System Capacity Grant Annual Progress Report Template

Status: Accepted

Country	Grant ID	Grant Agent	Grant Effectiveness/Start Date
Mozambique	GPE0000971	SCG	10/19/2023

Grant Amount	Timeframe Examined in this Report		Date of Report Submission
686,500 (USD)	From Date	To Date	11/17/2025
	06/30/2024	08/29/2025	

Area(s) and activity group(s) covered by grant

Window 2: Mobilize coordinated action and financing to enable transformative change

- Strengthening sector coordination, including local education groups, joint sector reviews and monitoring the effectiveness of the country-level partnership
- Establishing and operating pooled funding mechanisms
- Strengthening budget processes and ministry of finance engagement; identifying opportunities to improve the equity and efficiency of education expenditure, including processes toward gender equality

Implementation Progress

Overall Project Progress this Reporting Period

Overall progress this reporting period [1]	Previous Rating
Moderately Satisfactory (MS)	NA

Detailed Description including factors that lead to an upgrade/downgrade in the rating

The reporting period saw significant progress in training and capacity-building for technicians across various departments and regions, following especially the ministry's restructuring. Key areas of focus included procurement, planning, financial management, and environmental and social safeguards. These efforts have strengthened institutional capacity and ensured alignment with Mozambique’s education transformation framework. The collaboration between the World Bank (WB), GIZ, and sector partners has resulted in clear division of responsibilities and continuity of support. Additionally, hands-on, on-the-job support provided to MEC departments has embedded best practices and ensured compliance with national and World Bank standards.

The project faced notable challenges and delays this period due to post-election demonstrations, the transition to a new governing cycle, and the restructuring of the Ministry of Education. These factors led to delays in implementing activities and, in some cases, required revisions of initially agreed plans. Despite these setbacks, mitigation measures included ongoing support for planning and implementation capacity, leveraging SCG funds, and maintaining close collaboration among partners. However, to fully address these challenges, a grant non-cost extension of seven months (until June 2026) is being requested to complete the remaining activities. The request will be submitted after consultations with the LEG, and responsibilities for completion will be assigned following this process.

The need for an extension and the delays caused by external factors (post-election demonstrations, changes in government commitment and leadership, ministry restructuring) have likely influenced the project's progress rating. The realignment of activities and extension of timelines reflect adaptive management in response to unforeseen challenges, and continued hands-on support is helping to maintain momentum toward project goals.

Grant Implementation Progress, by Grant Window

Grant Window	Level of Progress this Reporting Period 2	Previous Rating
Window 2: Mobilize coordinated action and financing to enable transformative change	Moderately Satisfactory (MS)	NA

Detailed Description:

The activities implemented by the World Bank respond to critical and urgent issues to increase the readiness and capacity of MEC at central and local levels, with the development objective to "Strengthen the planning, management, compliance, and monitoring of fiduciary and safeguards (social and environmental) capacity of the Ministry to increase the efficiency, equity, gender responsiveness, inclusiveness, and effectiveness of activities financed by the education pooled funding mechanism."

Activities defined under the SCG Concept Note are related to:
A. Planning, Management and Budgeting
B. Procurement
C. Financial Management
D. Environmental and social risk management

Key progress
Activities implemented under the SCG for Mozambique with World Bank as grant agent include general and specific capacity development workshops at central and provincial level; on-the-job hands-on support to key MEC Departments, and support for the improvement of flows and processes, including through digital tools. The SCG funs is also leveraging World Bank-finance projects supporting the education sector (MozLearning and Integra) to provide long-term training to MEC staff to fill specific capacity gaps that are critical for improving implementation capacity of the sector.

The key activities supported by the SCG funds in Mozambique with the World Bank as grant agent include:
• Diagnostics of Capacity Needs, process flows and systems
The diagnostic of the planning and implementation capacity of MEC, process flows and systems are being done in multiple fronts. A key one was a functional analysis of MEC, including a survey for its public servants generated results that guided the capacity building strategy adopted under the SCG for Mozambique managed by the WB. The results of MEC's Functional Analysis were shared with the Directorates of Planning and Human Resources and the original plan was to implement a personalized survey for key operational units at central and provincial levels, but with the political unrest following the October elections, followed by a new government administration that merged the ministries responsible for education in a single ministry (MEC, which in addition to general education, it now includes technical and vocational education, higher education, and culture), delayed the operationalisation of the survey. The dialogue on this particular activity has been resumed and the survey is expected to be implemented by September 2025. Despite these challenges, the diagnostic of MEC's capacity has been advancing in the specific engagement with the units responsible for planning/budgeting, procurement, financial management, gender, social and environmental safeguards and the capacity development activities have been advancing in these fronts. Capacity development needs were discussed with the Planning, Statistics and Cooperation Directorate (DIPLEC), the Directorate of Human Resources (DRH), the Procurement Department (DAQUI), the Finance Department (DAF), the Project, Infrastructure and School Equipment Department (DPEE), School Health an Cross-cutting Issues Department (DSEAT) and other relevant MEC Departments. These diagnoses, jointly with the existing diagnose in the sector allowed the capacity strengthening activities to progress. As the diagnostic of capacity needs progresses, more specific training will be provided, both with support from the SCG (both grants managed by the WB and GIZ), as well as through the system transformation grant and WB-financed projects.

• Delivery of general and specific capacity development workshops at central and provincial level
Capacity development plans were agreed for Planning, Management and Budgeting; Procurement; and Financial Management. These plans defined general capacity development training sessions at the

central and provincial levels, followed by specific capacity development sessions at the same level. The training sessions are being delivered by World Bank staff and consultants with focus on strengthening capacity at the central and provincial level for cascade trainings to the district level. All training sessions are delivered in Portuguese, the official language of Mozambique and spoken by all government officials. Due to the effects of the post-election demonstrations, the transition to a new governing cycle and the restructuring of the Ministry of Education, the training workshops originally envisaged for the last quarter of 2024 were postponed to 2025, with the partial exception of Procurement that started the general capacity development workshop in November, but the full implementation only started in 2025.
From January to July 2025, the following training activities had been carried out:

Procurement. A series of training sessions were delivered to MEC to strengthen their capacity in procurement processes. The contents included both the National and World Bank procurement regulations, aimed at central procurement technicians and focal points from various departments responsible for implementation of activities, as well as procurement technicians from the southern region and center regions, in total 6 session involving 25 participants each. For the focal points, the training provided an understanding of the complexity of procurement processes; it highlighted the most critical moments in the procurement processes: preparation of the Terms of Reference; evaluation of proposals (which require time and the availability of the Evaluation Committee; difficulty in meeting deadlines); and provided greater clarity regarding both national procedures and those of the World Bank. The training sessions related to procurement that are still expected to happen with support from the SCG including training sessions focused on the provinces of the North as well as training sessions at the central level focused on civil works.

Planning. A series of formative workshops were delivered by the World Bank team jointly with MEC staff and planning experts in the country (mostly delegates of FASE development partners). The focus was on the main instrument for planning of basic education sector: Plan of Activities (Plano de Actividades – PdA). It involved matters of process and the format of the PdA, application of results-oriented planning and budgeting principles aimed at DIPLEC technicians and planning focal points from various departments responsible, in a total 3 sessions involving approximately 30 government officials. The sessions showed that the theoretical content was relevant, but practical application requires a change in approach (focusing more on results). Practical sessions revealed several technical capacity gaps (insufficient mastery of digital tools—such as Access and Excel linked to the PdA; limited understanding of results-based planning logic; weak coordination between other directorates and across decentralized levels; difficulties in formulating targets and using indicators). The sessions reached several conclusions and agreements to improve the planning process in the education sector of Mozambique, including: 1. Revision of the PdA format and some of the key process and steps in the preparation of the PdA and related planning documents. Some of the changes are already being implemented in 2025 to make the preparation and approval of the PdA more agile and some more signficant changes will be implemented by 2026, including the digitalization of the PdA processes. 2. Development of a PdA guidance document to describe all steps and responsibilities of the PdA process, aiming at harmonizing the information across the different actors in the government and development partners to make the process more agile and efficient. Specific training sessions will take place to operationalize the new framework for planning and budgeting in the education sector of Mozambique, both with support from the SCG (both grants managed by the WB and GIZ), as well as through the system transformation grant and WB-financed projects.

Financial management. Two training sessions in matters of financial management and systems, national financial and asset management standards and regulations were delivered to administration and finance technicians at the central level and in the southern region (Maputo, Inhambane, and Gaza), involving approximately 63 persons. Training on national procedures proved to be essential; coordination with the Ministry of Finance regarding updates made to the system, troubleshooting in the use of different platforms, and the exchange of experiences and challenges helped technicians understand the processes and communicate their concerns. At least 2 additional training sessions on financial management and contract management are expected to take place in the next few months.

Environmental and Social Safeguards. A training session was delivered to approximately 40 MEC staff at central and delegates from all 11 provinces on Environmental and Social safeguards, as well as management of gender-based violence and sexual exploitation and abuse/sexual harassment (GBV and SE/SA) in schools, and issues related to the prevention, identification, and response to incidents of GBV/SE/SA, aimed at safeguarding, gender, and infrastructure technicians at the national level. Additional specific training sessions will be delivered based on the further assessment of MEC that is being developed.
MEC has also demanded support to increase its capacity in civil works, human resources and statistics, which the WB is seeking to accommodate with the existing resources of the SCG and, when possible, leveraging funds from WB-financed projects.

• On-the-job hands-on support and training to key MEC Departments

Hands-on support and training is being provided to MEC staff, particularly DAQUI and DPEE by the Bank's teams to improve their implementation capacity. Specifically on procurement and civil works, the support has been focused on the preparation of relevant procurement documents, improve contract management, streamline internal processes, and ensure compliance.
Additionally, due to the large number of ongoing and pending works, the mechanism for monitoring technical aspects and Social and Environmental Safeguards on all projects requires constant follow-up. The Bank safeguards team has been providing technical support to DPEE and DSEAT.

On-the-job support and training is expected to continue in all key fronts (planning, procurement, FM, gender, social and environmental safeguards) in 2025 and the first semester of 2026 to expedite implementation of activities and further increase the capacity of MEC in that areas.

• Support to the improvement of flows and processes, including through digital tools
The Bank provided support to key processes, including the 2025 activity plan (PDA) and its alignment with the three-year rolling operational plan (PO). Inputs were provided on the format and contents of these documents to improve the alignment between strategic and operational planning and integration of central, provincial, and district planning processes for greater efficiency and alignment with SISTAFE.
Discussions initiated and ongoing on the introduction of new digital tools to strengthen the MEC's planning and budgeting systems and their linkages with results to accelerate the implementation of programs and activities.
All activities were implemented in alignment with the sector dialogue mechanisms and in close coordination with CPFs and SCG grant agent GIZ. The Bank engaged with GIZ to define responsibilities, division of labour, and timeline for the activities implemented under the SCG to ensure complementarity and alignment between the two grant agents, as well as continuity between the SCG and other interventions covered by the other grants under the GPE´s transformation compact for Mozambique. This dialogue on the SCG initiated in 2024 ended in the production of joint Note presented to the government in January 2025 and to the LEG in February 2025.
MEC has also demanded support to continue strengthening planning, procurement and FM system. The WB will use SCG funds to leverage WB-financed projects to support MEC in that regard.

Lessons, innovative/promising practices

Emerging successful practices during this reporting period include the implementation of extensive, targeted training programs for newly appointed technicians across procurement, planning, financial management, and environmental and social safeguards. This approach not only built technical skills but also fostered institutional resilience by embedding best practices directly within MEC departments through hands-on, on-the-job support. Such support facilitated effective compliance with both national and World Bank standards, demonstrating an innovative, integrated capacity-building model.

Additionally, the project's collaborative framework—characterized by a clear division of responsibilities among the World Bank, GIZ, and sector partners—has proven effective in sustaining momentum and ensuring continuity of support. The adaptive management strategy, which involved realigning activities and timelines in response to external disruptions, further exemplifies innovative intervention. Initiating a grant non-cost extension process and leveraging SCG funds to maintain activity during periods of uncertainty also reflect proactive and flexible grant implementation practices.

Impact stories

NO

Tangible Outputs, Knowledge Products, Results Framework and other Supporting Documentation

#	File Name	Document Type	Description
1	1.5_Photos_Trainings_MEC.pdf	Knowledge Product	

The documents listed were submitted with the progress report. If you'd like access to them, please contact the grant operations officer for your country.

Financial Reporting & Grant Management

Financial Reporting on GPE Grant

Cumulative Financial Absorption Rate

Approved Budget to Date	Cumulative Expenditure	Cumulative Financial Absorption Rate	Level of Financial Absorption
686,500	400,020	58.27	Off Track

Since the financial absorption is not rated as 'on track', please provide an explanation that identifies the main activities that have been delayed and their corresponding unspent amounts, as well as reasons for the delay and steps taken to ensure that expenditure absorption gets on track in the next reporting period.

The main activities that have been delayed include the completion of the remaining training, capacity-building initiatives at central and provincial level, assessment to define a capacity development plan for Environmental and Social risk management and workshop on the Functional Analysis and personalized diagnostics to MEC.

As of now, out of the total grant amount of US$ 686,500, only US$ 400,020 has been spent, indicating that 41.74% of the funds remains unspent and is allocated for these delayed activities. The primary reasons for these delays are the post-election demonstrations, the transition to a new governing cycle, and the restructuring of the Ministry, which not only slowed down implementation but also necessitated the revision of initial plans.

To ensure that expenditure absorption gets back on track, a grant non-cost extension of seven months (until June 2026) is being requested to allow completion of the outstanding activities.

In addition, leveraging SCG funds and aligning activities with World Bank-financed projects will further support MEC in strengthening its planning and implementation capacity, facilitating timely and effective use of the remaining funds.

Budget Variance Analysis for the Current Reporting Period

Total Approved Budget for the Current Reporting Period	Total Expenditure for the Current Reporting Period
380,000	400,020

Management Performance

Level of management performance

Satisfactory (S)

Detailed Description

Despite the delays mentioned above, the implementation of activities proceeded normally. All ToR and activity plans necessary for the activities were carefully reviewed by MEC focal point technicians and the World Bank team to ensure the success of the activities and contribute to the expected results.

In addition, updates on the work carried out have been regularly reported to the CPFs.

Revisions to the grant

This period, have there been any revisions to the grant other than those submitted to the Secretariat for their approval?

No

How likely is that the grant agent will submit a request for revision to the Secretariat in the next 12 months for their approval?

Highly Unlikely

Annexes

Annex 1: List of Acronyms

Acronym	Description
CPFs	FASE Coordination Partners
DAF	Finance Department
DAQUI	Procurement Department
DIPLEC	Planning, Statistics and Cooperation Directorate
DPEE	Project, Infrastructure and School Equipment Department
DRH	Directorate of Human Resources
DSEAT	School Health an Cross-cutting Issues Department
EFA	Enabling Factor Analysis
FASE	Education Sector Support Fund
FM	Financial Management
GBV	gender-based violence
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GPE	Global Partnership for Education
INTEGRA	Mozambique Human Development Integrated Project
LEG	Local Education Group
MEC	Ministry of Education and Culture

MozLearning	Improve Learning and Empower the girl in Mozambique project
PdA	Plan of Activities
PO	operational plan
SCG	System Capacity Grant
SE/SA	sexual exploitation and abuse/sexual harassment
SISTAFE	State Financial Management System
TF	Trust Fund
WB	World Bank

[1] Highly Unsatisfactory- The grant has major shortcomings or delays that limit or jeopardize the achievement of one or more outputs and a resolution is unlikely. Unsatisfactory - The grant has significant shortcomings or delays that limit or jeopardize the achievement of one or more outputs and a resolution is uncertain. Moderately Unsatisfactory - The grant has moderate shortcomings or delays that limit or jeopardize the achievement of one or more outputs but a resolution is likely. Moderately Satisfactory - The grant is expected to achieve most of its major outputs efficiently with moderate shortcomings or delays. Satisfactory – The grant is expected to achieve almost all of its major outputs efficiently with only minor shortcomings or delays. Highly Satisfactory - The grant is expected to achieve or exceed all of the major outputs efficiently without significant shortcomings or delays.

[2] Highly Unsatisfactory – The window has major shortcomings or delays that limit or jeopardize the achievement of one or more outputs and a resolution is unlikely. Unsatisfactory – The window has significant shortcomings or delays that limit or jeopardize the achievement of one or more outputs and a resolution is uncertain. Moderately Unsatisfactory – The window has moderate shortcomings or delays that limit or jeopardize the achievement of one or more outputs but a resolution is likely. Moderately Satisfactory – The window is expected to achieve most of its major outputs efficiently with moderate shortcomings. Satisfactory – The window is expected to achieve almost all of its major outputs efficiently with only minor shortcomings or delays. Highly Satisfactory – The window is expected to achieve or exceed all of the major outputs efficiently without significant shortcomings or delays.

[3] tooltip