

PCR EVALUATION NOTE

1. Basic Project Data				
Country:	Mozambique	Project SAP Reference:	P-MZ-IB0-001	
Project Title :	Mineral Resources Management Capacity Building Project			
Sector :	Social		Appraisal	Actual
Theme		Project Costs (MUA)	UA 26.67 million	
Amount cancelled	UA 678.411,61	Loan (MUA)/	UA 3,290,000	UA 2.565.422,80
PCR Date		Co-financing/Govt MUA)		
		IDA	UA14.22 million	
		NDF	UA 7.30 million	
		RSA	UA 0.99 million	
		GOM	UA 0.87 million	
PCR Evaluation Note Date	October 2010	Board Approval Date	Nov. 2000	Dec. 2000
Partners		Signature Date	August. 2001	
		Effective Date	Sept. 2001	March 2002
		Project Completion Date	June 2006	June 2009
Project Officers (Names)	Designation (HQ or FO)		From (mm/yy)	To (mm/yy)
G. Giogis	Sector Director		2001	
K. Bedoumra	Division Manager		2001	
Ini Urua/L.Barrow	Task Manager		2001	
P. Black	Regional Director		2008	
G. Mbesherebusha	Sector Director		2008	
-	Division Manager		2008	
D. Lekoedjie/C. Tique	Task Manager		2008	
Evaluator/consultant: Judith OFORI		Peer Reviewer/Task Manager: T. Foday		

2. Project Description (summary from Appraisal Report including addendum/corrigendum or loan agreement)
<p>a. <u>Rationale and Expected Impacts:</u> The project is the result of the Government of Mozambique's effort to increase economic development through poverty reduction and employment growth by improving governance, empowering the populace, and promoting greater transparency and accountability through improving the regulatory framework and enhancing the effectiveness of public sector institutions, in particular the mining sector. This would intend assist in attracting increased private investment which would foster the growth and contribute to poverty reduction in the country. Expected impacts include: i) Value added to the annual growth rate of the mining sector; ii) value added to the share of mining sector in GDP; and iii) Increase in the systematic application of EIA and consultative processes in mining activities.</p>
<p>b. <u>Objectives / Expected Outcomes:</u> The overall objective of the project is to strengthen the institutional capacity and regulatory framework for the mining sector in Mozambique, in order to encourage increased private investment in the mining sector in a socially and environmentally sustainable manner. Furthermore, the project will assist GOM in its efforts to implement targeted interventions to alleviate poverty in small-scale and Artisan mining areas in the country. Expected outcomes are: i) At least one large mining investment project by project completion; ii) At least 10% average annual increase in mineral exports; iii) At least 50% increase in fiscal revenues accruing from mining; iv) Improved geological mapping coverage of the country; v) EIA procedures for mining and systematic application of consultative processes; and vi) Procedures and support systems for small scale and artisanal Mining</p>
<p>c. <u>Outputs and Intended Beneficiaries:</u> Planned project outputs were: i) Transparent legal and regulatory framework for mining sector established; ii Strengthened capacity and improved efficiency of PMIs to administer and enforce mining laws and regulations; iii) Minerals Information System (MIS) available to investors; iv) Improved social awareness and community participation in new mining projects; and v) Improvement in small-scale and artisanal mining activities, outputs and social conditions.</p> <p>Intended project beneficiaries: The project which spanned the whole country in terms of geological and mining coverage and impact was to primarily benefit government institutions; the outputs would benefit private sector investors who will have more accurate information to make sound investment decision; additionally it will also benefit small scale and artisanal miners who would have better access to</p>

mining technology and market information as well as relevant information on environmental and health related issues. The realisation of the project outcomes would generally benefit the entire population of Mozambique who would have more income generation opportunities from employment opportunities that would be created from an increase in mining and mining related economic activities resulting from the project.

d. Principal Activities/Components:

Planned project activities include: i) provision of professional services: designs and supervision; ii) Construction /rehabilitation of facilities; iii) Procurement of furniture and equipment; iv) Training (workshops; fellowships); v) provision of Technical Assistance; vi) provision of insecticides and supplies; provision of Consultancy for studies; vii) Provision of Audit services; viii) Project Management and supervision; and ix) Project management and supervision

The project is composed of five (5) Components; A, B, C, D & E: Different components were financed by different donors. Components Component A that had five (5) sub-components was financed by the International Development Association (IDA); Component B that had ten (10) sub-components was funded by IDA, The Netherlands Development Fund (NDF), Republic of South Africa (RSA) and the African Development Fund.

The ADF funded four sub-components: B4: Geo-Chemical Sampling; B5: Documentation Centre; B6: Mineral Information System (MIS); B7: Industrials Minerals and Building Material; B8: Reinforcement of DNG Central Laboratory Network; and Project management which was co-funded with the IDA.

3. Evaluation of Design and Implementation

a. Relevance of Project Design:

The project design was relevant to the country's development priorities and was ready for implementation. It was consistent with development priorities as set in GOM's first and second Action Plan for the Reduction of Absolute Poverty (PARPA I and II).

The project was also consistent with the Bank Group's Country Strategy Paper for Mozambique (1998-2001).

There were no reported changes to the project design, the components being implemented by the Bank.

b. Project Cost (including Borrower Contribution), Disbursements, and Adherence to Schedules (as relevant to project performance):

UA 2,565,422.80 (77.98%) of the loan of UA 3,290,000.00; was utilized and the undisbursed balance of UA 678,411.61 was cancelled.

The project became effective on 22 March 2002, six (6) months later than the planned date of September 2001; and was completed 24 months behind the planned scheduled date on June 2009. The main reason for delay in implementation was given as challenges in procurement, probably due to multiple financing bodies, with the differing requirements in addition to a weak project management skills coupled with non-familiarisation of Bank procedures, which was not helped by the frequent changes of Task Managers.

c. Implementation Arrangements, Conditions and Covenants, and related Technical Assistance:

The PCR's coverage of implementation arrangements' was inadequate; the report only mentioned that the project was to be implemented through a Project implementation Unit which was adequate for the purpose; that the PIU was supported by a strong consulting engineer with experience in the sector.

There was no coverage of conditions and covenants, the government's status in fulfilling the covenants.

The PCR however adequately covered consultants giving details of their performance including the challenges they faced.

d. Monitoring & Evaluation Design, Implementation, & Utilization:

The PCR's assessment of M&E was 'good'; this was down-graded by the Evaluation Note to 'fair'. The project design did not give all indicators to aid effective M&E; the monitoring plan was weak and not definitive. There was no information on M&E information collection and use.

e. Other Issues (such as Safeguards, Fiduciary):

The PCR's assessment of fiduciary requirements, safeguards and covenants was adequate; but harmonisation was satisfactory.

4. Evaluation of Performance

a. Relevance of project objectives :

The project objectives were relevant at design, during implementation and ex-post to Mozambique's development priorities, in particular the development of the mining sector. The objectives were equally relevant to the Bank's country strategy for the

period, which sought among other things to improve the quality and efficiency of public services; support to streamlining the public sector and the creation of a vibrant private sector. (See assessment in annex 1 for details).

b. Effectiveness in Delivering Outputs:

Most of the planned outputs were delivered, with the exception of output 4 which the Review Note was unable to score; all the outputs were delivered and the scores were validated. The 24 month time over-lag in delivery of outputs somehow dilutes the effectiveness with which the outputs were achieved. (See PCR/Evaluation note's annex).

c. Effectiveness in Achieving Outcomes:

Like the outputs above, most of project outcomes set at project design were achieved; the time over-run in project completion somehow reduces the immediacy of achieving the outcomes. (See PCR/The Evaluation note's annex).

d. Efficiency in Achieving Outputs and Outcome:

The outputs and outcomes realized were achieved without any reported cost overruns. Only 77.98% of the loan was disbursed. There was a twenty-four (24) month time overrun in completing the project which has affected efficiency of achieving outputs and outcomes. With this, the over-all assessment of the efficiency project outputs and the outcomes is rated as 'fair'. No rates' of return for the entire project was calculated.

e. Project/Development Outcome (PO):

The assessment of project outcome is rated 'good' by both the PCR and the evaluation Note. The PCR rated the project outcome including timeliness as 'good'; and the evaluation note rated it as 'fair'. (See above and appendix).

f. Risk to sustained achievement of Project Outcomes:

The PCR looked at all the components executed by the ADF funds and gave an analysis on risks facing each of the components; the risks when put together, in particular those facing the sustainability of the DGN Central laboratory could be rated as substantial. The risks include: i) Spare parts and maintenance of valuable equipment as well as low internet bandwidth could reduce the sustainability of the Mineral Information System; and ii) Maintenance of very sophisticated equipment of the DGN Central Laboratory that is very sensitive to power stability and this is associated to the need for highly trained staff to operate. As it stands the, Laboratory is likely to collapse if financial resources are not mobilized to maintain the equipment and train properly the staff. The Laboratory has to run as a corporation and be profit oriented in order to be able to sustain itself in near future.

g. Additional Outcomes/Impacts:

The PCR gave four (4) additional Outcomes which covered: i) the project's contributions to improving the investment climate and MIREM's capacity to promote and manage investment and growth in Mozambique's minerals sector; ii) benefits to Private sector investors; iii) benefits to artisanal and small scale miners; and iv) benefits to the central government from increased revenues generated through the attraction of mining sector investments.

All the stated 'additional outcomes' were however intended and captured in project document/log-frame.

h. Performance of Borrower:

Borrower performance was rated as 'fair' by the evaluation note; the PCR rated it 'good'. The sub-components under 'design and readiness is rated 'fair' and 'Implementation' rated as borderline 'good'. Details of the assessment and ratings of PCR and Evaluation scores are included in annex I.

i. Bank Performance

Both the PCR Evaluation note and the PCR rated Bank's performance was rated as 'good' even though the evaluation note, gave a lower rating given by the PCR. The sub-components under 'design and readiness is rated 'good' and 'Implementation' rated as 'fair'; the Evaluation Notes' ratings are lower than the PCR's rating.

Details of the assessment and ratings of PCR and Evaluation scores are included in annex I

i. Overall Assessment:

The project on the whole was implemented with challenges, mostly to do with procurement and weak financial management capacity resulting in a twenty-four month time overrun. The project outcomes to strengthen the institutional capacity and regulatory framework for the mining sector in Mozambique; increase private investment in the mining sector; improve production and income of artisanal and small scale miners as well as improve the central government revenues generated through the attraction of mining sector investments interventions are beginning to be realised.

5. Key Lessons, and Recommendations

a. Lessons Learned:

The PCR gave a number of lessons learnt some of which could be considered as recommendations. These are summarised as follows:

- i) ownership, commitment, and availability of counterpart funds as key ingredients in meeting project objectives;
- ii) The ‘customised’ design of the project to the various donors’ technical assistance, responding directly to a reform agenda specified by the government for the sector.
- iii) the overly ambitious project design that did not match the country’s capacity to the complexity of the project, that should have been implemented in phases;
- iv) The advantages of a inflexible MIS that has made it impossible to incorporate the latest updates on the equipment and/or software.

The rest of the lessons were more of recommendations: these include: a) A more standard mining agreements for future operations; essential for increased transparency and accountability in the mining sector.

b) Regular and updated training of staff on procurement rules and guidance;

c) a common, shared and more harmonized, integrated approach on procurement, M&E, reporting , auditing; timing and pace of implementation of each component for a multi-donor funded project;

Further details can be found in the PCR annexes.

6. Ratings:	PCR	OPEV Review	Reason for Disagreement/Comments
Relevance:	4	4	The project was relevant to the country’s development priorities. It is also relevant to the Bank’s country strategy.
Effectiveness in delivering outputs:	3.5	3.3	Most of project outputs were delivered
Effectiveness in achieving outcomes:	3.5	3.25	Most of the outcomes were also met.
Efficiency in achieving outputs & outcomes -Timeliness:	3	2	There was slippage of 24 months in project implementation.
Efficiency in achieving outputs & outcomes –other criteria	-		
Overall efficiency in achieving outputs & outcomes	3	2	This is only based on timeliness.
Risk to Development outcome:	-	2	The risks to development outcome are substantial.
Borrower Performance:	2.7	2.4	Fair
Bank Performance:	3.0	2.5	Good
Quality of PCR:	3	3	Good

7. Comments on PCR Quality and Timeliness

The PCR was mostly satisfactorily written. Even though all sections were completed, there were some inconsistent information in the report; details can be read in the annexes.

Most of sections were well analysed and satisfactorily rated.

Some parts of the report were inconsistent with guideline in rating some of the components.

The PCR stated some of the issues that affected project implementation resulting in time overrun.

Its assessment of safeguards and fiduciary issues was adequate; and that of harmonisation was satisfactory.

The team also generated enough data, which were mostly well analysed and presented.

The PCR provided four (4) of the five (5) mandatory supporting enclosures prescribed by the guidelines, no additional information on implementation was given.

The PCR gave a number relevant lessons learnt, however a number of these could be considered as recommendations.

PCR timeliness: The PCR mission was undertaken in March 2010, the project closed in June 2009; eight (8) months after project closure, falling outside the six month guideline date thus late and is therefore rated as poor.

Details of PCR quality assessment as well as compliance with PCR guidelines and pertinent OPEV guidelines can be found in the attached annex I of the Evaluation Note.

8. Priority for Future Evaluative work: Project for Performance Evaluation Report, Impact Evaluation, Country/Sector reviews or Thematic Evaluation Studies:

- Project is part of series and suitable for cluster evaluation
- Project is a Success Story
- High priority for impact evaluation
- Performance evaluation is required to sector/country reviews
- High Priority for thematic or special evaluation studies (Country)
- PPER is required because of incomplete validation rating

Major areas of focus in future evaluation work:

Follow Up Action by OPEV:

As there are no major outstanding issues needing further investigation; a PPER is not recommended. The project could be included in future sector or country studies.

Division Manager Clearance

Director Signing Off

Data sources for validation:

- **Task managers/Bank staff interviewed/contacted (by email)**
 - i) Task Manager, Mr. D.T. Lekoetje, by email and phone
- **Documents/reports and database**
 1. Bank PCR
 2. Appraisal Report 2001
 3. Appraisal Report Corrigendum
 4. Country Strategy Paper 1999-2001
 5. Project Supervision Reports
 6. Portfolio Reviews 2002-03; 2006; and 2008
 7. PCR Aide Memoire March 2010

Attachment: PCR Evaluation Note Validation Sheet of Performance Ratings

PROJECT COMPLETION REPORT EVALUATION NOTE

Validation of PCR Performance Ratings

PCR Rating Scale:

Score	Description
4.	Very Good – Full achieved with no shortcomings
3.	Good – Mostly achieved despite a few shortcomings
2.	Fair – Partially achieved. Shortcomings and achievements are roughly balanced
1.	Poor – Very limited achievement with extensive shortcomings
UTS	Unable to score/rate
NA	Non Applicable

Criteria	Sub-Criteria	PCR Work Score	OPEV Review	Reason for deviation/ Comments
Relevance of project Objectives & Design	Relevance of project Objectives			
	1. Project objectives were relevant to country development priorities.	4	4	The project was relevant to and consistent with Mozambique's development priorities; as set in the first and second Action Plan for the Reduction of Absolute Poverty (PARPA I and II), both of which featured mining as a driver of growth. The Project was aligned with PARPA objectives related to mining.
	2. Project Objectives could in principle be achieved with the project inputs and in the expected time frame.	4	3	The project was implemented with a 24 month time over-run; the PCR gave reasons for the delay in implementation; the main one being challenges in procurement and disbursement; weak UCPM capacity to deliver, weak capacity of local supplies to service the project resulting in the timelines of the project were reviewed in order to accommodate delays in the procurement and disbursement. With these, the achieving the project objectives in the timeframe with inputs provided would be challenging.
	3. Project Objectives were consistent with the Bank's country or regional strategy	4	4	The project is in line with the Bank Group Country Strategy Paper (CSP) for Mozambique (1998-2001) which focuses on poverty alleviation; aims at improving the quality and efficiency of public services through capacity building efforts, support for streamlining the role of the public sector; and the creation of a vibrant private sector led economy.
	4. Project Objectives were consistent with the Bank's corporate priorities	3	4	The project was consistent with the Vision of the Bank Group on poverty eradication, promoting good governance, private sector development and support for human capital development.
	5. Ex-post Relevance of objectives	-	3	The project is relevant ex-post as at design to continue strengthening the country's capacity and the regulatory framework of the mining sector to encourage and attract increased private investment.
	Relevance of project Design -Project Design & Readiness for Implementation			
	1. The log frame presents a logical causal chain for achieving the project development objectives.	4	3	Even though the log-frame clearly gave project outputs, the outcomes were not explicitly stated. The causal chain for achieving out-puts was set out in the log-frame; however as the outcomes were not given.
	2. The log frame expresses objectives and outcomes in a way that is measurable and quantifiable.	4	3	The log-frame did not give expected project outcomes; it however gave verifiable indicators that would enable objectives and outputs to be measurable and justified.

	3. The log frame states the risks and key assumptions.	4	3	<p>The log-frame stated some key risks; and some assumptions were made, these were linked to expected outputs in reasonable and logical manner to the achieve project objectives.</p> <p>The log-frame however omitted to address the risk of non involvement of communities as community participation in new mining as well as small scale projects /artisanal activities is given as two of the outputs which was noted in risks.</p>
	4. Project complexity was matched with country capacity and political commitment.	3	2	<p>The political commitment of the government to the project is evidenced in its eagerness to address reducing absolute poverty of its citizens through targeted interventions in growth areas such as the mining sector.</p> <p>The project was over-ambitious in its design, as too much was expected to be accomplished within the timescale. Weaknesses in Project design, which became evident during Project implementation, included an overly ambitious agenda and lack of adequate attention to under-developed commercial environment and donor coordination with regards to the parallel financing of activities.</p> <p>The complexity of the Project, multiple parallel financing sources and complexity of the national regulations constituted a major challenge to the project's financial and management aspects.</p>
	5 Project design includes adequate risk analysis.	3	3	<p>The Appraisal report identified three key risks; it gave some mitigating measures to the risks identified. It however omitted identifying the risk of non-participation of communities who were identified as key players in small scale and artisanal miners.</p>
	6. Project procurement, financial management, monitoring and/or other systems were based on those already in use by government and/or other partners.	3	3	<p>This is a project funded by four (4) donors, the design of Bank funded components were based on country systems as well as some Bank systems e.g. procurement and disbursement. Use of country systems was however not that clearly defined.</p>
	7. Responsibilities for project implementation were clearly defined.	3	3	<p>The project design set out broadly the implementation arrangements; – most if not entirely all the responsibilities was given to UCPM, the <u>Mining Project Management and Co-ordinating Unit</u>.</p>
	8. Necessary implementation documents (e.g. specifications, design, procurement documents) were ready at appraisal.	3	2	<p>There was no evidence that the necessary implementation documents for project were ready at appraisal as the report did not make any reference to that effect.</p> <p>According to the PCR, the implementation manual was not prepared, but training was provided to staff in the early stages of project implementation.</p>
	9. Monitoring indicators and monitoring plan were agreed upon during design.	3	2	<p>The Appraisal report gave the monitoring responsibility to the Executing agency. But without base-line indicators as well as verifiable indicators not given, the M&E is weak.</p> <p>Apart from the stating the requirement of the Borrower submitting quarterly and progress reports, there were no other monitoring plans elaborated.</p>
	10. Baseline data were available or were collected during design.	3	2	<p>Baseline data was not available during project design.</p>
Achievement of Project Outputs*	Output 1 Database on industrial minerals established and operational	4	4	<p>Industrial minerals Database established and operational; Promotion of the Industrial Minerals in Mozambique at international conferences and distribution of brochures in different for.</p> <p>The database captured 300 deposits and occurrences, 117 of them were visited in a follow-up survey.</p>

				And laboratory studies results from 114 samples were also integrated. Even though there were no indicators set on the number of deposits to be captured in the database, as the database is set up and operational, the scoring is validated.
	<p>Output 2</p> <p>2.1: Geological Information infrastructure operational by end of the project.</p> <p>2.2: Computerized and interactive cadastre system operational by mid-term review;</p> <p>2.3: Basic equipment for chemical analyses and mineralogical determinations was installed (XRF and XRD) as well as the equipment for basic sample preparation</p>	3	3	<p>2.1: MIS established and operational; all geological data is stored in the MIS; Digital Documentation Centre established and most paper documents converted into digital; 3185 reports digitally stored</p> <p>2.2: Mining Cadastre established and running properly;</p> <p>2.3: Part of the basic equipment for laboratory for chemical analyses and mineralogical determinations was installed (XRF and XRD) as well as the equipment for basic sample preparation and preliminary studies of geological samples.</p> <p>Validated.</p>
	<p>Output 3</p> <p>Old geochemical data and geochemical survey compiled in a Geochemical database.</p>	3	3	<p>Complete geochemical data compilation and pilot geochemical survey; DNG collected 1,820 geochemical samples in 2005 and 2006—472 samples were analyzed and 1,348 were sent to Finland for analysis; from the 11,700 historical samples located, 1,144 have been subject to geochemical analysis in Finland. Results of the geochemical analysis were presented at a major international conference on African geology in Maputo in July 2006</p> <p>Validated on the basis of the information given above.</p>
	<p>Output 4</p> <p>The Laboratory staff has received extensive training in Finland, Tanzania, Brazil and South Africa; MIS, Mining Cadastre, Geochemical Survey and database preparation and maintenance</p>	4	UTS	<p>The training component was successful, with the DNG staff trained to compile and assess the data themselves. Generally the technicians already had basic knowledge and adjusted easily to the program. The laboratory staff are able to operate adequately the equipment. The same is valid for the MIS and Mining Cadastre.</p> <p>The appraisal report did not give details of any training programs, and without any baseline, indicators and targets to be met, the review note is unable to score the output.</p>
	Overall Output weighted Score	3.5	3.3	<p>Good</p> <p>The long delay in implantation however adversely affects the implementation rating.</p>
Achievement of Project Outcomes	<p>Outcome 1</p> <p>1.1: Strengthened capacity and improved efficiency of PMIs to administer and enforce mining laws and regulations.</p>	4	3	<p>Mining Cadastre established and available to investors and public;</p> <p>The Database captured 300 deposits and occurrences of industrial minerals and construction material.</p>
	<p>Outcome 2.</p> <p>2.1: Minerals Information System (MIS) available to investors.</p> <p>2.2: Mining Cadastre available to investors and public</p> <p>2.3: National Laboratory ready and operational and serving the mining industry in the country.</p>	4	4	<p>The national laboratory was through the MIS, categorized, catalogued, digitized, unified to integrate the results from mineral exploration and mining projects, both from the Government and private sector, into a GIS environment under a single management system and to facilitate import of additional relevant datasets, including topography, geophysical data, geology, satellite imagery etc. The MIS is providing Government with instant access to readily accessible, consistent and up to date</p>

				<p>set of data for information and planning purposes. The mining cadastre is fully operation and it has been assisting the government in monitoring the mining activity. The mining cadastre has contributed to the reduction of the number of days to issue a mining title to 45 days, from the previous situation when a license would take more than 90 days.</p> <p>National Laboratory is ready and operational for the mining sector.</p> <p>This is more of output than outcomes; however its scoring (as output) is validated on the basis of the information given above.</p>
	<p>Outcome 3 Strengthened capacity and improved efficiency of PMIs to administer and enforce mining laws and regulations.</p>	3	3	<p>The bibliographic database is fully Web-compatible and it is incorporated into the DNG Website, in order to make the bibliographic data readily available. DNG web page, containing metadata on the spatial data and attribute data in the MIS, is functioning and disseminating information via the Internet. The Mining Cadastre is fully operational and has been assisting the government in monitoring the performance of the Mining License holders by promoting the user when the license is about to expire or when the reports are due. Before the project there were less than ten exploration licenses and one mining license; at the end of the project there were 3000 exploration licenses and 3 mining licenses.</p> <p>Validated.</p>
	<p>Outcome 4 Strengthened capacity and improved efficiency of PMIs to administer and enforce mining laws and regulations.</p>	3	3	<p>All 22 technical staff from the laboratory were trained during the project implementation. The 12 staff from the Mining Cadastre were fully trained, the entire Geochemistry and Industrial minerals departments of the National Directorate of Geology were also trained. And the entire team of the MIS and Library were also trained in data capture, processed and output production according to the requirements of the clients. The entire library has been converted into a digital one with computer searching mechanisms.</p> <p>Validated</p>
	OVERALL PROJECT OUTCOME SCORE	3.5	3.25	
Additional Outcomes (not captured in the log-frame)	Institutional Development	-	3	The PCR and other project reports reported that the project provided training and other technical support that strengthened the Institutional capacity of the government's mining sector institutions.
	Gender	-	1	No gender dimensions were mentioned or addressed in the project design, during implementation and in the PCR. Reference was made to communities in particular small scale and artisanal miners benefiting from the project; however as stated, no gender references were made in the project documents.
	Environment & Climate Change	-	3	As a category III classified project, the project as implemented was not expected to have any adverse impact on the environment. However the outcome of the project could generate the exploration of minerals and activate mining activities that if not handled well could have devastating impacts on the environment. To mitigate this, one component of the project was to develop and implement environmental policy. This component however was implemented by another donor, the IDA.
	Poverty Reduction	-	3	The project targeted communities through artisanal and small scale miners that benefited from

				<p>formalization of their activities, through the formal allocation and demarcation of legal areas for artisanal and small scale mining.</p> <p>Formation of artisanal and small scale mining cooperatives was promoted to improve miners' access to tools, services, and markets.</p> <p>Their involvement will generate income and contribute to poverty reduction.</p>
	Private Sector Development	-	3	<p>Private sector investors benefited from updated and expanded geological information on the country, a more efficient and rules-based exploration licensing system, and a more transparent and comprehensive legal, regulatory, and fiscal framework.</p> <p>The project paves the way for easier private sector involvement and investment in the mining sector.</p>
	Regional Integration	-	-	N/A
	Other (Specify)	-	-	N/A
	OVERALL PROJECT ADDITIONAL OUTCOME SCORE	-	2.6	Good
Efficiency in achieving outputs & outcomes	Timeliness	3	2	The PCR gave the project closing date as December 08, from the planned closing date of June '06 making the time overrun as 18 months; but according to the PCR Aide Memoire, the project closing date was further extended from December '08 to June 09 making the time over-run 24 months.
	Rates of returns (Specify if applicable)	-	N/A	
	Other Criteria (Specify)			
	OVERALL PROJECT EFFICIENCY	3	2	Fair. This is only based on timeliness criteria.
Risk to Development Outcome	Key Risks (Specify common risk factors to be a basis for rating)	-	2	<p>The PCR looked at all the components executed by the ADF funds and gave an analysis on risks facing each of the components, the high risk include:</p> <p>i) Spare parts and maintenance of valuable equipment as well as low internet bandwidth could reduce the sustainability of the Mineral Information System;</p> <p>ii) Maintenance of very sophisticated equipment of the DGN Central Laboratory that is very sensitive to power stability and this is associated to the need for highly trained staff to operate. As it stands the, Laboratory is likely to collapse if financial resources are not mobilized to maintain the equipment and train properly the staff. The Laboratory has to run as a corporation and be profit oriented in order to be able to sustain itself in near future.</p> <p>The risks presented are substantial.</p>
<p>*The output ratings have to be weighted by the relative output costs (see PCR format).</p> <p>The Overall rating is given Very Good, Good, Fair and Poor. Overall rating is the sub-criteria average.</p> <p>(i) Very Good (HS) : 4</p> <p>(ii) Good (H) : 3</p> <p>(iii) Fair (US) : 2</p> <p>(iv) Poor (HUS): 1</p> <p>(v) UTS</p> <p>(vi) TA</p>				

Criteria	Sub-Criteria	PCR Work Score	OPEV Review	Reason for disagreement/ Comments
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Bank Performance	Design and Readiness			
	1. Project Objectives were relevant to country development priorities.	4	4	The project was relevant to and consistent with Mozambique's development priorities; as set in the first and second Action Plan for the Reduction of Absolute Poverty (PARPA I and II), both of which featured mining as a driver of growth. The Project was aligned with PARPA objectives related to mining.
	2. Project Objectives could in principle be achieved with the project inputs and in the expected time frame.	4	3	The project was implemented with a 24 month time over-run; the PCR gave reasons for the delay in implementation; the main one being challenges in procurement and disbursement; weak UCPM capacity to deliver, weak capacity of local supplies to service the project resulting in the timelines of the project were reviewed in order to accommodate delays in the procurement and disbursement. With these, achieving the project objectives in the timeframe with inputs provided would be challenging.
	3. Project Objectives were consistent with the Bank's country or regional strategy	4	4	The project is in line with the Bank Group Country Strategy Paper (CSP) for Mozambique (1998-2001) which focuses on poverty alleviation; aims at improving the quality and efficiency of public services through capacity building efforts, support for streamlining the role of the public sector; and the creation of a vibrant private sector led economy.
	4. Project Objectives were consistent with the Bank's corporate priorities	3	4	Project were also consistent with the Bank Group's Health Sector Policy approved by Board in Sept. 1996 prioritising health infrastructure, equipment and capacity building as areas of support to member countries. The project was consistent with the Vision of the Bank Group on poverty eradication, promoting good governance, private sector development and support for human capital development.
	5. The log frame presents a logical causal chain for achieving the project development objectives.	4	3	Even though the log-frame clearly gave project outputs, the outcomes were not explicitly stated. The causal chain for achieving out-puts was set out in the log-frame; however as the outcomes were not set.
	6. The log frame expresses objectives and outcomes in a way that is measurable and quantifiable.	4	3	The log-frame did not give expected project outcomes; it however gave verifiable indicators that would enable objectives and outputs to be measurable and justified.
	7. The log frame states the risks and key assumptions.	4	3	The log-frame stated some key risks; and made some assumptions in the log-frame, these were linked to expected outputs in reasonable and logical manner to the achieve project objectives. The log-frame however omitted to address the risk of non involvement of communities as community participation in new mining as well as small scale projects /artisanal activities is given as two of the outputs which was noted in risks.
	8. Project complexity was matched with country capacity and political commitment.	3	2	The political commitment of the government to the project is evidenced in its eagerness to address reduce absolute poverty of its citizens through targeted interventions in growth areas such as the mining sector. The project was over-ambitious in its design, as too much was expected to be accomplished within the timescale. Weaknesses in Project design, which became evident during Project implementation, included an overly ambitious agenda and lack of adequate attention to under-developed commercial environment and donor coordination in regard to the parallel financing of activities. The complexity of the Project, multiple parallel

				financing sources and complexity of the national regulations constituted a major challenge to the project's financial and management aspects.
	9. Project design includes adequate risk analysis.	3	3	The Appraisal report identified three key risks; it gave some mitigating measures to the risks identified. It however omitted identifying the risk of non-participation of communities who were identified as key players in small scale and artisanal miners.
	10. Project procurement, financial management, monitoring and/or other systems were based on those already in use by government and/or other partners.	3	2	This is a project funded by four (4) donors, the design of Bank funded components were based on country systems as well as some Bank systems e.g. procurement and disbursement. Use of country systems was however not that clearly defined. A challenge identified at project completion was the use of many systems of the various funding donors, which put much strain on the government.
	11. Responsibilities for project implementation were clearly defined.	3	3	The project design set out broadly the implementation arrangements; – most if not entirely all the responsibilities was given to UCPM, the Mining Project Management and Co-ordinating Unit.
	12. Necessary implementation documents (e.g. specifications, design, procurement documents) were ready at appraisal.	3	2	There was no evidence that the necessary implementation documents for project were ready at appraisal as the report did not make any reference to that effect. According to the PCR, the implementation manual was not prepared, but training was provided to staff in the early stages of project implementation.
	13. Monitoring indicators and monitoring plan were agreed upon during design.	3	2	The Appraisal report gave the monitoring responsibility to the Executing agency. But without base-line indicators as well as verifiable indicators not given, the M&E is weak. Apart from the stating the requirement of the Borrower submitting quarterly and progress reports, no other monitoring plans was given.
	14. Baseline data were available or were collected during design.	3	2	Baseline data was not available during project design.
	Project Design and Readiness Sub-Score	3.4	2.9	Good

Criteria	Sub-Criteria	PCR Score	OPEV Review	Justification/ Reason for deviation/Disconnect/ Comments
Bank Performance	Supervision			
	1. Bank complied with:			
	<ul style="list-style-type: none"> Environmental Safeguards 	3	3	As a category III classified project, the project as implemented was not expected to have any adverse impact on the environment. However the outcome of the project could generate the exploration of minerals and activate mining activities that if not handled well could have devastating impacts on the environment. To mitigate this, one component of the project was to develop and implement environmental policy. This component however was implemented by another donor, the IDA.
	<ul style="list-style-type: none"> Fiduciary Requirements 	3	2	According the PCR and Aide Memoire, the Bank acted swiftly during the early phase of the project but did not act quickly to address fiduciary management issues identified during the MTR. This is attributed to the number of changes of the Task Managers. that delayed the granting of NO OBJECTION on requested procurement actions, and as consequence the slow disbursements slowed implementation of the Project.

				Also the processing and approval of contracts was also reported to have faced substantial delays which in turn substantially slowed down implementation.
	• Project Covenants	3	3	There were no reported issues on the Bank's supervision and management of Project Covenants,
	2. Bank provided quality supervision in the form of skills mix provided and practicality of solutions.	3	2	The Bank conducted 10 field missions over the project implementation. Even though the number is considered adequate; the supervision list provided in the PCR showed that only one Bank staff was on each of the supervision missions, which is unlikely to adequately address all project issues requiring different skills and expertise.
	3. Bank provided quality management oversight.	3	2	The high turnover of the Task Managers significantly reduced the effectiveness of the supervision missions; the skill mix of which was inadequate. This has contributed to the delays in the Bank's reaction to address fiduciary management issues and inevitably difficulties, in particular, delays in granting 'no objection' requests from the borrower and delays in project implementation. The Mid-Term-Review planned was not undertaken according to the Task Manager; the PCR however stated it was undertaken.
	PCR was delivered on a timely basis	1	1	The Project is closed on 30 June 2009, the PCR mission was undertaken nine (9) months later from 19 to 30th March; the report was produced and submitted immediately after.
	Supervision Sub-Score	2.67	2.17	Fair
	OVERALL BANK PERFORMANCE SCORE	3.0	2.5	Good
The Overall rating is given Very Good, Good, Fair and Poor. Overall rating is the sub-criteria average.				
(i) Very Good (HS) : 4				
(ii) Good (H) : 3				
(iii) Fair (US) : 2				
(iv) Poor (HUS): 1				

Criteria	Sub-Criteria	PCR Score	PCR-EVN Validation	Justification/ Reason for deviation/Disconnect/ Comments
Borrower Performance	Design and Readiness			
	1. Responsibilities for project implementation are clearly defined	3	3	The project design set out broadly the implementation arrangements; – most if not entirely all the responsibilities was given to UCPM, the Mining Project Management and Co-ordinating Unit.
	2. Necessary implementation documents (e.g. specifications, design, procurement documents) are ready at appraisal.	3	2	There was no evidence that the necessary implementation documents for project were ready at appraisal as the report did not make any reference to that effect. According to the PCR, the implementation manual was not prepared, but training was provided to staff in the early stages of project implementation.
	3. Monitoring indicators and monitoring plan are agreed upon and baseline data are available or are being collected	3	2	The Appraisal report gave the monitoring responsibility to the Executing agency. But without base-line indicators as well as verifiable indicators not given, the M&E is weak. Apart from the stating the requirement of the Borrower submitting quarterly and progress reports, there were no other monitoring plans elaborated.
	Project Design and Readiness Sub-Score	3	2.33	Fair
	Implementation			

	1. Borrower complied with:			
	<ul style="list-style-type: none"> Environmental Safeguards 	2.5	3	As a category III classified project, the project as implemented was not expected to have any adverse impact on the environment. However the outcome of the project could generate the exploration of minerals and activate mining activities that if not handled well could have devastating impacts on the environment. To mitigate this, one component of the project was to develop and implement environmental policy. This component however was implemented by another donor, the IDA.
	<ul style="list-style-type: none"> Fiduciary Requirements 	2.5	2	The PIU was reported not able to account for the first replenishment, which led to freezing of disbursement and that resulted/contributed to a number of activities not been fully implemented; even at project closure the said expenditure could not be justified. Additionally there were reported weaknesses in financial management during implementation, including lack of regular financial management reports and deficiencies in the internal control system.
	<ul style="list-style-type: none"> Project Covenants 	2.5	2	The Borrower fulfilled most of the covenants of the project. A major challenge was the management and reporting on the special account in accordance with loan agreement, some details of this are stated above.
	2. Borrower was responsive to Bank supervision findings and recommendations.	2	3	Due to major challenges in understanding Bank rules in particular procurement procedures as well as the high turnover of procurement staff, and broader bureaucratic systemic issues related to procurement in Mozambique major delays occurred in project implementation. The Project however was reported to be responsive to organizing meetings and facilitating exchanges between the Bank Project team and MIREM officials
	3. Borrower collected and used of monitoring information for decision-making.	2.5	UTS	The PCR did not give any information whether the borrower collected and used monitoring information. There was no other available information to rate the component.
	Implementation Sub-Score	2.4	2.5	Fair
	OVERALL BORROWER PERFORMANCE SCORE	2.7	2.4	Fair
The Overall rating is given Very Good, Good, Fair and Poor. Overall rating is the sub-criteria average.				
(i) Very Good (HS) : 4				
(ii) Good (H) : 3				
(iii) Fair (US) : 2				
(iv) Poor (HUS): 1				

M &E Design, Implementation & Utilization

Criteria	Sub-Criteria	PCR Score	PCR-EVN Validation	Justification/ Reason for deviation/Disconnect/ Comments
M & E Design	M & E Design			
		3	2	The Appraisal Report (AR) gave the monitoring responsibility to the Executing Agency, but without any definitive plan. The AR gave some Monitoring indicators; but without most base-line indicators and verifiable indicators given, the M&E plan was weak.
	Design Score	3	2	Fair
M & E Implementation	M & E Implementation			
		-	2	Apart from the stating the requirement of the Borrower submitting quarterly and progress reports, there were no

				other monitoring plans elaborated.
	Implementation Score	-	2	
M & E Use		-	UTS	There was no information on M&E collection and its use.
	Use Score			
	OVERALL M & E PERFORMANCE SCORE	3	2	Fair
<p>The Overall rating is given Very Good, Good, Fair and Poor. Overall rating is the sub-criteria average.</p> <p>(v) Very Good (HS): 4 (vi) Good (H): 3 (vii) Fair (US): 2 (viii) Poor (HUS): 1</p>				

PCR Quality Assessment

Criteria	PCR-EVN (1-4)	Comments
QUALITY OF PCR		
1. Extent of quality and completeness of the PCR evidence and analysis to substantiate the ratings of the various sections:	2	The PCR was mostly satisfactorily written; all sections were completed. The PCR however gave some inconsistent information in the report. These include project completion date, which was wrongly stated in the PCR front page and calculation of timeliness; the PCR also stated that there was a Mid-Term Review (MTR) with a number of references to it; this however which was contradicted by the Task Manager who stated the MTR did not take place, and there was no evidence of the report. There were information gabs in the PCR, such as key reasons for start-up delays; a number of major challenges to implementation. Most of the information was in the Aide Memoire, but not in the PCR.
2. Extent of objectivity PCR assessment scores	3	The PCR objectively analysed all sections. Most of the outputs and outcomes were well assessed and adequately rated.
3. Extent of internal consistency of PCR assessment ratings; inaccuracies; inconsistencies (in various sections; between texts and ratings; consistency of overall rating with individual component ratings)	3	The PCR rating of some of the component texts are inconsistent with the guidelines set, such as rating components 2.5; the PCR however gave consistent ratings in most of the components.
4. Extent of identification and assessment of key factors (internal and exogenous) and unintended effects (positive and negatives) affecting design and implementation:	2	The PCR identification and assessment of factors affecting project design and implementation were mixed. It stated weaknesses in project design without details of what they were; major challenges in project implementation were not stated (even though a number was given in the Aide Memoire). The PCR It did give discussed some key reasons for delays in the implementation of the component B9 -DNG National Laboratory as the problem was related to procurement procedures for laboratorial equipment when some companies refused to supply the equipment without advance payment through letters of credit; then contradicted itself by stating under 'Adherence to schedule: in which it stated 'the project for most part did adhere to the implementation schedule except for the use and accountability of the special account'; which was not the only reason for the delays in implementation.
5. Adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization	3	The PCR's assessment of safeguards and fiduciary issues are adequate and harmonisation is satisfactory.
6. Extent of soundness of data generating and analysis processes (including rates of returns) in support of PCR assessment:	3	The PCR generated enough data, which was mostly well analysed. No rates of return were calculated, but adequate data was presented to support the PCR's assessment.
7. Overall adequacy of the accessible evidence (from PCR including annexure and other data provided)	2	The PCR provided adequate and accessible evidence. It gave four (4) of the 5 the mandatory and some of the optional supporting enclosures of: i) project costs and financing; ii) actual yearly disbursements; iii) procurement plan; and iv) the list of supporting documents. No additional information implementation was given; the evaluation

		note had to rely on PCR Aide memoire for details of challenges, conclusions; recommendations and recommendations made.
8. Extent to which lessons learned (and recommendations) are clear and based on the PCR assessment (evidence & analysis):	3	<p>The PCR gave a number of lessons learnt some of which could be considered as recommendations. They include:</p> <ul style="list-style-type: none"> i) ownership and political commitment, plus the availability of counterpart funds as key ingredients in ensuring meeting the objectives set; ii) The ‘customised’ design of the project to the various donors’ technical assistance, responding directly to a reform agenda specified by the government for the sector. iii) Some design weaknesses including: the Project was overly ambitious and should have been implemented in phases given the country’s general lack of capacity; iv) The inflexibility of the MIS that has made it impossible to incorporate the latest updates on the equipment and/or software. The rest of the lessons were more of recommendations: these include: a) A more standard mining agreements for future operations; essential for increased transparency and accountability in the mining sector. b) The training of staff on procurement rules and guidance; and regular training and updates on the format and timing of Financial Monitoring Reports should be made a norm for project implementation and project supervision follow ups. c) a common, shared and more harmonized, integrated approach could have been implemented, encompassing procurement, M&E, reporting , auditing and timing and pace of implementation of each component for a multi-donor funded project; and d) The project should have implemented some of the recommendations from the MTR, which should have produced much better results for the Documentation Centre, Mining Cadastre and Mining Information System components. <p>The Review Team found no evidence of the MTR.</p>
9. Extent of overall clarity and completeness of the PCR	2	All the sections of the PCR were completed as required, the report however lacks clarity and not easily followed.
Other (to be specified)	-	
PCR Quality Score	3	Satisfactory
PCR Compliance with Guidelines (PCR/OM; OPEV)		
1. PCR Timeliness	1	The PCR mission was undertaken in March 2010, the project closed in June 2009; eight (8) months after project closure, falling outside the six month guideline date thus late and is therefore rated as poor. No date was given on when the PCR was posted to PCR@afdb.org
2. Extent of participation of Borrower, Co-financiers & field office in PCR preparation	1	Even though stake-holders were reported to have been involved in the PCR process, their involvement was limited to interviews and review/comments on the report. The PCR mission was reportedly undertaken by a consultant; no multi-disciplinary team of Bank Staff, co-financiers (as this is a multi-donor funded project) and Government officials jointly participated in the mission as now required by Bank guidelines.
3. Other aspect (Specify)		The PCR mission was undertaken in March 2010, the project closed in June 2009; eight (8) months after project closure, falling outside the six month guideline date thus late and is therefore rated as poor.
PCR Compliance Score	1	Poor