



**Plataforma Multi-Stakeholder**

NA REGIÃO NORTE DE MOÇAMBIQUE

# Introduction to the Multi-Stakeholder Platform for Northern Mozambique

Updated January  
2021



# Agenda

## **Context of Northern Mozambique**

Introduction to the MSP

What the MSP Produces

How the MSP works

# Context of Northern Mozambique: 3 provinces and 56 districts with over 30% of the nation's population and 50% of its land mass





# Context of Northern Mozambique: A region with enormous potential and need for development investment



## ***High-potential industries***

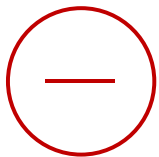
- Represents **36% of the nation's agriculture and livestock** industry
- Represents **10% of the nation's tourism** industry

## ***Human Capital***

- 75% of the population is **working age**

## ***Natural Resources***

- 2.8 billion cubic meters of **natural gas reserves**
- One of largest **high-quality graphite reserves** in the world, between 20% and 40% of total global reserves
- Approximately 163 million tons of **heavy sands**



## ***Poverty and unemployment***

- 65% of the population is considered to be living **under the poverty line**
- 62% **unemployment rate**
- 48% of children with **chronic malnutrition or facing food insecurity**

## ***Access to services***

- More than 53% of the population without **access to financial services**
- About 22% of population linked to the **national electricity grid**
- Approx. 18,500 people per **health clinic** (nearly double the recommendation)
- Only 27% of population with **access to piped water**

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# Introduction to the MSP: Objective of the Platform



Government of the Netherlands



Formed in 2019, the objective of MSP is to **promote and support the inclusive and sustainable development of the northern region of Mozambique** by facilitating interaction among stakeholders in supporting individual high-impact projects as well as promoting integrated development corridors. Through improved collaboration, stakeholders will explore opportunities for synergy and generate value through the strong participation of various relevant organisations in the region and with an established interest in its development, including:



Private Sector



Public  
Institutions



NGOs &  
Donors



Civil Society  
Organizations

# Introduction to the MSP: The platform is subdivided into 4 thematic Working Groups

## Planning groups

### **District Planning of Palma**

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Consolidation of existing plans and initiatives for the territorial development of the district that encompasses the megaprojects activities of the Afungi peninsula. This analysis will inform coordinated efforts to reduce the vulnerability of local communities, economy, infrastructure and land resources of the district

### **The Pemba-Lichinga Corridor**

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Project launched by the African Development Bank for the development of value chains and markets along the Pemba-Lichinga corridor, which aims to promote competitive and inclusive agricultural business in certain geographies by increasing agricultural production and productivity

## Local content groups

### **SME Financing**

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Initiatives and financial inclusion programs that facilitate the creation of an enabling ecosystem to attract private capital that unlocks funding for SMEs in northern Mozambique. The group aims to explore innovative solutions in the financing ecosystem to support SMEs

### **Local Content and Capacity Building**

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Projects and programs designed to improve processes and skills of SMEs in order to service the LNG sector. Examples of interventions are the sponsorship of training centers or Technical Assistance programs, as well as sectoral coordination of professional certification standards

# Introduction to the MSP: The Platform is composed of a diverse group of stakeholders



## Private Sector

- 30 + private sector organizations including:**
- Multi-nationals (particularly in extractives and financial services)
  - National firms
  - Locally-based SMEs
  - Forums or associations representing the private sector



## Public Institutions

- ~10 institutions including:**
- Provincial government representatives
  - National technical government institutions
  - Regional development agency



## NGOs & Donors

- Approximately 25 organizations including:**
- Bilateral organizations
  - Multi-laterals
  - National and local NGOs
  - Development finance institutions
  - Humanitarian organizations



## Civil Society Organizations

- 20+ organizations including:**
- Local civil society organizations
  - Platforms for civil society dialogue
  - National CSOs with Northern Mozambique programming



# Introduction to the MSP: What it is and what it is not



## What it is

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- A platform to promote collaboration and the exchange of ideas
- A stakeholder led initiative
- The result of collaboration with over 80 representative organizations from the Private and Public Sectors, Civil Society and NGOs
- A narrowly launched platform with a thematic and geographic focus with the inspiration to grow
- A tool for stakeholders to leverage to incubate and drive initiatives forward



## What it is not

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- A mechanism for any official policymaking or replacement for any government led initiative
- An all-encompassing donor-coordination platform for Cabo Delgado
- An umbrella mechanism that aims to absorb all ongoing development activities in the region
- An effort representing the interests of a selective group of parties
- A presentation of a set of concrete projects that have or require funding

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How the MSP works

# What the MSP produces: An overview

## Information sharing



- **Webinars:** Regularly scheduled platform wide sessions to present new programs, studies, or topics of interest
- **Newsletters:** Monthly updates that include member and platform produced content
- **Forum attendance:** Representation and speaking engagements at thematically overlapping forums and conferences

## Thought leadership



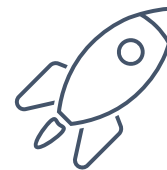
- **White Papers and Concept Notes:** Publications driven by working groups on working group topics of interest
- **Case studies and mappings:** Smaller scale secretariat-led insights
- **Data snapshots:** Regularly published thematic data visualizations and insights of the on-the-ground reality of thematic areas

## Advisory board and technical assistance



- **Consultative sessions:** Stakeholder presentations to receive member feedback on ideas and projects
- **Strategic TA:** Assistance to members and local government institutions with overlapping thematic work
- **Civil society dialogue:** Sponsorship of thematically linked CSO led sessions

## Incubated projects or programs



- **Program design notes:** Publications designing potential new programs and ideas based on stakeholder input
- **Incubation sessions:** Smaller, technical working groups to co-design projects, programs, and thought leadership

# Information Sharing - *Webinars*: Sample 2020 sessions

/ ILLUSTRATIVE EXAMPLES



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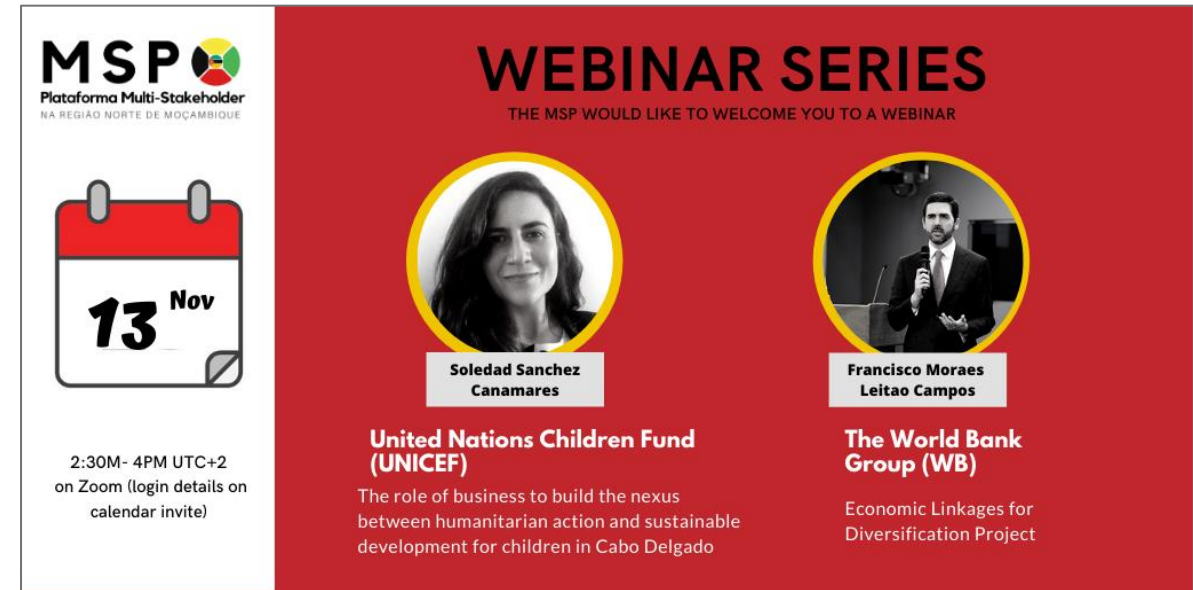
**23 JULY**

4PM - 5:30PM GMT+2  
on Zoom (login details on  
calendar invite)

**WEBINAR SERIES**  
THE MSP WOULD LIKE TO WELCOME YOU TO OUR FIRST WEBINAR

**Armando Panguene**  
Integrated Development  
Agency of the North  
(ADIN)  
Update on Agency's Formation  
and Mandate

**Myrta Kaulard**  
United Nations(UN)  
UN presence in Cabo  
Delgado: partnership  
opportunities with MSP



**MSP**  
Plataforma Multi-Stakeholder  
NA REGIÃO NORTE DE MOÇAMBIQUE

**13 Nov**

2:30M - 4PM UTC+2  
on Zoom (login details on  
calendar invite)

**WEBINAR SERIES**  
THE MSP WOULD LIKE TO WELCOME YOU TO A WEBINAR

**Soledad Sanchez  
Canamares**  
United Nations Children Fund  
(UNICEF)  
The role of business to build the nexus  
between humanitarian action and sustainable  
development for children in Cabo Delgado

**Francisco Moraes  
Leitao Campos**  
The World Bank  
Group (WB)  
Economic Linkages for  
Diversification Project

## Topics

- Announcement of strategic objectives of newly formed government development agency for Northern Mozambique
- Overview of UN presence, operations, and clusters in Cabo Delgado

## Topics

- The role of the private sector in maintaining children's rights in unstable environments
- Announcement of new World Bank program for Economic Linkages and Diversification

# Information Sharing - *Forum attendance*: Presentation on multi-sectoral approach to resilient infrastructure at Mozambique Gas Summit

/ ILLUSTRATIVE EXAMPLES

MSP requested to present at MGVS on behalf of stakeholders

Subject was a multi-sectoral approach to resilient infrastructure development in Cabo Delgado

## 2 Gas Masterplan to Promote Regional Collaboration

- Fostering regional collaboration to ensure energy security and optimal project development
- Sharing best practices from the region:
  - Local content
  - Infrastructure development
  - Global LNG supply
- Developing regional trade for further market autonomy and greater energy security
- Stimulating regional appetite for LNG demand and developing regional synergies

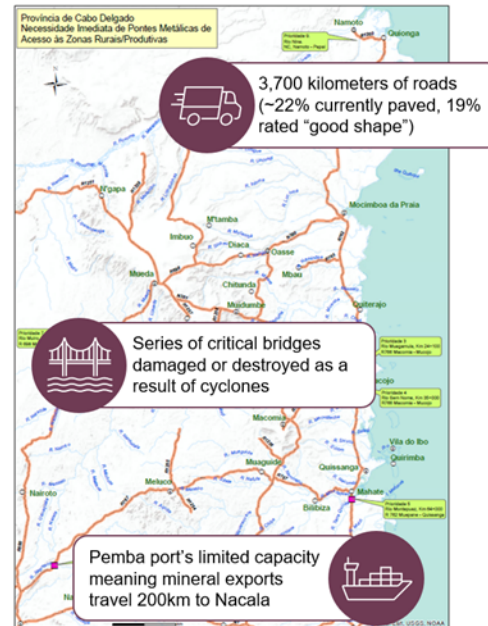
### Moderator

 **Patricia Quirino**  
Head of Tax Mozambique (Rest of Africa)  
Sasol

### Speakers

- |   |   |
|---|---|
|  <b>Manuel Barros</b><br>CEO - Gas & Renewable Energy Business Unit<br>Sonangol                    |  <b>Samer Mosis</b><br>Team Lead LNG Analytics EMEA<br>S&P Global Platts           |
|  <b>Titos Nhabomba</b><br>Commercial & Marketing Director Domestic & Regional Markets<br>ENH     |  <b>Ebrahim Hasnayn</b><br>Managing Director Africa International Advisors (AIA) |
|  <b>Kwasi A. Agbley</b><br>Advisor to the Board of Directors<br>African Renaissance Pipeline Ltd |  <b>Ian Thomas Krohn</b><br>Director Third Way Africa (TWA)                      |

## Current state of infrastructure in Cabo Delgado



### Additional factors impacting infrastructure development

- ~300,000 internally displaced peoples adding increased pressure on infrastructure for service delivery
- Heavy rainy season is expected, likely causing additional damage to critical infrastructure
- Economic impact of COVID has hit state budgets and local private sector investment
- Increased urgency to develop critical supply routes for linkages to local producers and service providers and increasingly for humanitarian response
- Influx of private and development capital to be leveraged to sustainably develop the North



A more holistic approach to infrastructure development is required in this resource constrained environment

MSP Source: Plano Estratégico de Desenvolvimento da Cabo Delgado 2018-2027; UN World Food Programme (WFP)



# Advisory board and technical assistance- *Civil Society Dialogue*: Debate and capacitation on human and women's rights

/ ILLUSTRATIVE EXAMPLES



## Capacitation workshop and debates sponsored by the platform

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MSP partnered with Cabo-Delgado based CSO, Djumula to hold a **two-day capacitation and debate workshop** focused on:

- Promoting women's rights in the context of COVID-19
- Challenges of internally displaced women in areas of conflict in Cabo Delgado
- Role of civil society and human rights institutions in the development process

Feedback from these debates was disseminated to the larger platform network through the MSP monthly newsletter.

# Thought Leadership - *White Papers and Concept Notes*: The need for an integrated development framework for LNG development

/ ILLUSTRATIVE EXAMPLES


## An update on the state of development of the natural gas projects



## Mapping of the various regional and urban plans for the Northern region

**Desafios e barreiras:** O Secretariado tem tido dificuldades em engajar e compreender as funções dos diferentes agentes governamentais

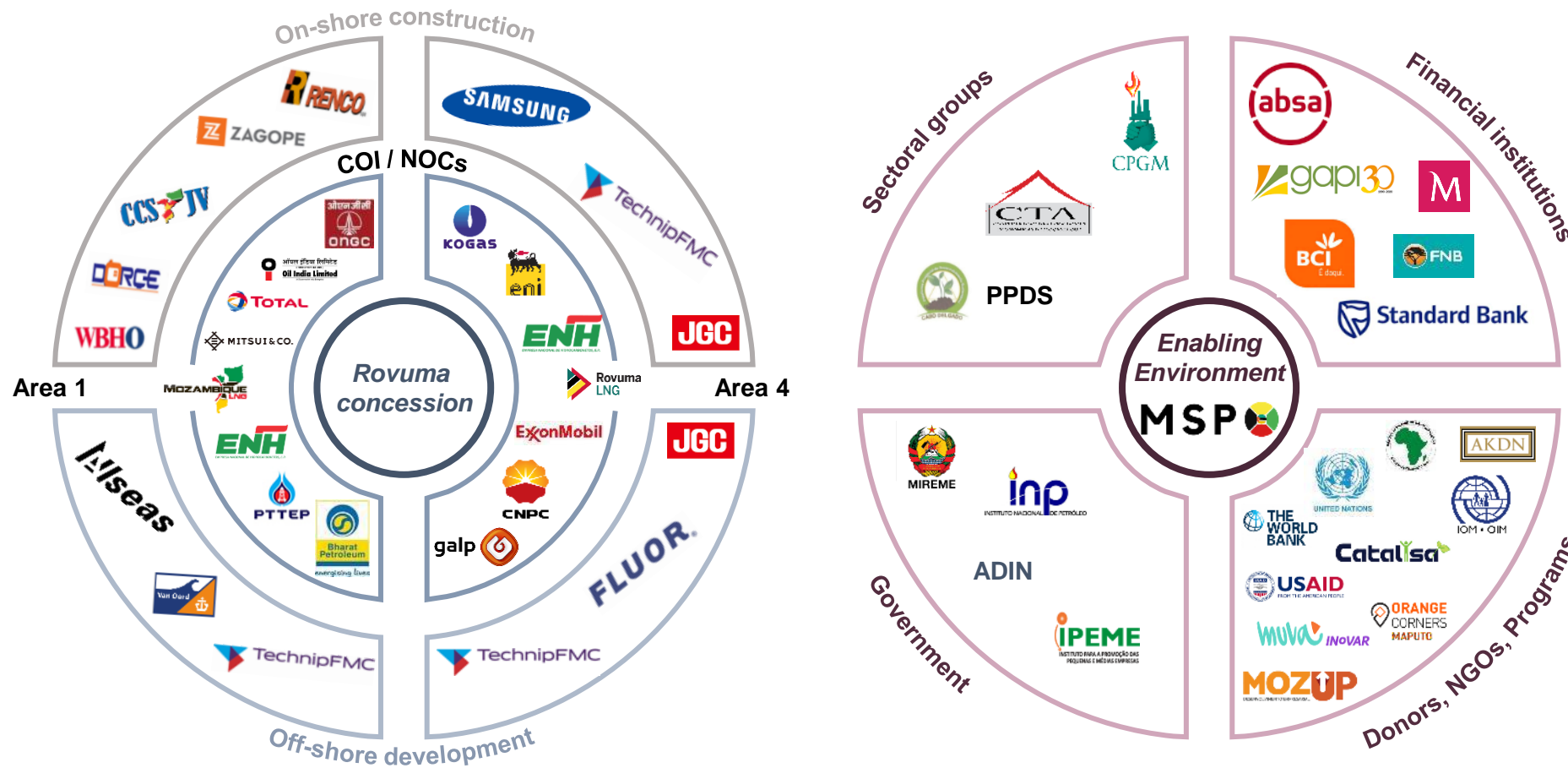
/ ILLUSTRATIVE

1 ENH	2 MITADER	3 Distrito de Palma
<ul style="list-style-type: none"> <li>Contratou Renco Energy para desenvolver o plano da Cidade do Gás</li> <li><b>Status:</b> Secretariado convidou PCA a participar, ainda sem resposta</li> </ul> 	<ul style="list-style-type: none"> <li>Proprietários naturais do Plano Geral de Urbanização aprovado em 2019</li> <li><b>Status:</b> Contacto inconstante com diretor provincial de Cabo Delgado</li> </ul> 	<ul style="list-style-type: none"> <li>Responsáveis por alocação de espaço e zoneamento no terreno</li> <li><b>Status:</b> Ainda sem contacto</li> </ul> 
<p><i>A compreensão do plano atual é essencial para dar início à cooperação integrada através da MSP</i></p> 		

A concept note outlining the current state of urban and territorial development in the region and the roles and responsibilities of key stakeholders to create a more cohesive, centralized plan for the North

# Thought Leadership - *Case studies and mappings*: Mapping of the Rovuma Concession local content ecosystem

/ ILLUSTRATIVE EXAMPLES



## Mapping includes

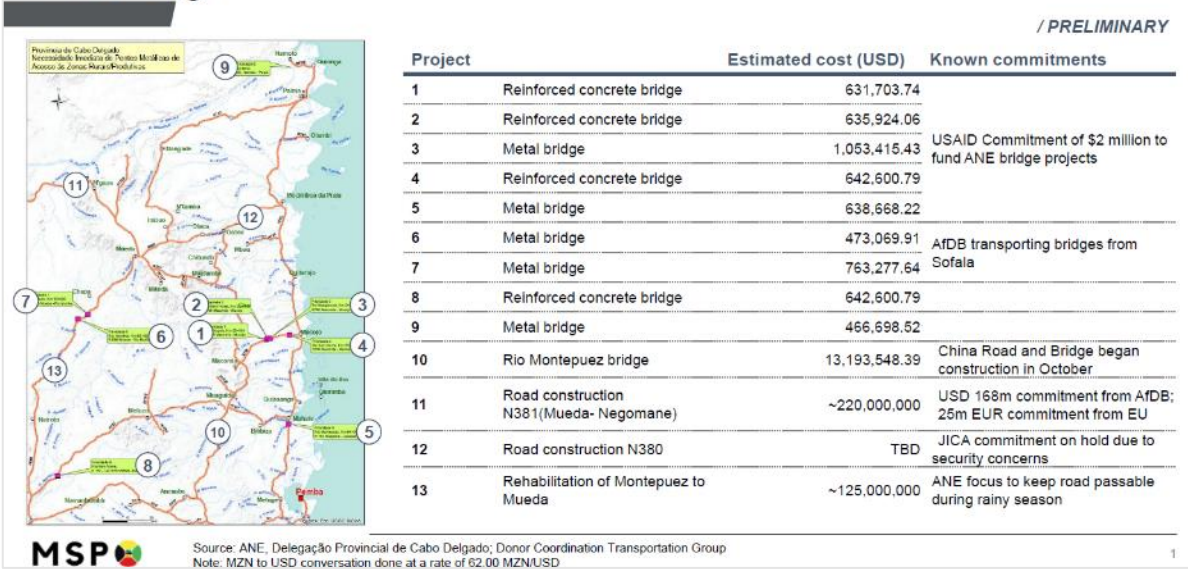
- Definitions of the Mozambican local content ecosystem
- Comprehensive list of local content actors
- List of each organization's role or programming in local content
- Links to local content initiatives



# Thought Leadership - *Case studies and mappings*: Resilient infrastructure mapping in collaboration with multiple donors

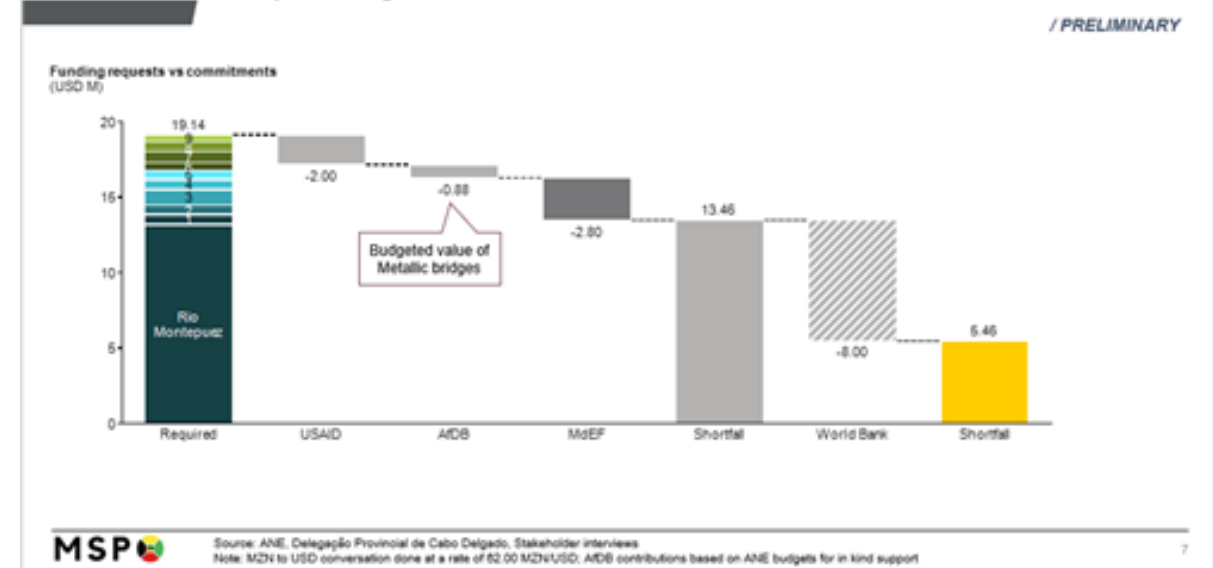
## Mapping of known plans and projects

Map and project summary of known priority infrastructure projects in Cabo Delgado



## Mapping of secured funding and gaps

Total potential committed funding leaves a shortfall between USD 5.5M and 13.5M depending on allocation of World Bank commitment



Mapping utilized in multiple planning meetings with donors and government to orient stakeholders on the state of urgent infrastructure needs

# Thought Leadership - *Case studies and mappings*: Case studies on experiences of local stakeholders within the Local Content ecosystem

/ ILLUSTRATIVE EXAMPLES

## Case studies of local stakeholders...



**MOZAMBIQUE LOCAL CONTENT CASE STUDIES**  
December 2020

*In partnership with:*

**KINGMAN CONSTRUTORA**

 **FNB**

 **azul!**

 **Moz Quarries**

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## ...highlight difficulties in the current environment

- **Access to tenders:** Local companies often struggle with the online procurement systems due to technological complexity of procurement portals, the documentation requirements, as well as language barrier
- **Lack of contractor support:** Registering feedback or resolving operational issues with IOCs is complicated for subcontractors without a singular portal for support
- **Onerous payment timelines:** SME cashflows often cannot withstand payment terms longer than 30 days
- **Difficulty attracting a consumption base:** Workers for the megaprojects in the North often do not live in the region meaning there are limited consumption spending benefits for the local communities



# Thought Leadership - *Case studies and mappings*: Up to date mapping of donor activities in Northern Mozambique

/ ILLUSTRATIVE EXAMPLES

Interactive database of programs in the North...

...updated with projects and available funding



## MSP Program Matrix



The MSP has updated its program matrix that tracks programming of our partners in the Northern Region. To access the matrix please visit [www.mspmoz.org](http://www.mspmoz.org)

Total Active Projects

150 +

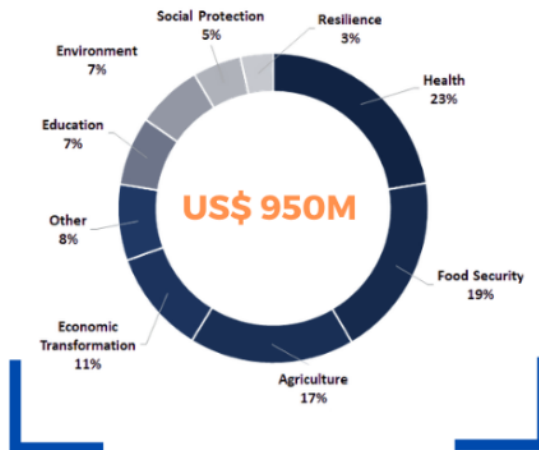
New Projects Added

115

Value of New Projects Added

US\$ 950M

### Value of Projects by Sector





# Thought Leadership – *Data snapshots*: Sample recent data visualizations disseminated to members


/ ILLUSTRATIVE EXAMPLES


## SME finance offerings in Mozambique


### Insights from SME offerings market research

- 

**Mostly subsidized credit lines** – a vast majority of the products listed are donor-supported lines with lower interest rates (from 10 % onwards). Some products take the form of guarantee funds
- 

**Favorable terms** – banks are offering extended grace periods to SMEs, particularly due to Covid-19, ranging from 3 to 12 months
- 

**Lack of geographic focus** – a small number of products are specifically designed for SMEs in the Northern provinces
- 

**Agriculture focus** – products are geared towards SMEs operating within agriculture and agribusiness
- 

**MSME & individuals** – a number of offerings have been created specifically to support individual entrepreneurs and MSMEs. They typically include technical assistance in addition to financing

### High-level figures\*

22

SME offerings currently in the market

20 – 75%


of loan value Covered in guarantee funds

<b>Individual</b>	160k – 15m
<b>MSME</b>	2.5m – 15m
<b>SME</b>	1.3m – 15m
<b>Med/large</b>	20 – 30m

Typical loan amounts per category

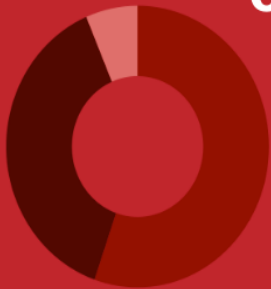
\*based on 21 credit lines from 4 financial institutions: Absa, BCI, Millennium BIM, GAPI

## Impact of COVID on Cabo Delgado businesses



## BUSINESS IN CABO DELGADO

### Status of business



Temporarily closed/Closed, 38%

Active, 55%

N/A, 7%

Covid-19 is adversely affecting SME's, however approximately half of all businesses remain open. Surprisingly, the hotel industry remains active

# 2,815

**JOBS AFFECTED**

**(SUSPENDED AND TERMINATED CONTRACTS)**

# Incubated projects or programs - *Program design notes*: White Paper outlining a COVID-relief guarantee facility for SMEs

/ ILLUSTRATIVE EXAMPLES

**Context of the White Paper:** The White Paper seeks to outline a guarantee facility to support Mozambique's SMEs

The effect of COVID paired with the excess liquidity in the banking system... led to the opportunity for the MSP/AMB to propose a guarantee facility to oxygenate businesses

**Sizing the need:** A guarantee provision of US\$60 million can catalyze risk-adjusted capital of US\$500 to support SMEs

Estimated excess 'trapped' in the Mozambican banking system range US\$ 700 – 840 mn

**Proposed guarantee facility: High-level design (1/2)**

Government: Institutional support through regulatory pathway and wide buy-in

Donors: Potential funders of the facility driving technical expertise, design and technical assistance

Guarantee with co-provision US\$ 100 mn

• **Currency** – MZN and USD  
 • **Terms** – No SME fees  
 • **Sector** – Primary open to all  
 • **Geographic focus** – All

**Proposed guarantee facility: High-level design (2/2)**

	MSME / SME Facility	Corporate
<b>Purpose</b>	Short-term	Short and medium-term
<b>Timeframe</b>	Liquidity and working capital	Liquidity, working capital and CAPEX
<b>Eligibility criteria</b>	Annual turnover: US\$ 25,000 – 3 mn	Annual turnover: US\$ 3 mn +
<b>Expected default rate</b>	12%	5+%
<b>Risk-sharing</b>	Full - 100% guarantee	Partial - 75% guarantee
<b>Interest rate</b>	PLR <sup>1</sup> - [3%]	PLR <sup>1</sup> - ((PLR <sup>1</sup> - government bonds) * 75%)
<b>Tenor of loans</b>	3 years (grace period of 6 months)	5 years (grace period of 12 months)
<b>Range of loans</b>	<ul style="list-style-type: none"> <li>Loan cannot exceed 25% of revenue/reported IVA</li> <li>US\$5,000 – 50,000</li> </ul>	Loan cannot exceed 50% of revenue or up to US\$ 2 mn

PLR<sup>1</sup> - prime lending rate is approximately equal to 16% as of December 11, 2020

## Facility design includes

- Case studies from international and regional COVID response SME facilities
- Sizing of the facility required and subsequent guarantee backing
- High-level technical detail regarding the facility's structure (currency, rates, tenor, etc.)
- Engagement plan for moving the facility into implementation

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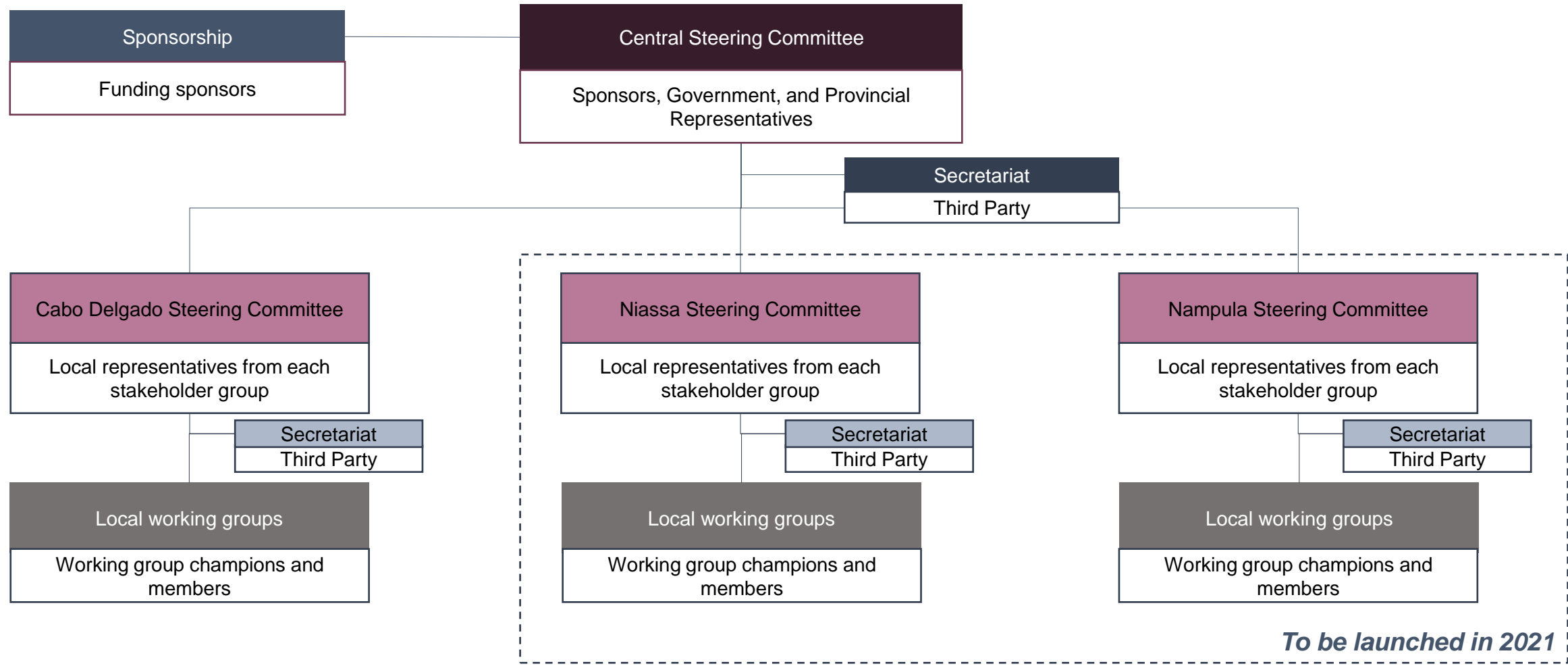
Introduction to the MSP

What the MSP Produces

**How the MSP works**

# How the MSP works: Governance structure

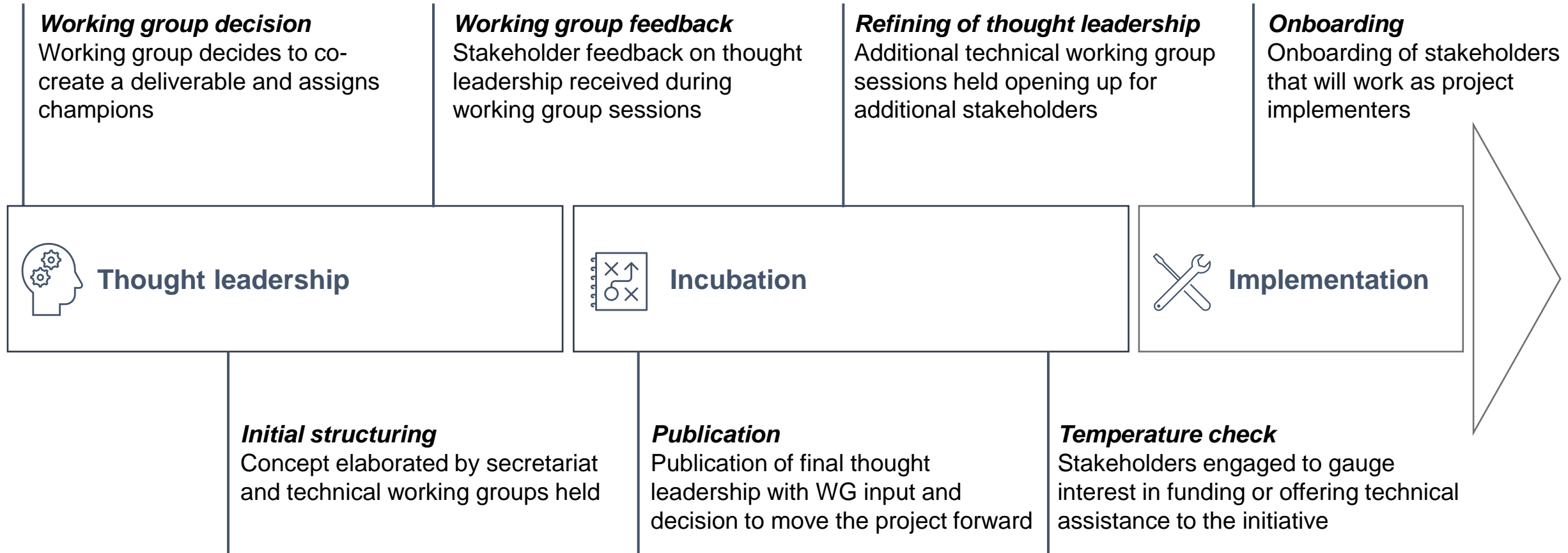
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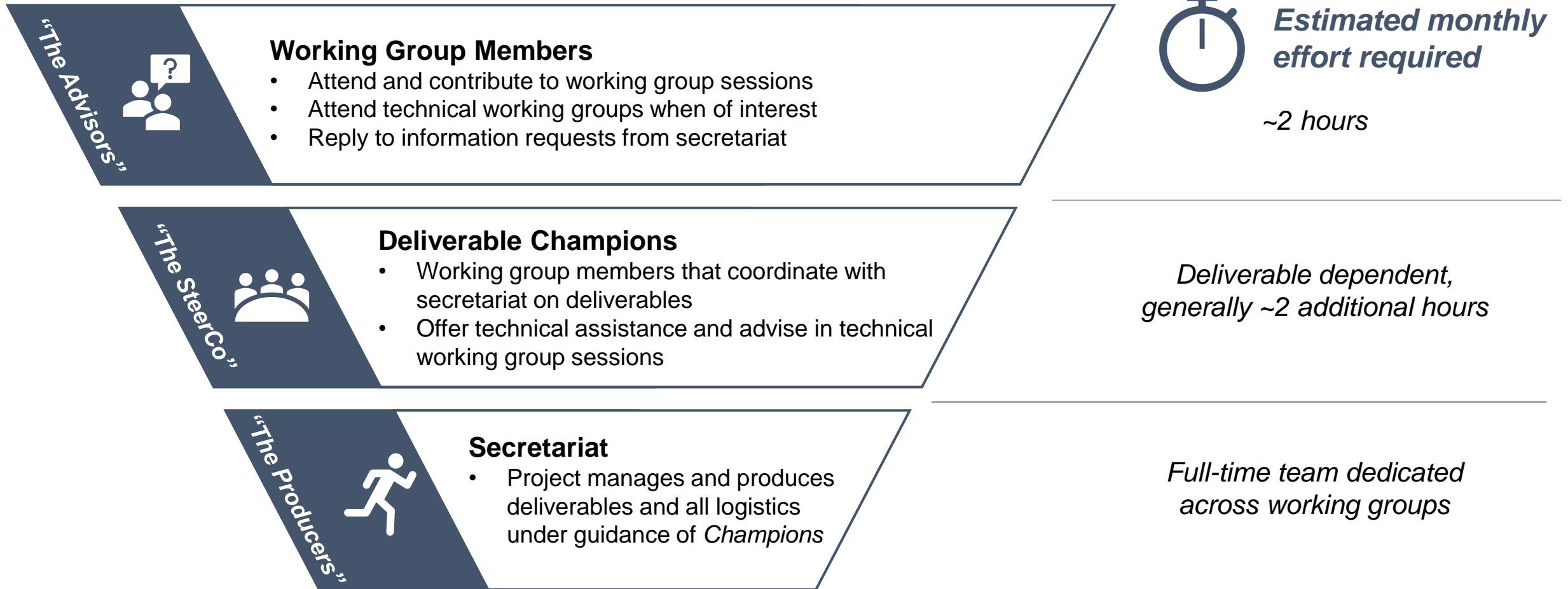
# How the MSP works: The project incubation process

/ PRELIMINARY



# How the MSP works: Working group structure

/ PRELIMINARY



# How the MSP works: How to join the platform

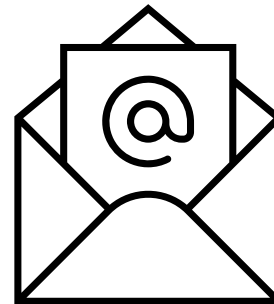
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**Visit the MSP website and read the Terms of Reference**



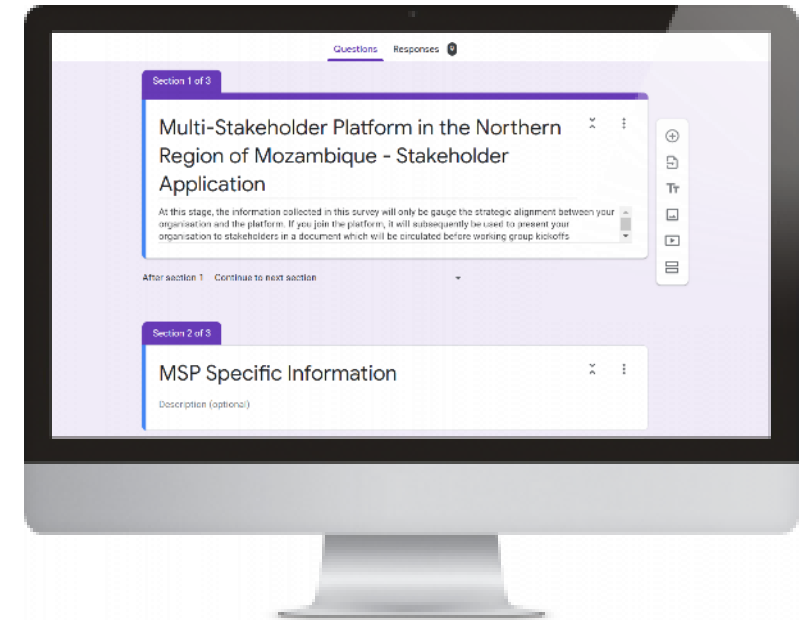
[www.mspmоз.org](http://www.mspmоз.org)

**Email the secretariat and express interest in joining**



[secretariat@mspmоз.org](mailto:secretariat@mspmоз.org)

**Fill in the survey indicating your organization's interest**



THANK YOU  
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