i>Federação Moçambicana Empreiteiros</i>) Confederation of Economic Associations of Mozambique (<i>Confederação das Associações Económicas De Mocambique - CTA</i>) Association of Small and Medium Enterprises (<i>Associação de Pequenas e Medias Empresas - APME</i>).	Bruno Vedor, President Bento Machaila, Vice President Zuneid Karim, President for Social Communication Jose Ngale, Assistant Maguizelane Simão Inocência Paulino

Type of function or institution	Name of Institution	Representatives
Representatives of civil society	Center of Public Integrity (<i>Centro de Integridade Pública – CIP</i>). Mozambique Debt Group (<i>Grupo Mocambicano da Dívida’ – GMD</i>).	Edson Cortez, Director Egas Daniel, Monitoring and Evaluation officer
International partners engaged in procurement/PF in the country	EU, DFID, GIZ, AfDB, IMF, GAC, USAID, Swiss Embassy, ENABEL, DGCS ¹ , Norwegian Embassy	Anouk Rutter, DFID Laura Noris, DFID Sandra Mussagy, DFID Katharine Huebner, GIZ Els Berghan, EU Geert Anckaert, EU Esther Palacio, IMF Telma Loforte, Swiss Embassy Conrado Garcia, USAID Lourenço Manganhela, USAID Miguel Rombe, GAC (Canada) Herminio Malate, AfDB Stefano Marmosato, Italian Cooperation Lars Ekman, Embaixada da Noruega Damiano Stella, ENABEL

¹ See acronyms page of the Main Report for the Development Partners’ acronyms.

Annex 3: UGEAs Interviewed

No âmbito da implementação das actividades de Avaliação do Sistema de Contratações Públicas em Moçambique, recorrendo a metodologia do MAPS II, realizou-se de 02 a 22 de Abril, 2019 visitas às UGEAs de nível Central da Cidade de Maputo As part of the implementation of the Public Procurement System Assessment activities in Mozambique, using the MAPS II methodology, visits were carried out from the 2nd to the 22nd of April 2019 to the UGEAs at the Central level of the City of Maputo.

UGEA	Date	Time	Participants
Secretaria do Governo da Cidade de Maputo	04.04.19	9H00	- Fernando Correia –Chefe do Departamento Admin. e R.Humanos - Crimildo Novela – Chefe da UGEA - Arminda Pedro –Tecnica - Elísio Alfredo –Técnico - Mirco Momade - Tecnico - Manuel da Silva - Tecnico
Universidade Eduardo Mondlane	10.04.19	09H00	- Dulce Faide Tembe – Chefe da UGEA - Nelson Gujamo – Tecnico
Hospital Central Maputo	11.04.19	9H00	- Maria de Lurdes – Chefe da UGEA - Emerson Guilande – Tecnico - Domingos Mondlane – Tecnico
CMAM Central Medica e Artigos Médicos	11.04.19	14H00	- Manuel Sambo – Chefe da UGEA - António dos Santos
MOPHRH Ministério das Obras Públicas, Habitação e Recursos Hídricos	12.04.19	9H00	- Rogerio Batine – Chefe da UGEA
Conselho Municipal da Cidade de Maputo	16.04.19	9H00	- Osumane Narcy – Director de Planificação e Finança - Fernando Ngonhamo – Chefe da UGEA / DA
Ministério da Economia e Finanças	17.04.19	9H00	- Claudina Cassamo – Chefe da UGEA - Mércia Matavel – Tecnica - Arsénio Langa – Técnico
Fundo Nacional de Desenvolvimento Sustentável	18.04.19	9H00	- Edna Simbine – Chefe da UGEA
Ministério da Agricultura e Segurança Alimentar (MASA)	22.04.19	8H30	- Hermenegilda Mulungo – Chefe da UGEA / DA
MINED- Ministério de Educacao e Desenvolvimento Humano	16.04.19	8H00	- Diniz Machado – Chefe da UGEA - Luiz William Tecnico
MTC- Ministério de Transportes e Comunicaciones	17.04.19	14H00	- Celia Mucarro Tecnica - Alexandruna Machava - Tecnica
MISAU- Ministério da Saude	19.04.19	8H30	- Miguel Vilanculo – Chefe da UEA - Joao Mata- Tecnico - Filomena Macadja, Advocado
MITADER- Ministério da Terra Ambiente e Desenvolvimento Rural	18.04.19	8H30	- Mica Salvador Bila- Chefe de DA - Claudio Jorge Marques – Chefe de departamento de Bens e Servicos.

Estiveram envolvidos na Avaliação:

- *Augusto Macie – Consultor Nacional – MAPS*
- *Jean Paul – GIZ*
- *Marco Ozorio - Consultor*
- *Manuel Guioche – Técnico MEF – DNPE – UFSA*

Samuel Rututo - Técnico MEF – DNPE – UFSA

PROVÍNCIA DE MAPUTO

No âmbito da implementação das actividades de Avaliação do Sistema de Contratações Públicas em Moçambique, recorrendo a metodologia do MAPS II, realizou-se no dia 14 de Março de 2019, visita à UGEA do Distrito da Manhiça e ao Conselho Autárquico da Manhiça.

As part of the implementation of the Public Procurement System Assessment activities in Mozambique, using the MAPS II methodology, on March 14, 2019, a visit was made to the Manhiça District UGEA and the Manhiça Municipal Council.

UGEA	Date	Time	Participants
Secretaria do Governo do Distrito da Manhiça	14 de Março	9H00	- Jacinto- Técnico - Enoque Fernando –Técnico - Abelina Joaquim –Tecnica - Vânia Quiteria –Técnico
Conselho Autárquico da Vila da Manhiça	14 de Março	12H00	- Bento Macamo –Responsável da UGEA
Provincial Secretary of Maputo Prov.	13/03/19	9h – 11h30	- Aimerque – Chefe da UGEA

Estiveram envolvidos na Avaliação:

- *Augusto Macie – Consultor Nacional – MAPS*
- *Jean-Paul Vermeulen, Expert GIZ*
- *Manuel Guioche – Técnico MEF – DNPE – UFSA*

PROVÍNCIA DE NAMPULA –

No âmbito da implementação das actividades de Avaliação do Sistema de Contratações Públicas em Moçambique, recorrendo a metodologia do MAPS II, realizou-se no período de 04 a 06 de Março de 2019, visita às UGEAS das instituições abaixo indicadas:

As part of the implementation of the Public Procurement System Assessment activities in Mozambique, using the MAPS II methodology, from March 4th to 6th, 2019, a visit was made to the UGEAS of the institutions listed below:

UGEA	Date	Time	Participants
Secretaria do Governo da Província	04 de Março	9H00	- Soares - Responsável da UGEA - Pacimeta –Técnico - Eduarda –Tecnica - Caetano –Técnico
DPOPHRH	04 de Março	12H00	- Óscar Namale –Responsável da UGEA
Secretaria do Distrito de Rapale	05 de Março	9H00	- Felizberta Joaquim – Secretaria Permanente - João Rodrigues Sabonete –Responsável UGEA - Celso António Celiane –Técnico - Luis José –Técnico – Repartição Finanças
Conselho Autárquico da Cidade de Nampula	05 de Março	13H00	- Maria Manuela –Assistente Tecnica - Leia Adriano –Assistente Tecnica - Cláudio José –Técnico - Goi Calado –Técnico - Ana Meguila –Tecnica - Ali Juma Ali –Técnico
Secretaria do Distrito de Ribaué	06 de Março	9H30	- Helena Alfredo - Edrisio Munguambe –Benésio -
Conselho Autárquico da Vila de Ribaué	06 de Março	11H00	- Muterruwa – 846256799 – Novo responsável pela UGEA

Estiveram envolvidos na Avaliação:

- Augusto Macie – Consultor Nacional – MAPS
- Manuel Guioche – Técnico MEF – DNPE - UFSA

- PROVÍNCIA DE SOFALA -

No âmbito da implementação das actividades de Avaliação do Sistema de Contratações Públicas em Moçambique, recorrendo a metodologia do MAPS II, realizou-se no período de 04 a 06 de Março de 2019, visita às UGEAS das instituições abaixo indicadas:

As part of the implementation of the Public Procurement System Assessment activities in Mozambique, using the MAPS II methodology, from March 4th to 6th, 2019, a visit was made to the UGEAS of the institutions listed below:

UGEA	Date	Time	Participants
Governor's Office Sofala	4/03/19	8h30 – 10h30	- Canisio Ansenio de Almeida Santos – Chefe da UGEA
Municipal Council Beira	4/03/19	11h – 13h30	- Joaquim Filipe Simao – Chefe da UGEA
District Gov. Dondo	5/03/19	9h-11h	- Judith Joaquim – Chefe da UGEA
Municipality of Dondo	5/03/19	11h – 13h30	- Valentim Luis Machado – Chefe da UGEA - Almeida Chcumbe – UGEA member (construction) - Chica Ernesta – UGEA member (goods)
District Gov. Nhamatanda	6/03/19	9h30 – 11h30	- Skami Ugenho Joaquim Domingo – Chefe da UGEA - Isabela Francisca – UGEA member
Municipality of Nhamatanda	6/03/19	11h30 – 13h30	- Mikaela da Conceicao – Chefe da UGEA
Municipality of Matola	11/03/19	9h – 11h30	- Isolda Yanda Manuela – Chefe da UGEA

Estiveram envolvidos na Avaliação:

Jean-Paul Vermeulen, Especialista GIZ

Samuel Rututo Técnico MEF – DNPE – UFSA

Annex 4: Validation Process Feed-Back

Recommendations/feed- back during the validation workshop and how they have been addressed

Recommendations/feed-back received	How they are captured in the Report
Mozambique is in the process of administrative decentralization and this needs to be factored in the report.	Captured and balanced with the need to aggregate procurement, when appropriate, (at district, provincial and central level) to generate value for money.
The extent to which SOEs and PPPs are part of the assessment, given that they are also procuring entities using (entirely or partially) public funds.	SOEs sector is captured, albeit in a limited fashion – as it is not the main focus of the report. Given the significant public resources spent for procurement in the areas of SOEs and increasingly in PPP projects, and the new SOE procurement legal framework, it is recommended that follow up procurement assessments focus on SOE and PPP sectors possibly using MAPS Sector and PPP supplementary modules.
Consider identifying “quick wins” and funding scenarios to offer better visibility into the options available in various circumstances.	A series of “Quick wins” were identified in the ES and in the Action Plans. Furthermore, three scenarios were considered in the Detailed Action Plan consistent with different levels of funding.
Consider providing recommendations based on strategic lines rather than by Pillars.	The Pillar approach was used in the assessment (as per the MAPS methodology) however, recommendations were made along strategic lines in the Action Plans and ES.
INSTITUTIONAL CAPACITY	
UFSA does not have sufficient means (HR and financial) necessary to carry out its function. Therefore, UFSA activity is more focused on solving specific issues (“fire-fighting”) than on supervising the operation of the public procurement systems.	Captured as a priority.
UGEAs personnel is not qualified and there is no career path. Non – professionalization of staff allows for lax ethical standards and high turn-over of UGEA staff	Professionalizing the technical staff in UGEAs was recommended as MT/LT solution – in the short-term it was recommended for UFSA to carry on the accreditation/certification of procurement staff that may yield quicker results.

Recommendations/feed-back received	How they are captured in the Report
UGEAs capacity needs to be built and introduce more specialization consistent with the scope of procurement of each UGEA. Training should be more “hands-on” and weak areas to be addressed are contract management and consultants’ selection. Allow cross support among agencies and hiring outside expertise on a need basis.	The Report suitably captures the recommendations made.
Managers are not familiar with <i>Reglamento</i> and may make unreasonable requests.	UFSA to build capacity not only of UGEA practitioners but also management to understand the PP requirements and also to support the broader PP agenda.
UGEAs procurement planning is rather weak and often it is completed at the end of the first quarter of the budget year.	Addressed - also as part of the broader PFM agenda.
Weak integration of interests of various participants to Public Procurement.	Addressed – UFSA to create fora to bring together PP stakeholders.
OPERATIONAL	
All procurement is treated equally regardless of amount and risk with similar bureaucratic requirements.	The Report recommends the adoption of a strategic view of procurement based on risk.
There should be rules of what needs to be published and procured individually what can be procured through framework contracts. For example: drugs, textbooks, recurrent procurement.	The Report includes recommendations to make procurement more efficient including through strategic planning and framework contracts/e-catalogues and training of practitioners to implement.

Recommendations/feed-back received	How they are captured in the Report
Highly inefficient to sign individual contracts for operating cost procurement (hotels, travel, fuel purchase from gas station, conferences). There are contracts of 1500 MT (35 \$).	A threshold is recommended.
Advertising of opportunities and awards and all phases of the bidding process in newspapers is very expensive – could be based on thresholds. Advertising contracts (procurement and contract award) below 50k M (about USD 1000) is a waste of money as the cost of publicity is higher than the contract. There is a requirement to publish twice.	Recommendations to make use of cost-effective means allowed under <i>Reglamento</i> including online and “bulletin board”/edital publicity, as appropriate. Make some adjustments to better balance transparency and cost when revising the <i>Reglamento</i> .
Cost of bidding for private sector increased by: <i>Cadastral</i> registration has its complexities for ex. because of different validities for different documentary requirements. Expensive bid securities and guarantees relative to the amount of the contract. Sometimes bidding documents are highly priced.	Streamlining <i>Cadastral</i> registration – and develop linkages with other Gov. systems: Taxes, Social Security, INE, Bankruptcy register. Support private sector with the <i>Cadastral</i> registration including at the decentralized level. Wave bid/performance security/ guarantees for consultants; offer the option to replace the Bid Securities for goods, works and services (issued by banks or insurance companies) with Bid Security Declarations to eliminate the associated cost. UFSA to continue monitoring the price of bidding documents.
Excessive numbers of authorizations to procure both in MPE and in non-MPE processes. Low MPE profile for UGEA staff.	UFSA/CEDSIF will address the teething MPE issues identified during the pilot when rolling it out.
Excessive number of UGEAs. UGEAs are not formally established in order not to create additional costs with the UGEA management team.	Addressed, as part of the broader Government initiative to rationalize Spending Units (UGBs). UGEA mapping by UFSA will support this action.
Payment delays weaken private sector and the Gov position as “purchaser”, increase the cost of procurement.	Payment arrears are addressed at the broader PFM policy level. Specific procurement related recommendations were also formulated (e.g. strengthen role of procurement planning and contract monitoring in budget planning and execution, applying delay penalties as per the <i>Reglamento</i>).

Recommendations/feed-back received	How they are captured in the Report
OVERSIGHT	
Increase prior review thresholds to reduce the lead time for procurement and the transaction cost (now all contracts are subject to review by TA: post or prior: above 5 mil Met. are subject to VISTO (process check prior to contract signature; and those below are subject to “ <i>anotacao</i> ”, post review. Introduce thresholds for delegating authority depending on the budget spent.	Comment addressed - to promote risk-based approach - to reassess review/delegation thresholds based on capacity/risk.
Complaints mechanism is not much used. The present system pits the complainant against the Government. An independent arbitrator would better manage the relationship Create a technical procurement body able to respond to complaints with the deadlines established (30 days). UFSA can assume the role of an independent body to handle complaints. Alternatively, could be an annex to the <i>Tribunal Administrativo – Orgao Colegial</i> - but with no judicial role.	Recommendation is made to create an independent administrative procurement appeal body but stops short of making specific recommendations as to its <i>locus</i> . This determination should be part of a debate to ensure this body’s independence, appropriate expertise and funding. The agency should be free of conflict interest. Ideally should be in an existing agency to minimize costs.
Role of PGR in the prior review process is not clear. Seems to have the same function as TA.	Addressed: assess the scope as compared with other prior review bodies (e.g. TA).

Annex 5: UGEA Survey Results Procurement Process : Compliance

Item	Requirements	Province Sofala	Province Nampula	Province Maputo	Central UGEAs	Overall
		Compliance %	Compliance %	Compliance %	Compliance %	Compliance %
	Contracts value -thous. MZM	102,515.0	45,130.5	73,315.4	864,133.8	1,085,094.7
	Total contracts	18	24	10	58	110
1	<i>Verificar se existe uma confirmação de Cabimento de Verba previa à contratação.</i> Check if there is a confirmation of budget line before procurement is launched.	89%	100%	90%	84%	88%
2	<i>Verificar se existe uma solicitação de autorização para lançamento de Concurso.</i> Check if there is a request to authorize the procurement process.	100%	80%	100%	95%	92%
3	<i>Verificar se existe uma designação do Júri.</i> Check if the Evaluation committee is established.	89%	52%	80%	91%	81%
4	<i>Verificar se a UGEA utilizou os documentos tipo de contratação.</i> Check if the standard procurement documents were used.	83%	52%	80%	93%	81%
5	<i>Verificar se as condições contratuais padrão são parte integrante dos documentos do concurso e disponibilizadas aos participantes nos procedimentos de contratação.</i> Check if the standard contracts conditions are part of the procurement documents made available to bidders.	78%	48%	80%	97%	81%
6	<i>Verificar se a modalidade de contratação foi escolhida, documentada e justificada de acordo com a finalidade e em conformidade com o quadro legal.</i>	44%	64%	60%	84%	71%

Item	Requirements	Province Sofala	Province Nampula	Province Maputo	Central UGEAs	Overall
		Compliance %	Compliance %	Compliance %	Compliance %	Compliance %
	Check if the procurement method was documented and justified as per the legal requirements.					
7	<i>Verificar se existe anúncio de Concurso de acordo com a legislação.</i> Check if there is a tender notification as per legal requirements.	89%	56%	70%	81%	75%
8	Verificar se o anuncio de concurso foi enviado para a UFSA. Check if the tender notification was sent to UFSA.	50%	0%	0%	66%	42%
9	<i>Verificar se os procedimentos para apresentação, recebimento e abertura de propostas estão claramente descritos nos documentos do concurso.</i> Check if the procedures for bid submission and opening are clearly described in the procurement documents.	72%	56%	90%	78%	72%
10	<i>Verificar se os procedimentos para recepção e abertura de propostas foram cumpridos.</i> Check if the procedures for bid submission/opening were complied with	72%	60%	100%	84%	78%
11	<i>Verificar se existe uma acta da sessão de abertura das propostas.</i> Check if there are minutes for bid opening.	89%	56%	100%	86%	81%
12	<i>Verificar se existe um relatório de avaliação de concurso de acordo com o decreto 5/2016.</i> Check if there is an evaluation report as per legal requirements.	78%	72%	80%	84%	80%
13	<i>Verificar se existe uma recomendação de decisão de adjudicação pelo Júri.</i> Check if there is an award recommendation of the Evaluation Committee.	100%	84%	90%	93%	91%

Item	Requirements	Province Sofala	Province Nampula	Province Maputo	Central UGEAs	Overall
		Compliance %	Compliance %	Compliance %	Compliance %	Compliance %
14	<i>Verificar se existe uma notificação de adjudicação.</i> Check if there is an award notification.	83%	72%	100%	93%	87%
15	<i>Verificar se existe reclamações e respostas (caso exista).</i> Check if there are complaints and if there is a response	0%	0%	0%	24%	13%
16	<i>Verificar se existe um anúncio de adjudicação.</i> Check if the award is published.	94%	68%	70%	86%	81%
17	<i>Verificar se foi apresentada uma garantia definitiva.</i> Check if a guarantee was submitted.	61%	36%	50%	86%	67%
18	<i>Verificar se existe uma declaração comprovativa da capacidade do adjudicatário.</i> Check if there is a declaration of the awardee.	94%	16%	10%	81%	62%
19	<i>Verificar se existe Certidões dos Requisitos de Qualificação Jurídica ou Cadastro Único.</i> Check if there are documents confirming the legal qualification or <i>Cadastro</i> registration.	100%	68%	100%	91%	88%
20	<i>Verificar se existe Certidões de Qualificação Económico-financeira ou Cadastro Único.</i> Check if there are documents supporting the economic financial qualifications or <i>Cadastro</i> registration.	94%	52%	100%	98%	87%
21	<i>Verificar se existe Certidões de Qualificação Técnica.</i> Check if there are documents supporting the technical qualification.	100%	52%	100%	97%	87%
22	<i>Verificar se existe Certidão de Quitação Fiscal.</i> Check if there are documents supporting the tax compliance.	100%	52%	100%	98%	88%
23	<i>Verificar se existe declaração do Sistema Nacional de Segurança Social.</i> Check if there are documents supporting the social security compliance requirements.	100%	52%	100%	98%	88%

Item	Requirements	Province Sofala	Province Nampula	Province Maputo	Central UGEAs	Overall
		Compliance %	Compliance %	Compliance %	Compliance %	Compliance %
24	<i>Verificar o Contracto segue os padrões do Contrato-tipo.</i> Check if the contract follows the standard format.	100%	64%	100%	98%	90%
25	<i>Verificar se existe uma reconfirmação do Cabimento de Verba.</i> Check if the budget appropriation is confirmed.	50%	32%	30%	47%	42%
26	<i>Verificar se o contrato foi visado ou anotado.</i> Check if the contract was prior/post reviewed.	100%	68%	100%	88%	86%
27	<i>Verificar se os procedimentos de inspecção, controle de qualidade, supervisão do trabalho e aceitação final dos produtos foram cumpridos.</i> Check if the quality control, supervision of works , and final acceptance were carried out.	6%	16%	40%	28%	22%
28	<i>Verificar se o processamento das facturas seguiu os procedimentos legais, em particular a certificação das facturas pela fiscalização no caso de empreitada de obras públicas.</i> Check if the invoices were issued and processed consistent with the legal requirements.	6%	76%	40%	50%	47%
29	<i>Verificar se a autorização de pagamentos seguiu os procedimentos legais.</i> Check if the payment authorization was consistent with the legal requirements.	39%	96%	30%	45%	53%
30	<i>Verificar se as alterações do contrato foram revisadas e publicadas em tempo útil.</i> Check if the contract amendments were issues and published as required.	6%	0%	30%	14%	11%

Annex 6: Private Sector Survey Focus Group

This matrix is the result of a consultation with a focus group of 11 private sector representative. The objective was to engage in a conversation to discuss and identify the challenges faced and their level of criticality based on the MAPS survey.

Areas explored		Response options	Response (Yes/No)	%
	Conflict of interest	No conflict of interest		11%
1	In your opinion, there are conflicts of interest in the procurement process related to the regulatory / regulatory body (UFSA) with UGEAs / Suppliers. Please write your opinion	Few conflicts of interest		33%
		obvious conflicts of interest		11%
		many conflicts of interest		45%
2	If so, what kind of conflict? Mark with X the conflicts you face	Lack of clarity about the separation of duties between institutions		6%
		Lack of clarity on employees' responsibilities		34%
		Misuse of official position for advantage and improper personal gain		27%
		Political Affinities of an Employee		27%
		Other: Specify		6%

Areas explored		Response options	Response (Yes/No)	%
3	Does the Government (UFSA) contact private companies to report on changes in the public procurement system, changes in laws, decrees, regulations, etc.? Mark with an X the answer that satisfies	Yes, always		
		Yes, sometimes		22%
		Not often		33%
		Never		45%
4	Do you find it difficult to deal with changes in the structure of the procurement system?	Yes, always		
		Yes, sometimes		89%
		Not often		11%
		Never		
5	Does the current legal framework make access to public contracting costly for your company?	Yes		22%
		Yes, sometimes		56%
		Not often		22%
		Never		
6	Does the Government help you follow the reforms made to the public procurement system?	Yes/No	No	86%
7	Are you aware of the training programs being implemented by the Government (UFSA) for private sector suppliers and for Micro, Small and Medium Enterprises (MSMEs)? [If yes, how?]	Yes/No	No	67%
8	If yes, have you already participated in a program or training or information exchange session?	Yes/No	No	100%
9	If so, who organized it and how effective was it?			various
10	If no, why?			various
	Conditions in the Public Procurement Market			
	Conditions in the Public Procurement Market, the access to finance is facilitated?	Yes/No	No	78%

Areas explored		Response options	Response (Yes/No)	%
	Are the contracting methods proportionate to the risk and value in question?	Yes/No	No	67%
	Is the debarment system / suspension of participation of companies in public tender fair?	Yes/No	No	75%
	Are the procurement rules simple and flexible?	Yes/No	No	67%
	The procurement arrangements help to distribute risk fairly (specifically the risks associated with performance in contracts)	Yes/No	No	100%
	Are the payment terms fair?	Yes/No	No	78%
	Are payment delays recurring?	Yes/No	Yes	90%
	The default interest payment clauses are applied	Yes/No	No	78%
	Is the complaint and hierarchical appeal system effective?	Yes/No	No	100%
	Is the dispute settlement system effective?	Yes/No	No	100%

Annex 7: Private Sector Specific Recommendations

This is a consolidation of the specific recommendations made by the private sector representatives when filing the MAPS survey and also during the Focus group discussion.

Theme	Perception	Recommendation
Integrity	Perceived as high risk.	Combat corruption, bribes, traffic of influence.
		Publicize all processes on an electronic platform.
		Need for a functioning, independent justice system.
		Exemplary punishment and publicity of cases.
		Promote Moral and Ethical Education, mentality change.
		Apply the <i>Reglamento</i> .
Transparency	Could be improved.	Transparency of bidding process: create one platform to publish opportunities and results.
	Information on the evaluation not shared with the bidders. Evaluation subjective.	Evaluation of bids more transparent and objective: develop a standard evaluation report. Make it public.
		Publish the opportunities and the outcomes of the bidding processes as well as the reasons for cancelation on a transparent platform.
		Improvement of UFSA electronic platform.
Efficiency	Weak capacity at UGEA level. High turn-over.	Build capacity and competence at UGEA level.
		Build capacity of private sector.
		Select personnel that is competent and has integrity.
		Strong supervision of UGEAs by UFSA and share the supervision reports.
	Contracts are mandatory for very small values.	Apply minimum values for contracts.
	Payment delays.	Contract must make it clear that they are funded.
	Delays in the procurement process.	Comply with the regulatory deadlines through the bidding process.
		Control execution through the contract implementation results not only at the completion time.
		<i>Reglamento</i> more efficient and less bureaucratic
		Rigorous compliance with contractual clauses

Theme	Perception	Recommendation
Civil society participation -	Not aware of its participation in the public procurement process.	Considers potential civil society participation beneficial as they may bring more transparency to the process.
Complaint system	Generally, do not make use of the complaint mechanism.	100% do not consider it reliable and fair.
		Responses incomplete, vague, if at all, not based on facts. No debriefing.
		Slow inefficient bureaucratic so bidders do not complain.
		Need for independent level of appeal resolution for effective decision making.
Debarred firms-	More clarity required.	The published list of debarred firms does not reflect the real situation (more firms are deemed debarred).
Reform priorities		E procurement; automate the processes: “remove the person from the process”.
		Robust supervision (of whole process, evaluation reviewed by a third party).
		Strong implementing agencies capacity.
		Channels to report unlawful conduct.
		Step up UFSA supervision.

Annex 8: Steering Committee Composition

Name	Position	Agency	Email
Albertina Fruquia Fumane	Director Chair of this committee	UFSA	<albertina.fruquia@gmail.com>
Alberto Nhama Manuel	Division Chief	Tribunal Administrativo	albertonhama@gmail.com
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Annex 9: Background Documents

Public Procurement (PP) Legislation	
Decree No. 5/2016, of March 8 <i>Decreto No. 5/2016, de 8 de Março</i>	Regulations for contracting of civil works, supply of goods and delivery of services to the State <i>Regulamento de Contratação de Empreitada de Obras Públicas, Fornecimento de Bens e Prestação de Serviços ao Estado</i>
Ministerial Diploma No.141/2006, of September 5 <i>Diploma Ministerial No. 141/2006, de 5 de Setembro</i>	Established the National Department for State Assets <i>Estabelece na Direcção do Património do Estado a Unidade Funcional de Supervisão das Aquisições, abreviadamente UFSA</i>
Ministerial Diploma No. 142/2006, of September 5 <i>Diploma Ministerial No. 142/2006, de 5 de Setembro</i>	Approves the Structure model of the Procurement Managing and Executing Units (UGEAs) <i>Aprova o Modelo de estrutura das Unidades Gestoras Executoras das Aquisições, abreviadamente designadas UGEAs.</i>
UFSA Procedure Manual <i>Manual de Procedimentos da UFSA</i>	Procedural Manual for Public Procurement in Mozambique <i>Manual de Procedimentos para Contratação Pública em Moçambique</i>
Joint Diplomas by MEF and sectoral ministries - 2006 <i>Diplomas Conjuntos de Ministros que superintendem as áreas das Finanças, Obras Públicas e Habitação, Indústria e Comércio, Saúde e Educação, aprova os Documentos de Concurso específicos</i>	Standard Bidding Documents – not yet issued <i>Documentos de Concurso Modelos</i>

Ministerial Diploma No. 14/2019 <i>Diploma Ministerial No. 14/2019</i>	Approves the Administrative Procedures for Reverse Auction Approves the administrative procedures and complementary guidelines for the implementation of the Bidding for Reverse Auction for the purchase of goods and contracting services. <i>Aprova os procedimentos administrativos e orientações complementares para a implementação do Concurso por Lances para aquisição de bens e contratação de serviços.</i>
Specialized PP Legislation / Legislação Especializada State Owned Enterprises (SOEs) - Sector Empresarial do Estado (SEE)	
Law No. 6/2016, of February 8 <i>Lei No. 6/2016, de 8 de Fevereiro</i>	Adjusts the legal framework to the needs of the State Enterprise Sector, consistent with Art. 179/1 of the Constitution <i>Havendo necessidade de adequar o regime jurídico das empresas públicas à conjuntura actual e às exigências e prioridades que se colocam ao Estado em matéria de gestão do sector empresarial, ao abrigo do disposto no No. 1 do Artigo 179 da Constituição.</i>
Law No. 3/2018, of June 19 <i>Lei No. 3/2018, de 19 de Junho</i>	Establishes the principles and rules for the applicable to the State Enterprise Sector <i>Estabelece os princípios e regras aplicáveis ao Sector Empresarial de Estado (SEE)</i>
Decree No. 10/2019, of February 26 <i>Decreto No. 10/2019, de 26 de Fevereiro</i>	Approves the regulation of the law 03/2018, of June 19, that establishes the principles and rules for the applicable to the State Enterprise Sector (SOE) <i>Aprova o Regulamento da Lei no. 03/2018, de 19 de Junho que estabelece os princípios e regras aplicáveis ao Sector Empresarial de Estado (SEE)</i>
Specialized PP Legislation / Legislação Especializada das PPPs Public Private Partnerships / Parceria Público Privada	
Law No. 15/2011, of August 10 <i>Lei No. 15/2011, de 10 de Agosto</i>	Establishes the guidelines for contracting, implementing and monitoring of PPP projects, large projects and concessions and revokes certain provisions of the Electricity law (Law No. 21/97)

	<i>Estabelece as normas orientadoras do processo de contratação, implementação e monitoria de empreendimentos de parcerias público-privadas, de projectos de grande dimensão e de concessões empresariais, e revoga algumas disposições da Lei de Electricidade (Lei No. 21/97, de 1 de Outubro)</i>
Decree No. 16/2012, of July 4 <i>Decreto No. 16/2012, de 4 de Julho</i>	Regulations of the law on PPP/Large Projects and entrepreneurial concessions. <i>Regulamento da Lei Sobre Parcerias Público-Privadas, Projectos de Grande Dimensão e Concessões Empresariais</i>
Decree No. 69/2013, of December 20 <i>Decreto No. 69/2013, de 20 de Dezembro</i>	Regulation of PPP and small entrepreneurial concessions <i>Regulamento da Parcerias Público-Privadas e Concessões Empresariais, de Pequena Dimensão</i>
Archive Legislation	
Decree No. 36/2007, of August 27 <i>Decreto No. 36/2007, de 27 de Agosto</i>	Approve the National Systems of the State Archives (SNAE) <i>Aprova Sistema Nacional Da Arquivos do Estado (SNAE)</i>
Annex to above decree <i>Anexo ao Decreto acima</i>	Strategy to manage the documents of the State Archives <i>Estratégia para Gestão de Documentos e Arquivos do Estado</i>
Ministerial Diploma No. 30/2008, of April <i>Diploma Ministerial No. 30/2008, de 30 Abril</i>	Methodology for the elaboration of the classification plans and terms for documents regarding financial activities <i>Metodologia para a Elaboração de Planos de Classificação e Tabelas de Temporalidade de Documentos das Actividades-Financeiras</i>
Ministerial Diploma No. 31/2008, of April 30, <i>Diploma Ministerial No. 31/2008 de 30 Abril</i>	Approves the norms for review and elimination of documents regarding public administration <i>Aprova as Normas de Avaliação e Eliminação de Documentos da Administração Pública</i>
August 2009 <i>Agosto de 2009</i>	Procedural Manual of the National Archive System <i>Manual de Procedimentos do Sistema Nacional de Arquivos do Estado</i>

Decree No. 84/2018 on the National System of the State Archives <i>Decreto No. 84/2018 do Sistema Nacional do Arquivo do Estado</i>	Approves the revision of the National Systems of the State Archives (SNAE) and Revoke Decree No. 36/2007 of August 27 <i>Aprova a Revisão do Sistema Nacional de Arquivos do Estado abreviadamente designado por SNAE e revoga o Decreto No. 36/2007 de 27 de Agosto.</i>
Administrative Tribunal Legislation / Legislação do Tribunal Administrativo	
Law No. 5/92, of May 6 <i>Lei No. 5/92, de 6 de Maio</i>	Approves the Organic Law of the Administrative Tribunal <i>Aprova a Lei Orgânica do Tribunal Administrativo.</i>
Law No. 25/2009, of September <i>Lei No. 25/2009, de 28 Setembro</i>	Approve the Organic Law of the Administrative Jurisdiction <i>Aprova a Lei Orgânica do Jurisdição Administrativa</i>
Decree No. 58/2010, of December 14 <i>Decreto No. 58/2010, de 14 de Dezembro</i>	Approves the Norms for the operation of the Support Services of the Administrative Tribunal and Administrative Tribunals of the Provinces. <i>Aprova as Normas de Funcionamento dos Serviços de Apoio e aos Tribunal Administrativo e Tribunais Administrativos Provinciais.</i>
Law No. 23/2013, of November 1st <i>Lei No. 23/2013, de 1 Novembro de 2013</i>	Regulates the organization, composition and operation of the Superior Council of the Judicial and Administrative Magistrates and revokes Law No. 9/2009 of March 11. <i>Regula a organização, composição e funcionamento do Conselho Superior da Magistratura Judicial Administrativa e revoga a Lei n.º 9/2009, de 11 de Março.</i>
Law No. 24/2013 of November 1st <i>Lei Nr. 24/2013 de 1 de Novembro</i>	Improves the control of the legality of the administrative acts as well as the control of the public expenditures. <i>Concernente ao melhoramento do controlo da legalidade dos actos administrativos, bem como a fiscalização da legalidade das receitas e despesas publicas e revoga a Lei No. 25/2009, de 28 de Setembro.</i>
Law No. 7/2014, of February 28	Regulates the procedures of Administrative Disputes and revokes Law No. 9/2001 of July 7 and the articles 106 and 107 of the Law No. 2/97, of February 18.

<i>Lei No. 7/2014, de 28 de Fevereiro</i>	<i>Regula os procedimentos atinentes ao processo administrativo contencioso, revoga a Lei 9/2001, de 7 de Julho e os artigos 106 e 107 da Lei 2/97, de 18 de Fevereiro.</i>
Law No. 14/2014, of August 14 <i>Lei No. 14/2014, de 14 de Agosto</i>	Regarding the organization, operation and process of the Section of Inspection of the public revenues and expenses, as well as the VISTO (prior-review) of the Administrative Tribunal, Administrative Tribunals of the provinces and the City of Maputo. <i>Concernente à organização, funcionamento e ao processo da Secção de Fiscalização das Receitas e das Despesas Públicas, bem como do Visto do Tribunal Administrativo, Tribunais Administrativos provinciais e da Cidade de Maputo.</i>
Law No. 7/2015, of October 6 <i>Lei No. 7/2015, de 6 de Outubro</i>	Changes and republishes the Law. No. 24/2013, of November 1st that approves the Organic Law for Administrative Jurisdiction <i>Altera e república a Lei No. 24/2013, de 1 de Novembro, que aprova a Lei Orgânica da Jurisdição Administrativa</i>
Law No. 8/2015, of October 6 <i>Lei No. 8/2015, de 6 de Outubro</i>	Changes and republishes the Law. No. 14/2014, of August 14 that approves the law of organization, operation and processes of the Section of Public Accounts of the Administrative Tribunal. <i>Altera e república a Lei No. 14/2014, de 14 de Agosto, que aprova a Lei de Organização Funcionamento e Processo da Secção de Contas Públicas do Tribunal Administrativo.</i>
Arbitration Legislation / Legislação da Arbitragem	
Law No. 11/99, of July 8 <i>Lei Nr. 11/99, de 8 de Julho</i>	Law on Arbitration, Conciliation and Mediation as alternative means of conflict resolution that persons may adopt prior to or as an alternative to submitting their disputes to the judicial power. <i>Lei sobre Arbitragem, Conciliação e Mediação como meios alternativos de resolução de conflitos que as pessoas podem adoptar antes ou como alternativa à submissão de suas disputas ao poder judicial.</i>

Public Administration Legislation : integrity laws, regulations and manuals / Legislação da Administração Pública: leis, regulamentos e manuais de integridade	
Law No. 6/2004, of July 17 <i>Lei No. 6/2004, de 17 de Junho</i>	Introduces supplementary mechanisms to combat corruption <i>Introduz Mecanismos Complementares de Combate a Corrupção</i>
Law No. 7/2012, of February 8 <i>Lei No. 7/2012 de 8 de Fevereiro</i>	Approves the law of organization and operation of the Public Administration <i>Aprova a Lei de Base de Organização e Funcionamento da Administração Publica</i>
Law No. 15/2012, of August 14 <i>Lei. No. 15/2012, de 14 de Agosto</i>	Law on whistleblower protection <i>Estabelece mecanismos de protecção dos direitos e interesses das vitimas, denunciante, testemunhas, declarantes ao peritos em processo penal, e cria o Gabinete Central de Protecção da Vitima.</i>
Law No. 16/2012, of August 14 <i>Lei No. 16/2012, de 14 de Agosto</i>	Law on Public Probity <i>Lei de Probidade Publica</i>
Lei No. 34/2014, of December 31 <i>Lei Nno. 34/ 2014, de 31 de Dezembro</i>	Law on the right to information <i>Lei do Direito a Informação</i>
Law No. 4/2017, of January 18 <i>Lei No.4/2017, de 18 de Janeiro</i>	Organic law of the Public Ministry that approves the Statute of the Magistrates in the Public Ministry (PGR) <i>Altera a Lei No. 22/2007, de 1 de Agosto, Lei Orgânica do Ministério Publico e que aprova o Estatuto do Magistrados do Ministério Publico e revoga as Leis No. 22/2007, de 1 de Agosto, 8/2009, de 11 de Marco e 14/2012, de 8 de Fevereiro</i>
Law No. 10/2017, of August 1st <i>Lei No. 10/2017, de 1 de Agosto</i>	General Statute of the Public servants and agents <i>Estatuto Geral dos Funcionários Agente de Estado (EGFAE)</i>

Ministry of State Administration and Public Function - 2017 <i>Ministério da Administração Estatal e Função Pública – 2017</i>	Procedural Guide for maintaining discipline in Public Administration in Mozambique <i>Guia do Procedimento Disciplinar na Administração Publica Moçambicana</i>
Ministry of State Administration and Public Function – 2017 <i>Ministério da Administração Estatal e Função Pública 2017</i>	Manual for control of the public administration – guide for inspectors <i>Manual de Procedimentos de Actividade de Fiscalização e Inspeção da Administração Publica e Guião do Inspector</i>
Public Ministry Central Cabinet of Combatting Corruption January 2018 <i>Ministério Publico</i> <i>Gabinete Central de Combate a Corrupção Janeiro de 2018</i>	Strategic Plan for the Central Cabinet of Combatting Corruption Plano Estratégico do Gabinete Central de Combate a Corrupção 2018-2022
Electronic Transaction Legislation / Legislação de Transações Electrónicas	
Law Nr. 03/2017, of January 9 <i>Lei Nr. 03/2017, de 9 de Janeiro</i>	Law of Electronic Transaction Lei das Transações Electrónicas
Public Financial Management Legislation / Legislação da Gestão de Finanças Publicas	
Law No. 09/2002, of February 12 <i>Lei No. 09/2002, de 12 de Fevereiro</i>	Law for the creation of the Public Financial Management System (PFM) Sistema da Administração Financeira Do Estado (SISTAFE) <i>Cria o Sistema de Administração Financeira do Estado (SISTAFE).</i>
Decree No. 23/2004 <i>Decreto No. 23/2004</i>	Approves the SISTAFE Regulations Aprova o Regulamento do Sistema de Administração Financeira do Estado - SISTAFE

Country Economic and Strategic Papers / Papel Económico e Estratégicos do País	
República de Moçambique <i>Aprovada na 4ª Sessão Ordinária do Conselho de Ministros</i>	<i>Proposta do Programa Quinquenal do Governo 2015-2019</i>
World Bank Group, June 2016 <i>Grupo Banco Mundial, Junho 2016</i>	Systematic Country Diagnostic <i>Diagnóstico Sistemático do País</i>
World Bank Group, March 30, 2017 <i>Grupo Banco Mundial, 30 de Março, 2017</i>	Country Partnership Framework for the Republic of Mozambique for the period FY 17-FY 21 <i>Quadro de Parceria do País para a República de Moçambique para o período de 17 a 21 de Fevereiro</i>
IMF, March 26, 2019 <i>FMI, 26 de Março de 2019</i>	IMF Staff Completes 2019 Article IV Consultation Mission to Mozambique <i>Funcionários do FMI completam em 2019 a Missão de Consulta do Artigo IV a Moçambique</i>
IMF, March 2018 <i>FMI, Março de 2018</i>	2017 Article IV Consultation—Press Release Staff Report and Statement the Executive Director for the Republic of Mozambique <i>2017 Artigo IV Consulta – Comunicado de imprensa;</i> <i>Relatório do pessoal e declaração do Executivo Director da República de Moçambique</i>
Public Financial Management Documents / Documentos da Gestão Pública Financeira	
SIPU International Swedish Institute for Public Administration January 2014	Study on the Audit and Control System in Mozambique

<i>SIPU International</i> <i>Instituto Sueco de Administração Pública, Janeiro de 2014</i>	<i>Estudo sobre o Sistema de Controlo e Auditoria em Moçambique</i>
GIZ, March 2014 <i>GIZ, Março de 2014</i>	Study on the impact of the internal and external controls in the districts <i>Estudo sobre o impacto do exercício do controlo interno e externo nos distritos</i>
PEFA Secretariat- January 14, 2016 <i>Secretariado do PEFA - 14 de Janeiro de 2016</i>	PEFA Assessment of PUBLIC Finance Management 2015/ Avaliação do PEFA de Gestão Financeira PÚBLICA 2015
World Bank Macroeconomics and Fiscal Management August 11, 2016 <i>Macroeconomia e Gestão Fiscal do Banco Mundial 11 de Agosto de 2016</i>	Assessing the Fiscal Risk from Public Corporation Sector / Avaliando o Risco Fiscal do Sector de Empresas Públicas
Ministry of Economy and Finance, Nov.2016 <i>Ministério da Economia e Finanças, Nov.2016</i>	Strategic Plan of Public Finances 2016-2019 <i>Plano Estratégico das Finanças Publicas 2016-2019</i>
Ministry of Economy and Finance (DNPE) - presentation, 2017 <i>Ministério da Economia e Finanças (DNPE) - representação, 2017</i>	E-Procurement in Mozambique <i>E-Procurement em Moçambique</i>
Ministry of Economy and Finance (DNPE) presentation, February 2017 <i>Apresentação do Ministério da Economia e Finanças (DNPE), fevereiro de 2017</i>	Module of Administration of State Assets <i>Modulo de Administração do Património do Estado (MPE), Incorporação por Via Directa</i>
IMF Fiscal Affairs Department Technical Assistance Report,	Mozambique Regaining Control over Budget Execution

April 2018	
IMF Fiscal Affairs Department Technical Assistance Report March 2019 <i>Relatório de Assistência Técnica,</i> <i>Departamento de Assuntos Fiscais do FMI</i> <i>Relatório de Assistência Técnica,</i> <i>abril de 2018</i>	Mozambique Managing Fiscal Decentralization and Strengthening Cash Management <i>Moçambique Gestão da descentralização fiscal e reforço da gestão de caixa</i>
Mozambique Ministry of Economy and Finance (CEDSIF) <i>Centro de Desenvolvimento de Sistemas de Informação de Finanças Maio 2018</i>	Mid-term review of CEDSIF strategic plan <i>Balanço de meio termo da implementação do Plano Estratégico do CEDSIF, 2015-2019</i>
Ministry of Economy and Finance 31, December 2018 <i>Ministério da Economia e Finanças 31 de Dezembro de 2018</i>	Circular 11: Administration and Execution of the State Budget in 2019 <i>Circular 11: Administração e Execução do Orçamento do Estado para 2019</i>
Mozambique Ministry of Economy and Finance CEDSIF <i>Centro de Desenvolvimento de Sistemas de Informação de Finanças - CEDSIF</i>	Annual report on budget execution 2018 <i>Relatório Anual da execução do plano de actividades orçamento de 2018</i>
Public Procurement Studies (Estudos de Contratação Pública	
World Bank, June 2008	Update of the Country Procurement Assessment Report

<i>Banco Mundial, Junho 2008</i>	<i>Actualização do Relatório de Avaliação de Aquisições do País</i>
GIZ Programa Pro-Econ March 2011 <i>GIZ Programa Pro-Econ Março de 2011</i>	The legal framework for the procurement of works, goods and services in Mozambique <i>O Quadro Legal para a contratação de Empreitada de Obras Publicas fornecimento de Bens e Prestação de Serviços ao Estado em Mozambique</i>
Crown Agents, July 2015 <i>Crown Agents, Julho 2015</i>	Concept Paper – The Future of the Public Procurement system in Mozambique <i>Documento Conceptual - O Futuro do Sistema de Compras Públicas em Moçambique</i>
Other Sources / Outras Fontes	
World Bank Group, 2017 <i>Grupo Banco Mundial, 2017</i>	Benchmarking Public Procurement 2017 <i>Análise Comparativa da Contratação Publica</i>
World Bank Group, 2017 <i>Grupo Banco Mundial, 2017</i>	Governance and The Law <i>Governança e a Lei</i>
Transparency International, 2018 <i>Transparência Internacional, 2018</i>	Corruption Perception Index 2018 <i>Índice da Percepção da Corrupção</i>
World Bank Group, 2019 <i>Grupo Banco Mundial, 2019</i>	World Development Indicators <i>Indicadores de Desenvolvimento Mundial</i>
Government of Mozambique with the support of IMF Fiscal Affairs Department July 2019 <i>Governo de Moçambique com o apoio do Departamento de Assuntos Fiscais do FMI</i> <i>Julho de 2019</i>	Republic of Mozambique Report on Transparency, Governance and Corruption July 2019 <i>República de Moçambique</i> <i>Relatório sobre Transparência, Governança e Corrupção, Julho de 2019</i>

May 2020



MOZAMBIQUE

Assessment of the Public Procurement System

Executive Summary



WORLD BANK GROUP
Governance



DFID Department for
International
Development

Table of contents

- Background
- Public Procurement in Mozambique and MAPS scope
- Positive developments
- Key challenges
- The way forward: opportunities for improvement
- Next steps
- Summary Action Plan by Strategic Objectives

The MAPS assessment of the public procurement system in Mozambique consists of **this Executive Summary** and the following three volumes:

Volume I - Main Report includes an introduction, analysis of the country context, and an assessment that covers four pillars: Pillar I - Legal, Regulatory, and Policy Framework; Pillar II - Institutional Framework and Management Capacity; Pillar III - Public Procurement Operations and Market Practices; and Pillar IV - Accountability, Integrity, and Transparency of the Public Procurement System. The analysis comprises 14 indicators, with tabulation on substantial gaps/red flags and risk classification and recommendations. Finally, this volume provides consolidated recommendations and an action plan and lists key steps of the validation process of the assessment report. An acknowledgement section appears at the beginning of this volume.

Volume II - Detailed Report - Indicator Matrix for Pillars I, II, III, and IV covers the assessment criteria, qualitative and quantitative analysis, gap analysis, potential red flags, and initial inputs for recommendations as per the standard MAPS template.

Volume III - Annexes, comprising the following: Detailed Action Plan (Annex 1), Stakeholders mapping and representatives interviewed (Annex 2); List of UGEAs (that are procurement implementing units) interviewed (Annex 3); Validation process and feedback received (Annex 4); UGEA survey results (Annex 5); Private sector survey focus group (Annex 6); Private sector recommendations (Annex 7); Steering committee composition (Annex 8); and Background documents (Annex 9).

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Background

The **Mozambique country procurement assessment based on the MAPS II methodology** was carried out from September 2018 to June 2019, at the initiative of the Government of Mozambique (GOM) through the Functional Unit for Supervision of Procurement (UFSA). It was accomplished with the direct financial support from the World Bank and the UK Department for International Development (DFID) and substantial contribution from the German Corporation for International Cooperation GmbH (GIZ) and benefited from the advice and guidance of other Development Partners (DPs) including the European Union (EU), International Monetary Fund (IMF), African Development Bank (AfDB), Global Affairs Canada (GAC), United States Agency for International Development (USAID), Swiss Embassy, Belgian Development Agency (ENABEL), and General Directorate for Cooperation and Development (DGCS).

The MAPS report was subject to the validation of the Steering Committee, World Bank quality assurance process (June 2019), the MAPS Technical Advisory Group review (August 2019), and government final endorsement (March 2020). The process of review and validation is summarized in Chapter 6 of Volume I - Main Report.

The **MAPS II methodology, 2018**, is a universal tool reflective of leading international procurement practice that serves as a guide toward sustainable and inclusive public procurement reform. The GOM decided to benefit from the MAPS II upgraded analytical framework to get more visibility into existing public procurement challenges and opportunities that lie ahead. Based on these findings, a comprehensive and inclusive strategic plan was formulated to guide the way forward toward improved procurement outcomes.

Country context¹: Mozambique is a country endowed with ample natural resources and a young and fast-growing population of 29 million people. With its extended ocean coastline, the country is strategically located, as it offers a conduit to global markets for the neighboring landlocked countries. On the economic front, Mozambique continues in a slow growth trajectory that followed the 2016 hidden debt crisis. It recorded a gross domestic product (GDP) rate of 3.3 percent in 2018 and about 2 percent in 2019, after the devastating impact of tropical cyclones Idai and Kenneth on agricultural production. Thus, the economic performance is yet to revert to the pre-crisis levels of 7 percent. Small and medium enterprises have fallen back and their capacity to generate jobs has been restricted even further as credit supply and demand for goods and services remain constrained. It is expected that the Mozambique economic growth prospects will be further affected by the COVID-19 pandemic. In the political arena, the October 2019 general elections resulted in a landslide win by the incumbent Mozambique Liberation Front (*Frente de Libertação de Moçambique*, FRELIMO) party which has won the Presidency and the National Assembly.

¹ Source: Based on World Bank Country Office Country Overview, 2019.

Public Procurement in Mozambique and MAPS Scope

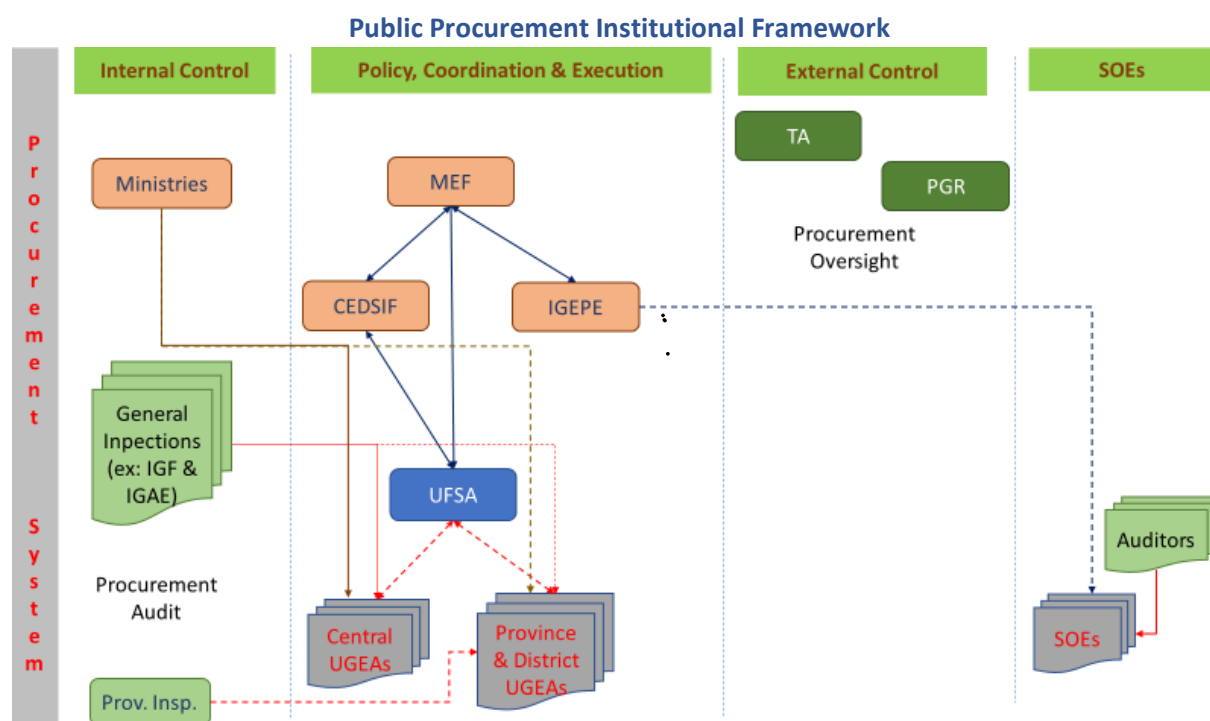
While on a sharp decline after the debt crisis, public procurement still accounts for a significant share of the economy: 33 percent of public expenditures and about 10 percent of the GDP in 2018 (versus 54 percent and 22 percent, respectively, in 2014). Even a relatively small increase in efficiency can easily translate to more timely, higher quality public services to its citizens. In addition, public procurement is an important source of revenue for the local private sector, contributing to job creation, which is a high GOM priority, at a time when about 500,000 young people enter the job market every year.

The assessment of the Mozambique public procurement systems against the criteria set out in the MAPS II methodology, confirmed the progress achieved in the establishment of the legal and institutional framework for public procurement. However, challenges remain and, if addressed, could significantly improve the efficiency in the use of public funds, delivery of public goods and services to citizenry, and achievement of government horizontal policy objectives (job creation, environmental benefits, support to national and micro, small, and medium enterprises [MSMEs]).

The current institutional government architecture for public procurement in Mozambique is captured in the figure below, which identifies two key areas for public procurement: Core government procurement and State-owned enterprise (SOE) procurement. At the policy level, the main institution for both areas of procurement is the Ministry of Economy and Finance (MEF). CEDSIF (Center for Development of the Finance Information System) is an autonomous agency supporting the MEF technology agenda, including e-procurement.

- A. **Core government procurement** is regulated by the Public Procurement Decree 5/2016 (*Regulamento*) and is supported by the following institutions:
- UFSA – the lead public procurement agency in charge of procurement regulation and supervision.
 - Procurement implementing units/*Unidades Gestoras e Executoras das Aquisições* (UGEAs).
 - Internal control and audit agencies including the General Inspectorate of Finance (IGF-MEF) and sectoral and provincial inspectorates; *Tribunal Administrativo* (TA) and Attorney General/*Procuradoria Geral da República* (PGR) have, among other responsibilities, an internal control function (for example, procurement prior and post review).
 - The TA is also in charge of external audit and procurement appeals at the judicial level (*recurso contencioso*).

- B. **SOE procurement** is governed by SOE Law No. 3/2018 and SOE Regulations/Decree No. 10/2019, requiring that specific procurement regulations be adopted by each SOE; there is no designated oversight agency for procurement; however, there is a State-Owned Equity Holding Management Institute/Instituto de *Gestão das Participações do Estado* (IGEPE-MEF) representing the government shareholding interests.



The focus of this report is the core government procurement under the *Regulamento*, while briefly addressing public procurement under the SOE and Public Private Partnership (PPP) laws. Given the significant public resources spent for procurement in the areas of SOEs and increasingly in PPP projects, and the relatively new SOE procurement legal framework, it is recommended that follow-up procurement assessments focus on SOE and PPP sectors, possibly using the MAPS sector and PPP supplementary modules.



Positive Developments

Progress was recorded in developing the legal and regulatory framework for public procurement with the adoption of Decree 54/2005 further amended in 2010 and 2016 (the *Regulamento*). The assessment confirmed that the legal and regulatory framework is generally aligned to international practices, promotes the principles of competition, transparency, and equal treatment, and affords participants the right to challenge/appeal contract award decisions.

Furthermore, the institutional architecture for procurement has been established with procurement being part of the broader public financial management (PFM) system. The apex entity is UFSA, the central government procurement regulatory unit. UFSA asserted itself as the lead procurement agency by creating control systems, tools for practitioners, capacity building programs, and information systems on public procurement. About 1,600 procurement Implementing units (UGEAs), decentralized up to the local level, are in charge of the day-to-day procurement operations. UGEAs are integrated into and respond to the public administration entity to which they pertain.

Finally, there are advancements in the procurement oversight and integrity systems. A procurement oversight framework is in place as detailed earlier. In the integrity arena, there is a comprehensive legal framework and institutions that are tasked with its enforcement, that is, PGR, Central Anti-corruption Agency/*Gabinete Central do Combate à Corrupção* (GCCC), TA, and Central Public Ethics Commission; and, under the *Regulamento*, a debarment mechanism was set in place to sanction bidders, including for corrupt practices. Publication of contract awards is showing results as media and citizens have started to monitor procurement decisions. At the international level, Mozambique is a member of the United Nations Convention against Corruption (UNCAC) and other regional anti-corruption conventions.

Key Challenges

Legal and institutional reforms are still to deliver their full benefits.

Enforcement of the *Regulamento* by UGEAs is relatively weak, and budget allocation for contracts is a serious constraint.

- Effective integration of procurement in the PFM system is still to be achieved. The weak connection between procurement planning/contract monitoring and budget preparation and execution is one of the reasons for the accumulation of payment arrears for public contracts. As a result, the private sector is struggling with more than 50 percent of the companies identifying long payment delays of 18 months on average (2018 Enterprise Sector Survey, [2018 ES Survey]).
- There are some areas of inefficiency in procurement identified by this assessment as further outlined. Contracts are fragmented, foregoing the benefits from economies of scale. This is due to a combination of factors including inadequate planning and the fact that fractioning of contracts is not explicitly prohibited in the Regulation. While on the declining trend, direct contracting/*ajuste directo* is still accounting for a large share of procurement (about 45 percent). Regarding publicity, it is commendable that the legal framework supports transparency through extensive requirements for publication of procurement opportunities and contract awards; it was noted, however, that the cost of advertising in the press for lower value contracts is disproportionately high compared with the contract value. In addition, procurement information is scattered in various media, and the UFSA portal is still to be developed into a full-fledged centralized online portal with comprehensive and up-to-date information on public procurement. Finally, in spite of the good compliance with process requirements during the procurement stage, the UGEA survey revealed significant weaknesses in procurement planning and contract management, activities that are critical to improving procurement outcomes.
- UGEAs are to be created in each procuring entity that has a budget allocation/*tabela orçamental*, but at this stage, not all UGEAs are part of the organic structure of government (for example only 70 percent of the UGEAs surveyed were formalized). There are no clear statistics on UGEAs' population and staff which hampers effective supervision and capacity-building planning and implementation.
- UGEAs' staff capacity is generally low, and they are adversely affected by high staff turnover in the absence of a career path in procurement. In this context, capacity building is permanently in a catch-up mode, and it is less effective due to the need to train a high number of new staff. Job profiles (while developed) are not yet approved, and there is no accreditation process. Practitioners lack some of the implementation tools; by way of illustration, updated standard bidding documents (SBD) consistent with the 2016 *Regulamento*, while developed, have not yet been issued and important regulations/*normas complementares* are still to be prepared.

- Engagement of stakeholders is picking up, but it is still modest (only 22 percent of private sector survey participants confirmed that they are informed on policy changes). There are no systematic capacity-building programs for the private sector (including MSMEs) to help their effective participation to the procurement marketplace and support new entries and no real dialogue with the civil society.
- In the absence of e-procurement, and UGEAs not submitting the requisite information to UFSA, there is a shortage of centralized, reliable information on public procurement and performance monitoring is affected. E-procurement agenda (the implementation of an end-to end system) is stalled by the lack of resources.
- While the level of cooperation and exchange of information between the oversight agencies has been stepped up there is a need to further coordinate their actions including in the interpretation of *Regulamento*. The prior and post review process by TA covers all government contracts, irrespective of nature and amount which impacts on the procurement process lead time and is taxing on UGEAs and TA resources.
- The challenge/appeal mechanism is not effective, conclusion supported by the private sector survey that amply shows that respondents do not trust the administrative challenge/appeal system; the bidders' debarment process is not transparent in the absence of implementation rules/*normas complementares*; and overall perception of corruption is high, with 70 percent of the private sector identifying it as a barrier to doing business (2018 ES Survey).



The implementation gap has been exacerbated in the aftermath of the 'debt crisis' of 2016 that dramatically reduced the funding for the procurement agenda. This was coupled with a deterioration in the governance environment as reflected by the international 'governance' indices.

- 2018 CPIA index on Transparency Accountability and Corruption in Public Sector was 2.5, below the 2.7 SSA IDA average (scale 1-6):
- <http://datatopics.worldbank.org/cpia>;
- TI/CPI fell to 23 in 2018 from 31 in 2015 (scale 0-100) <https://www.transparency.org/cpi2018>

Finally, while UFSA was instrumental in establishing a new, modern public procurement system in Mozambique, the status quo is no longer consistent with its increasing responsibilities. UFSA's new responsibilities are now driven by a growing procurement network with increased supervision and performance monitoring demands, the emergence of e-technology based procurement, the professionalization and integrity agendas, and the increasing need to engage with a multiplicity of state and non-state actors to find holistic solutions to challenges that are inherently complex.

The Way Forward

Opportunities for Improvement

A set of recommendations to address the challenges identified are made in consideration of the government's overall development objectives, including the decentralization agenda. It is important to further underscore that the formulation of said recommendations entailed a process of balancing the 'ideal' versus 'best-fit' solutions. Therefore, in consideration of the potential risks that may arise when carrying out the longer-term structural recommendations, interim, pragmatic solutions are also identified. These are quick win actions that can generate significant improvements in procurement outcomes while being carried out within the current legal and institutional framework. The key recommendations are grouped below around (i) the cross cutting legal/regulatory framework and (ii) five high-level strategic objectives.

The legal framework for public procurement, while generally adequate, needs further strengthening in specific areas identified under the MAPS analysis to improve procurement outcomes.² Some areas need to be addressed through revising/amending the *Regulamento*, but others can be addressed through secondary legislation. Those areas to be addressed through the *Regulamento* include strengthening the definition of UFSA's responsibilities as central regulatory and oversight procurement body and its role as the sole debarment authority and creation of an independent administrative appeal body (prior to TA judicial level); in addition, the *Regulamento* needs to address other key provisions required under the MAPS standard to enable optimal procurement results, for example, including an option for framework agreements, more cost effective options for bid securities and publicity requirements, explicit prohibition of fractioning contracts, regulating SOE participation in public bidding, and mandating the publication of the procurement plan.

² The normative gaps identified and recommendations made are further addressed in the Volume I, Main Report (Pillar I).

It is noted, however, that **many of the recommendations to fill the legal gaps identified, which are critical to optimal public procurement outcomes can be addressed within the current legal and institutional framework** through issuing implementation rules/*normas complementares*, Standard Bidding Documents (SBDs), and guidance/*instruções*. Priority actions include issuing implementation rules for debarring bidders and handling challenges/appeals at the administrative level that guarantee ‘due process’, implementation rules on how to better balance the access to information and the need to safeguard confidentiality during the evaluation process, and instructions on the application of preferences and sustainability criteria and on how to promote open bidding and limit the automatic fall back on less competitive methods for large contracts. It is critical for the good operation of the public procurement system to issue the updated SBDs, consistent with the 2016 *Regulamento* and the MAPS recommendations, and to publish the SBDs on the UFSA website.

Other recommendations relate to strengthening the legal framework for public procurement outside the *Regulamento* such as (a) the urgent need for SOEs to adopt enterprise specific procurement regulations consistent with relevant procurement provisions set in Law No. 3/2018 (SOE Law) and Decree No.10/2019 (SOE Regulations) and (b) completion of the e-procurement regulatory framework.

The implementation of the above recommendations will create a strengthened normative environment that will enable improved procurement outcomes and boost the confidence of the participants in the public procurement market.



Strategic Objective # 1



Strengthen UFSA authority and capacity to effectively carry out its lead procurement agency functions and continue to improve the legal framework for public procurement.

A stronger, more inclusive, and increasingly decentralized lead agency will be more capable to respond to the demands of the second-generation public procurement reforms in Mozambique. Strengthening its authority would not only entail a *de jure* change in UFSA's legal status⁴ but also a *de facto* transformation. Implementing the latter objective, can start immediately and can be, among other things, achieved through UFSA attracting more resources, both financial and human, based on a strong strategic plan and demonstrable results. Activities that may strengthen its status include, but are not limited to, effective engagement with its stakeholders, conducting systematic oversight, leading the certification/professionalization and capacity-building agenda, collecting statistics, and reporting on public procurement performance.

High-impact priority actions

- Use the strategic action plan based on the MAPS assessment to attract additional resources, including for recruiting the needed key technical staff for UFSA to effectively carry out its functions.
- Address some normative gaps identified in the area of procurement and contract management by issuing the updated SBDs (now in draft) and Implementation Rules/*normas complementares* and disseminating the Procurement Manual.
- Step up UFSA performance monitoring mechanism (for both procurement/contract management) by enforcing UGEAs' obligation to provide performance information under the *Regulamento* and by using e-SISTAFE³ data.
- Create a discussion forum with representatives from various public procurement stakeholders for a more inclusive policy formulation and implementation.

³ Public Sector Financial Management System/*Sistema de Administração Financeira do Estado*.

⁴ An option could be a change in the UFSA status from 'subordinated' to 'autonomous' status—that is, from *vinculada to tutelada*.

Strategic Objective # 2

Adopt a more strategic and value-for-money approach to procurement and contract management to increase the efficiency in the use of public funds and delivery of public services.

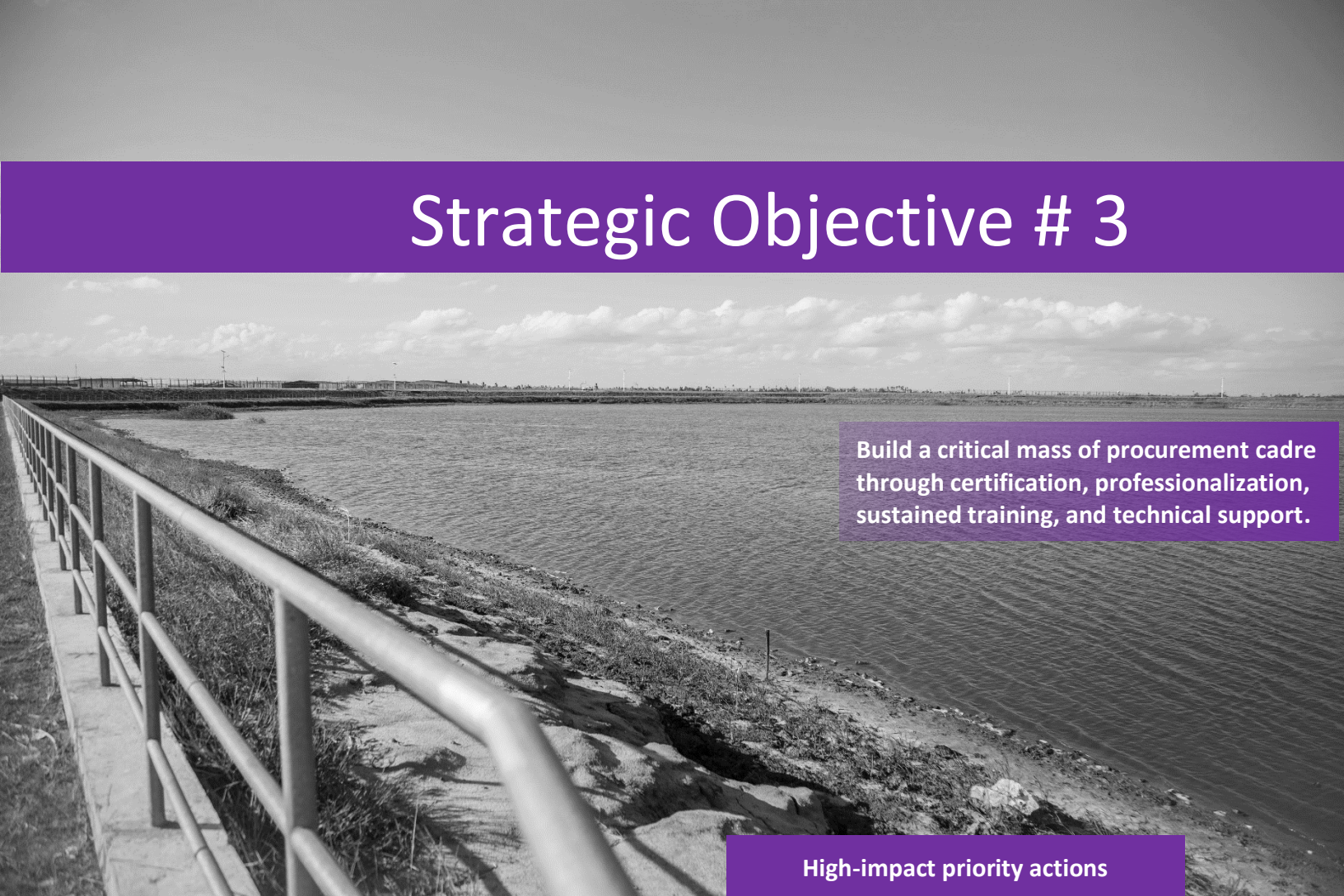
High-impact priority actions

- Engage with sectors and UGEAs to promote increased aggregation at the district, province, and central levels, in particular for recurrent procurement. Roll out reverse auction/*concurso por lances*.
- Conduct UGEA mapping that will provide valuable information on the universe of UGEAs and on potential efficiency opportunities and will ensure an objective basis for the UGEAs' oversight and capacity-building/certification programs.
- Update the design and road map for e-procurement to enable its efficient implementation.
- Address MPE⁵ teething problems to be able to roll it out and improve budget execution discipline, including the payment process.
- Provide guidance to UGEAs to (a) reduce the cost of advertising by using less expensive options that are provided in the *Regulamento* without compromising transparency and (b) avert failed competitive procurement and minimize the automatic use of less competitive methods.
- Enforce the performance monitoring system at procuring entity/UGEA level based on a set of indicators (agreed with UFSA) to get insights into recurring challenges and the options available to improve procurement outcomes.

There are several dimensions to this agenda. **First**, procuring entities should look at procurement holistically during the planning period and aggregate it at the center, province, and district levels, when needed, to achieve economies of scale and reduce transaction costs, including through the use of framework agreements and e-catalogues. **Second**, procurement Implementing units (UGEAs) need to be established consistent with the demand for procurement. While the current government rationalization of budget units seems to be a step in the right direction this should be complemented by the inclusion of all UGEAs in the organic structure of the government to vest them with appropriate level of authority and accountability. **Third**, UFSA/CEDSIF should urgently reactivate the e-procurement agenda and advance its implementation to foster transparency and efficiency. **Finally**, procuring entities must make performance monitoring an integral part of procurement and contract implementation activities to continuously optimize the public procurement systems' operation.

⁵ State Asset Module/*Modulo de Patrimonio do Estado - MPE* (currently under pilot phase) will bring in the PFM system pre-contractual information including the 'procurement plan' that will serve as a control tool for commitments.

Strategic Objective # 3



Build a critical mass of procurement cadre through certification, professionalization, sustained training, and technical support

It is imperative to create a critical mass of procurement specialists and stave off the high turnover at the procuring entities level; to this end, launch the certification agenda and continue the capacity building programs, including for UFSA staff. Since the training demand exceeds supply by an order of 10:1 there is need to outsource this activity and use 'train the trainer' approaches and e-learning tools. In addition to capacity building, provide more tools to practitioners to support their effective performance, for example, updated SBDs, standard bid evaluation reports, implementation rules and instructions for the appropriate enforcement of the public procurement legal framework including in novel areas like strategic planning, use of value for money approaches, sustainable procurement, and domestic preference criteria.

High-impact priority actions

- Approve procurement specialists job profiles (already elaborated) as a first step toward certification.
- Start developing e-training modules to support the certification agenda in collaboration with other education institutes and professional organizations.
- Provide tools to practitioners (Implementation rules, SBDs, Manuals) and train them for their use.
- Develop the frequently asked questions (FAQ) section on UFSA website to address common concerns.

Strategic Objective # 4



Improve private sector access to the public procurement market and promote its effective participation.

The assessment identified various avenues that can lead toward this objective through (a) effective publicity of public procurement opportunities; (b) reducing the cost of entry/participation in the public procurement market for bidders; (c) adding transparency and due process to the bidders' debarment and procurement challenge/appeal mechanism; (d) addressing late payment⁶ issues that make public procurement increasingly less attractive to the private sector, by promoting, among others, a stronger link between procurement and budget planning and execution, increased commitment controls through the Asset Module (MPE), and enforcement of the contractual penalties for late payments; and (e) increasing bidders' confidence in the appeal mechanism by creating an administrative independent procurement appeal body (prior to TA judicial level).

High-impact priority actions

- **Increase private sector access to information on bidding opportunities** by stepping up publicity on a central platform (UFSa website) in particular for public bidding/*concurso público*.
- **Provide more services to bidders at the decentralized level:** for example, develop the capacity of Provincial Departments of Economy and Finance (PDEF) to support bidders with *cadastro* registration.
- **Minimize the cost of bidders' participation:**
 - Increase threshold for the use of bid security.
 - Ensure bidding document prices are reasonable, as per the *Reglamento*.
 - Enforce the application of penalties for delayed payments in contracts.
 - Launch a program to build capacity of the private operators to participate in procurement (MSMEs in particular) in collaboration with private sector associations.
- **Step up communication channels with the private sector**, including MSMEs, and include on UFSa website an FAQ section to address private sector needs.

⁶ Late payment issues and commitment controls are on the MEF agenda with technical assistance from DPs.

Strategic Objective # 5



Strengthen oversight and boost integrity in public procurement.

The assessment identified a series of actions through which this objective could be met.

Strengthen oversight through stepping up coordination among the entities in charge to avoid overlapping activities and take advantage of synergies and reduce the oversight cost. In addition, build the capacity of the internal and external auditors and inspectors to conduct effective, risk-based, procurement audit/controls and harmonize auditors' interpretation of the *Regulamento*. Furthermore, issue implementation rules/*normas complementares* to facilitate the enforcement of the legal integrity requirements and increase the volume and quality of procurement and contract management information publicly available as a pre-condition for effective citizens' monitoring. Finally, ensure adequate resources to strengthen management and oversight of public procurement, to improve the efficiency in the use of public funds, and to signal the government's support to boosting transparency and integrity in an area so critical to the overall governance climate in Mozambique.

High-impact priority actions

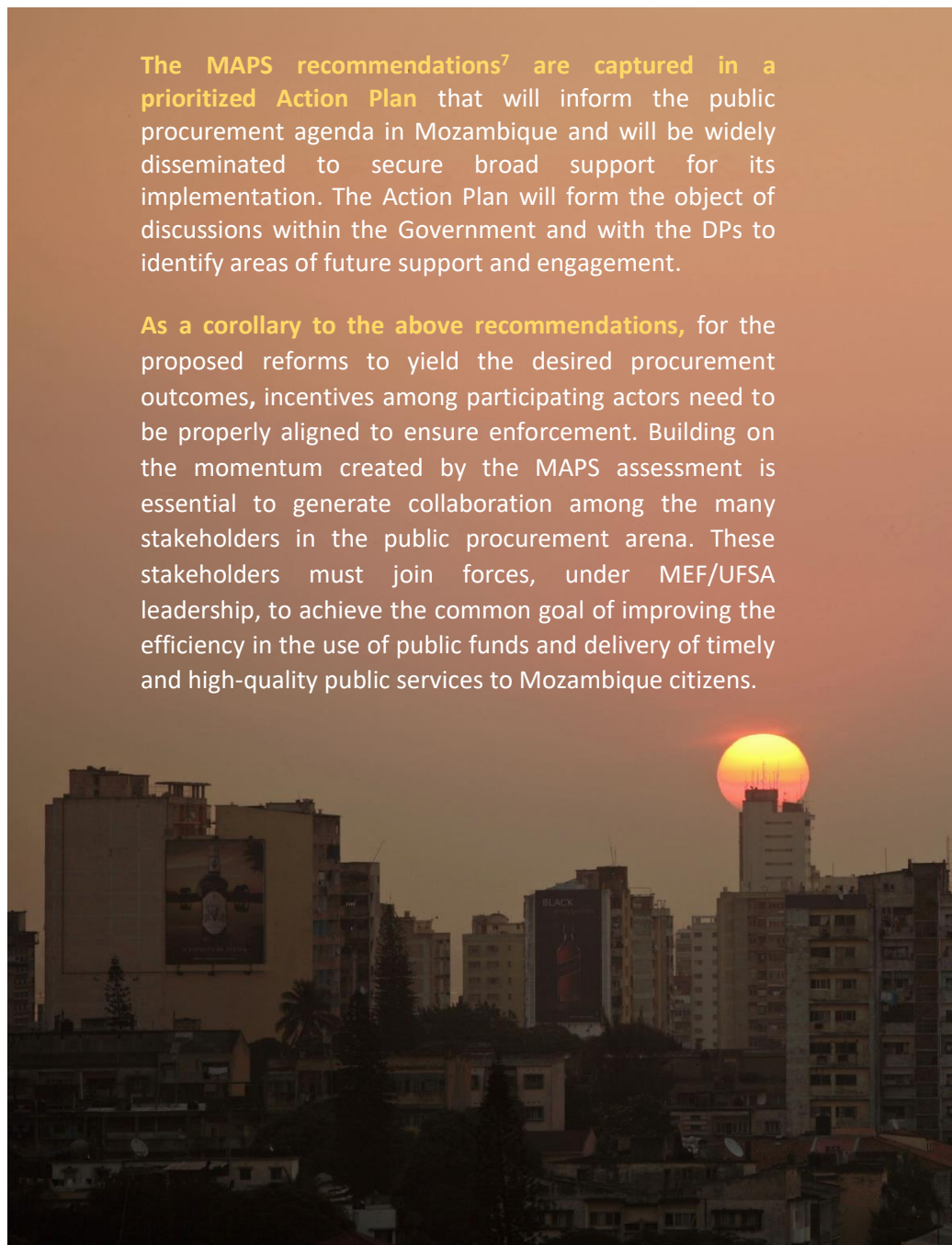
- **Streamline oversight:** Create a forum for communication with oversight agencies (IGF, TA, inspectorates) to harmonize positions in the interpretation of the *Regulamento* and streamline the supervision/audit process. Assess scope of PGR prior review function to avoid overlapping with TA.
- **Facilitate the reporting of unlawful conduct** by providing public servants and citizens a clear guidance on how to navigate the integrity system's multiple agencies and enforce UGEAs reporting obligations under the *Regulamento*.
- **Include integrity training** in the public procurement capacity-building agenda/curriculum to raise awareness about integrity risks, "red flags", mitigation options and reporting channels.
- **Allow outside observers to participate in the bid opening sessions** to offer opportunities for the civil society to get more involved in public procurement monitoring.
- **Issue debarment and challenge/appeal implementation rules/*normas complementares*** to ensure 'due process', fairness and transparency for systems whose integrity is critical to private sector participating with confidence in the public procurement marketplace.

Next Steps

In the implementation of MAPS recommendations

The MAPS recommendations⁷ are captured in a prioritized Action Plan that will inform the public procurement agenda in Mozambique and will be widely disseminated to secure broad support for its implementation. The Action Plan will form the object of discussions within the Government and with the DPs to identify areas of future support and engagement.

As a corollary to the above recommendations, for the proposed reforms to yield the desired procurement outcomes, incentives among participating actors need to be properly aligned to ensure enforcement. Building on the momentum created by the MAPS assessment is essential to generate collaboration among the many stakeholders in the public procurement arena. These stakeholders must join forces, under MEF/UFGA leadership, to achieve the common goal of improving the efficiency in the use of public funds and delivery of timely and high-quality public services to Mozambique citizens.



⁷ Consolidated in Volume I: Main Report/Chapter 4.

Summary Action Plan by Strategic Objectives

#	Recommended Actions	Action by	Time ⁸ Line
STRATEGIC OBJECTIVE # 1: STRENGTHEN UFSA AUTHORITY AND CAPACITY TO EFFECTIVELY CARRY OUT ITS LEAD PROCUREMENT AGENCY FUNCTIONS. CONTINUE TO IMPROVE THE LEGAL PUBLIC PROCUREMENT FRAMEWORK			
1.	Elevate/strengthen UFSA authority , ensure adequate resources, and decentralize its services to the provinces consistent with the decentralization agenda (SI ⁹ 5c). In the interim: UFSA to attract more resources (financial and human) and technical assistance, based on a strong strategy, action plan and demonstrable results and gradually decentralize key services (for example, by strengthening the provincial departments for Economy and finance (PDEFs) to support delivery of services at the subnational level).	MEF/UFSA Ministers Council	MT/LT
		UFSA	ST/MT
2.	Build communication and collaboration platforms for engaging various stakeholders (including UGEAs, oversight and integrity agencies, private sector, and civil society) (SI 10a, SI 11c, SI 14e).	MEF/UFSA All stakeholders	ST/MT
3.	Develop performance monitoring mechanisms at UFSA/UGEA level to monitor and optimize procurement and contract management. based on a comprehensive database. Enforce the <i>Regulamento</i> for the submission of performance information by UGEAs and also draw from the e-SISTAFE/MPE information systems (SI 8c). Maintain a statistical database for public procurement (SI 7c).	UGEAs/UFSA/ CEDSIF	ST/MT
			REG
4.	Strengthen the legal framework by revising/amending the <i>Regulamento</i> to fill some gaps identified in light of the MAPS standards (SI 1a through 1k). In the interim: - Issue updated SBDs consistent with the 2016 <i>Regulamento</i> and <i>other guidance/ instruções</i> as appropriate. - Issue implementing rules/<i>normas complementares</i> to address the gaps identified that can be handled through secondary legislation. - See related recommendations under Actions 9, 14, and 24 below.	MEF/UFSA	MT
			ST
			ST/MT
5.	Develop an appropriate procurement legal framework for the SOE sector (SI 1l). Consider having a unified procurement regulation for all SOEs to ensure more transparency and boost competition.	MEF/ IGEPE	MT/ LT
	In the interim:	MEF/IGEPE	ST/MT

⁸ ST: Short term; MT: Medium term; LT: Long Term; IMMID: immediate; REG: Regularly; Recommendations may include multiple activities that span more than one timeline.

⁹ SI: MAPS Sub-indicator

#	Recommended Actions	Action by	Time ⁸ Line
	- SOEs to urgently elaborate procurement regulations consistent with relevant procurement provisions set in Law No. 3/2018 (SOE Law) and Decree No. 10/2019 (SOE Regulations) and an agency in charge of oversight. - Conduct follow up studies focused on SOEs' and PPPs' procurement. - Build a database for SOE public procurement.		
STRATEGIC OBJECTIVE # 2: ADOPT A MORE STRATEGIC AND VALUE FOR MONEY APPROACH TO PROCUREMENT AND CONTRACT MANAGEMENT TO INCREASE THE EFFICIENCY IN THE USE OF PUBLIC FUNDS AND DELIVERY OF PUBLIC SERVICES			
6.	Scale up procurement to benefit from economies of scale and reduce transaction cost (SI 6b, SI 9a) by adopting framework agreements, e-catalogues and creating a centralized procurement body. In the interim: - Promote strategic procurement planning and aggregate procurement, when appropriate, at the district, province, and central levels consistent with the decentralization agenda. - Roll out reverse auction/<i>concurso por lances</i> for off-the-shelf goods. - Monitor the exceptional regime to avoid abuse of direct contracting and request for quotations. - Enforce performance monitoring of procurement and contract management.	MEF/UFSA CEDSIF UFSA/sector ministries/provin cial directorates	MT/LT ST/MT
7.	Save on the cost of advertising of public procurement opportunities (SI 7a) for UGEAs by using some of the less costly options in the <i>Regulamento</i> without compromising transparency, for example, online advertising, depending on the target audience and connectivity. When revisiting the <i>Regulamento</i> ensure that publicity requirements balance the need for transparency and cost and promote the use of the centralized public procurement portal (UFSA's) in addition to the Ministries' websites.	UFSA/UGEAs UFSA	ST MT
8.	Mapping of UGEAs and rationalization of their number (SI 6a) based on public procurement volume. Ensure UGEAs integration in the organic structures/ <i>Estatuto Orgânico</i> of the government. ¹⁰	UFSA/sector ministries/provin cial directorates	ST/MT
9.	Advance the implementation of e-procurement: (SI 7b) - Update design and road map including cost, timing, and technical assistance needs. - Complete the development of e-procurement regulatory framework.	UFSA/CEDSIF	ST/MT

¹⁰ UGEA rationalization is consistent with the broader government agenda of rationalizing UGBs- Beneficiary Management Unit - of budget/*Unidade Gestora Beneficiária -do Orçamento*).

#	Recommended Actions	Action by	Time ⁸ Line
	In the interim: - Develop the use of the UFSA portal as a centralized online platform for procurement information. - Roll out the Asset Module (MPE)		ST
10.	Identify a threshold for formalizing contracts (SI 6b, SI 9a): purchases of very low value can rely on requisition/use purchase orders and be justified based on price reasonableness. The incidence of such transactions would be reduced through aggregation of small procurement, use e-catalogues/reverse auction and the use of framework contracts.	MEF/UFSA	MT
11.	Promote sustainable public procurement (SPP) (SI 3a, SI 9a) by developing an SPP strategy and thorough optimizing evaluation techniques and building UGEAs' capacity to use them.	UFSA/UGEAs	MT
STRATEGIC OBJECTIVE # 3: BUILD A CRITICAL MASS OF PROCUREMENT CADRE THROUGH CERTIFICATION, PROFESSIONALIZATION, SUSTAINED TRAINING AND TECHNICAL SUPPORT.			
12.	Professionalization of procurement function supported by a strategy and a road map to implement it (SI 8b). In the interim: - Approve the 'profiles' of procurement staff (already developed). - Develop/strengthen training programs for UGEAs (including on-line) and roll them out. - Conduct the certification process.	MEF/UFSA MAEFP/ Education institutes	MT/ LT IMMD ST/MT MT
13.	Support UGEA staff to strengthen the quality of technical specifications and contract estimates (SI 9a) through updating and making the Catalogue for Goods and Services and the Price Catalogue available online to all UGEAs.	UFSA/CEDSIF	ST/MT
14.	Provide guidance/instruções to practitioners, (in addition to updated bidding documents, implementing rules/normas complementares) (SI 2a, SI 2b), and training (SI 8a), in areas such as strategic procurement planning, use of less competitive methods when open competition fails, use of sustainability criteria, safeguarding confidentiality, evaluation, consultants' selection, integrity, internal control aspects, contract management, and procurement record management systems. Prepare and provide standard bid evaluation reports. Develop the FAQ section on the UFSA website.	UFSA	ST/MT
15	Engage procuring entities' management (SI 8a) to increase their understanding and appreciation of the procurement function, seek their views and elicit their support.	UFSA	REG.

#	Recommended Actions	Action by	Time ⁸ Line
STRATEGIC OBJECTIVE # 4: IMPROVE PRIVATE SECTOR ACCESS TO THE PUBLIC PROCUREMENT MARKET AND PROMOTE ITS EFFECTIVE PARTICIPATION			
16.	Reduce the private sector cost of entry and participation in the public procurement market (SI 10b): • Improve access to bidding opportunities (including procurement plans) and procurement information through a centralized public procurement portal, UFGA portal, (possibly linked to procuring agencies' websites). • Simplify bid submission requirements/procedures to cut down costs: ○ Simplify requirements for bid securities and performance securities: by waiving them for consultants and providing the option for Bid Security Declarations for goods/works/services. ○ Until the <i>Regulamento</i> is revised, consider increasing thresholds for their application. ○ Monitor the reasonableness of the pricing of the bidding documents by UGEAs. ○ Facilitate submission of documentary information by bidders and facilitate <i>cadastral</i> registration (in particular at the decentralized level) including through advisory services, online registration and verification of information. ○ Build capacity of PDEFs to support bidders with <i>cadastral</i> registration at provincial level. • Develop the FAQ platform to benefit the participants in the public procurement process. • Remove requirement for local representation for foreign bidders.	UFGA/UGEAs UFGA UFGA/UGEA UFGA/CEDSIF UFGA/PDEF UFGA MEF/UFGA	ST/MT MT ST REG ST/MT ST/MT ST MT
17.	Address payment issues (SI 4a, SI 4b, SI 10b): Better control of commitments¹¹ including through more robust procurement planning, contract monitoring, and budget execution discipline (MPE roll out will secure systems' checks of commitments) as well as robust oversight. Enforce contract penalties for delay (<i>juros de mora</i>) to compensate the private sector for related monetary loss.	MEF/CEDSIF/ central and local government/IGF/ TA UFGA/UGEAs	MT ST
18.	Create the function of an independent administrative procurement appeal body (SI 13b) and make information on appeals public (SI 13c). Consider strengthening the legal provisions of the appeal process (SI 1(h), SI 13a), e.g., set realistic time frames, waive fees, and merge the first 2 levels of the complaint/appeal system (UGEA and hierarchical).	MEF/UFGA	MT/LT
19.	Identify any existing bottlenecks in the enforcement of the non-judicial dispute (SI 10b) resolution mechanisms to address them.	UFGA	MT
20.	Assess/monitor the effectiveness of the MSMEs' participation and how they benefit from the preferences built into the <i>Regulamento</i> and provide targeted training (SI 3a, SI 10a).	UFGA/UGEAs/	ST/REG

¹¹ Handling arrears and monitoring future commitments is on the MEF agenda with technical assistance from DPs.

#	Recommended Actions	Action by	Time ⁸ Line
		Private sector associations /IPEME	
21.	Private sector outreach (SI 10a): organize regular outreach seminars for the private sector to build mutual trust and obtain useful feedback on public procurement systems operations; conduct periodical surveys to assess changes in perception; and organize training programs.	UFSA/ Private sector associations	ST/REG
STRATEGIC OBJECTIVE # 5: STRENGTHEN OVERSIGHT AND BOOST INTEGRITY IN PUBLIC PROCUREMENT			
22.	Streamline the oversight function by improving collaboration (SI 12b) (including formalization through memoranda) between the institutions in charge (TA, UFSA, IGF, sector and provincial inspectorates) for more efficient and impactful procurement audit and supervision (SI 12c). Develop a procurement training program for auditors (SI 12d).	UFSA/All oversight agencies	ST/MT
23	Clarify the PGR prior review function to ensure that it is not overlapping with the TA function (SI 12a).	PGR	ST
24.	Develop implementing rules/normas complementares on debarment and the procedures for submitting and deciding on procurement challenges/appeals to ensure 'due process'(SI 1d, SI 14c)	MEF/UFSA	ST/MT
25.	Step up the risk-based approach for procurement oversight (SI 6a, SI 12a) to reduce procurement lead-time and transaction cost by: - Establishing risk-based prior review thresholds and - Encouraging more delegation of authority within ministries/departments/agencies.	MEF/UFSA/oversight agencies	ST/MT
26.	Consistently apply sanctions (SI 14c) for the violation of integrity requirements in procurement and publicize them. Promote collaboration among integrity agencies to avoid overlapping activities and for a consistent application of the <i>Regulamento</i> .	TA, PGR/GCCC, UFSA	REG
27.	Boost stakeholders' (including civil society's) access to public procurement information (SI 11a, SI 11b) and integrity training (SI 14d) to enable informed participants to actively oversee the public procurement processes and signal irregularities to the appropriate authorities (SI 14e); provide guidance on the reporting channels (SI 14f); and make explicit in the bidding documents that public bid opening sessions are open to outside observers (SI 11c).	UFSA/CEDSIF	ST/MT

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