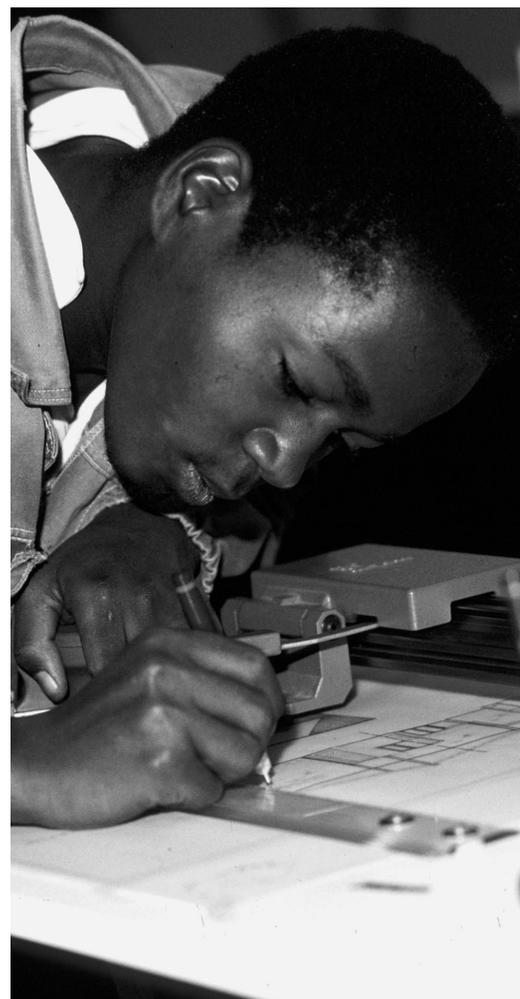




**COUNTRY EVALUATION:**  
ASSESSMENT OF DEVELOPMENT RESULTS  
**MOZAMBIQUE**



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# Foreword

This report presents the findings of the Assessment of Development Results (ADR), the Mozambique country evaluation conducted by the Evaluation Office (EO) of the United Nations Development Programme (UNDP) in 2004. ADRs are independent forward-looking evaluations that assess the strategic positioning of UNDP's support and its contributions to a country's development in a given period of time. The emphasis is on generating lessons to promote organizational learning to enhance UNDP's performance and increase its contribution to development effectiveness.

Since the 1992 peace accords that ended the civil war, Mozambique has achieved remarkable success on a number of fronts. It has successfully navigated the transition from peace to war and sustained political stability while transforming its political system to a multi-party democracy. Mozambique has also been able to maintain steady economic growth rates averaging 6 percent to 7 percent a year over the past several years. These are encouraging results. But Mozambique is still a least developing country (LDC) that faces considerable economic and human development challenges, and the role and contributions of external partners remain important.

The findings of this ADR show that UNDP's record of meeting the needs of the country in the post-conflict phase was excellent and it made positive contributions to sustainable peace. Major areas of its contribution include capacity building and the establishment of key government institutions at a time when very few development partners were operating in Mozambique. A critical contribution has been the promotion of local governance through participatory district planning, a flagship capacity building programme undertaken in collaboration with the United Nations Capital Development Fund (UNCDF). This initiative, piloted in Nampula province in 1999, has been replicated, scaled up and adopted by the government at policy level.

However, the ADR team concludes that UNDP's poverty reduction programmes are too disparate, hence lacking strategic focus, and have not as yet demonstrated the promising results such as those evident in the area of local governance and decentralization.

Overall, the ADR underlines the need for UNDP to adjust its strategies to meet new priorities and the challenges of a changing nation. Significantly, the pattern of development cooperation in Mozambique has changed considerably since the 1990s. The emergence of generalized budget support as a way to provide aid to Mozambique and the growing trend towards harmonization of approaches and aid instruments among key donors is positive for overall development effectiveness. However, these trends have implications both for the country and for the nature of UNDP's support.

A number of people contributed to this evaluation, particularly the evaluation team: James Freedman, the team leader, Cesar Chelala, principal international consultant, Fadzai Gwaradzimba, Evaluation Adviser and task manager, Gregorio Firmino and Amilcar Tivane, the national consultants who undertook the in-depth study on governance and Aida Munhequete, who served as a translator. Margarita Bernardo and Anish Pradhan provided administrative support and Michael Demain and Abrar Jannoh served as research assistants on the team. Above all, we owe a great deal of gratitude to the numerous government officials, donors and members of civil society organizations whose insights were invaluable to the team.

Last but not least, I would like to thank the Country Office and Regional Bureau for Africa (RBA) for their cooperation. The Resident Representative, Marylene Spezzati, and her entire team afforded us invaluable support throughout, particularly Rosaria Laranjeira and Inacia Salvador who provided excellent in-country backstopping for the exercise. Abdoulie Janneh, the Director of RBA, Elizabeth Lwanga, Deputy Director, RBA, and Michel Falavigna, Programme Manager for Mozambique supported and welcomed the ADR.

UNDP has been a key and valuable partner of Mozambique since its independence in 1975 and has remained so throughout the decades of conflict and recovery. In a partnership marked by multiple transitions, there are many development lessons to be drawn and significant changes to take into account. I hope this report will provide useful suggestions that will help UNDP build upon its successes in order to attain greater coherence and strategically reposition its support to meet the country's emerging challenges.

**Saraswathi Menon**



DIRECTOR  
UNDP EVALUATION OFFICE

# Executive Summary

## INTRODUCTION

Mozambique is a country in transition and, by most accounts, a relative success story of peace building and post-conflict recovery. Within the space of a decade, it has successfully managed multiple transitions: from war to peace, from a one-party state to a multi-party constitutional democracy, from a socialist centrally-planned economy to a market-based system. Today, it is one of the fastest growing economies in Africa.

However, Mozambique remains a poor country heavily dependent on aid. As its Human Development Index (HDI) ranking of 170 out of 175 countries shows, poverty remains high. A major challenge for Mozambique is how to ensure that the benefits of a growing economy are used equitably to alleviate widespread human poverty, especially in the rural sector, and at the same time broaden the base of its economic growth beyond a few mega-projects and the substantial influx of development assistance.

This report presents the findings of the Mozambique Assessment of Development Results which was undertaken between October 2003 and May 2004. The purpose of the ADR was to assess UNDP's overall performance and contributions to development results as well as to draw lessons for future strategies. It assessed programmes undertaken by UNDP under the 1998-2001 and 2002-2006 Country Cooperation Frameworks (CCFs). It also evaluated UNDP's strategic position vis-a-vis the government's development and poverty reduction thrust.

## NATIONAL CONTEXT

Mozambique became independent in 1975 following a protracted struggle against Portuguese colonial rule. Far from leading to peace and stability, independence spawned a series of proxy wars started by Mozambique's neighbours, South Africa and what was then Rhodesia, and a destructive civil war which ended in 1992. It has been 12 years since the war ended and a decade since the two movements, FRELIMO and RENAMO, who fought each other for years, contested the general elections of 1994. General elections in December 2004 marked the third nationwide elections in a country moving steadily toward a representative democracy. This makes Mozambique's achievements stand out in a world and, particularly so, a region where civil wars start easily and are difficult to end.

Economic and social prosperity is, however, a different matter. At the end of the war, Mozambique was one of the poorest countries in the world with high levels of both income and human poverty and remains so today. Until recently, household surveys reported that around two-thirds of the population fell under the consumption-based poverty line. A more recent survey whose reliability has been questioned by some has shown a reduction in the incidence of poverty in certain areas of the country.

However, aggregate income growth averaging something more than 7 percent over the past eight years has not made a significant dent in poverty. At independence, Mozambique was governed by a socialist regime which managed much of the economy centrally. Toward the end of the war, the government, which had joined the World Bank and the International Monetary Fund (IMF) in 1984, embarked on a radical reform of state economic and fiscal planning. Centrally managed socialism was replaced by a liberal, market-driven economy. The country opened up to foreign investment and following the dismantling of apartheid in 1994, its arch-enemy of the 1980s, South Africa, became its main investor in the 1990s. The reforms imposed strict financial discipline on government spending, opened up the economy to depend more on market forces and made efforts to diminish the role of the public sector. The social and human development returns of these policies are arguable.

The most critical development challenges are endemic rural poverty, inequalities, unequal development and regional disparities, high rates of illiteracy especially among women and the rural population, high vulnerability to natural disasters and the growing threat of HIV/AIDS. Insufficient public infrastructure and weak capacity within the public sector is also a matter of great concern.

As with any least developing country (LDC), foreign aid places an important role in Mozambique. With political stability, aid has increased considerably. Half of Mozambique's budget expenditures are financed through development assistance and, since 1992, Mozambique has received increasing support from a number of foreign donors. During the Consultative Group (CG) conference in October 2003, donors pledged US\$790 million for 2004, exceeding the US\$680 million that the government had requested. As of 2000, Mozambique's partners have been moving steadily towards direct budget support (DBS) modality. Presently, 15 of the donors (G-15) now channel part of their aid allocations through this modality. For some observers, this is a measure of the confidence that Mozambique's development partners have in its capacity to maintain sustainable peace and stability.

However, aid dependency of this magnitude can be as much a measure of national vulnerability as it is a measure of donor confidence. Domestic revenue has increased only modestly, at an average of 0.3% per annum because of more efficient tax collection. Viewed from above, Mozambique is a classic dual economy with much of the growth occurring in isolated mega-projects while the rural sector languishes. If the government is to spark genuine growth it will need to

support rural development by investing in the agricultural sector and providing the necessary basic public services such as roads and other physical and social infrastructure in order to narrow the income and human poverty gap. Until it does so, Mozambique will be plagued by what the noted development economist Joseph Stiglitz has called a lack of "fairness", where the benefits of income growth are not redistributed to the poor who need them the most.

Mozambique has successfully made the transition from war to peace and democratic pluralism and there has been tremendous progress since 1992. The political and development terrain has changed considerably, but there are still some major deficits on the human development front and tremendous challenges ahead. Mozambique's pressing human development challenge is to broaden the base of its economy to include the poor areas of the country as factors in its economic and human development strategy, essentially to make the agricultural sector more productive and to include and extend the benefits to a much broader portion of the population. It will need to address not just the country's skewed production structure, but also to narrow the rural-urban divide, the regional imbalances and gender disparities as a way of reducing the endemic income and human poverty faced by the majority of the population. This requires, first, the political will to recognize the imperative of a pro-poor economic growth strategy. Second, it requires the development of a public sector with the capacity to carry out pro-poor growth policies. Third such an ambitious plan requires human and financial means.

As for political will, Mozambique has adopted its own Action Plan for the Reduction of Absolute Poverty (PARPA), recognized by the World Bank as the country's Poverty Reduction Strategy, which channels a considerable portion of government resources toward poverty alleviation programmes. The government has also committed itself to a clear set of national Millennium Development Goals (MDGs). One of the MDG targets is to reduce acute poverty by half by 2015.

As for capacity in the public sector, a lot remains to be done. The government, with strong support from partners including UNDP, has invested heavily in public sector, reform and capacity building with the objective of improving efficiency, enhancing transparency and devolving responsibility from the heavily centralized state ministries to the provinces and districts. There are some successes. Nevertheless, the results of these efforts have been modest. There continues to be widespread concern that, with the exception of a few key ministries, federal planning bodies lack the financial and human resources and overall capacity

<sup>1</sup> Joseph E. Stiglitz, *Globalization and its Discontents*, New York: W.W. Norton, p. 78

to effectively manage national development programmes.

Economic reform measures of the last decade have made important contributions to Mozambique's transition and, from the perspective of aggregate growth, Mozambique has performed well; foreign direct investment in turnkey projects have contributed to increases in national income. However, from the perspective of human development concerns and the distribution of the benefits of income growth to the poor, Mozambique has performed far less well for, indeed, as this report demonstrates, high levels of income and human poverty persist alongside the positive growth rates.

This raises some questions that are central to this report. How can UNDP re-shape its programmes to ensure that it promotes a pro-poor growth strategy? How can UNDP partner with the government to reduce regional disparities and reduce the large numbers of people in remote areas who are vulnerable to disease and disaster? Can UNDP marshal the resources and the expertise to promote and complement the government's poverty reduction strategies and encourage a growth strategy that promotes a balanced and people-centred approach to poverty reduction?

## TRENDS IN UNDP SUPPORT: FROM CRISIS RESPONSE TO LONG-TERM DEVELOPMENT

During the period under review, UNDP's programmes have straddled many themes. The 1993-1997 phase was primarily a response to the state of emergency when UNDP concentrated its efforts on supporting rehabilitation programmes and forging strong partnership with government. UNDP provided emergency relief, it supported a diversity of public initiatives including construction of water points and roads, it was the first international organization to assist in rebuilding institutions such as de-mining and disaster management institutes, the National AIDS Council, the electoral commission, the police academy, courts and prisons. It has maintained support to these institutions ever since.

In the second phase, covering the 1998-2001 CCF period, UNDP mobilized resources, supported the creation of new institutions and provided economic management services to the government for building capacity within the public sector. And when a combination of natural disasters occurred in 2000 and 2001 – floods followed by a prolonged drought – UNDP spearheaded the mobilization of over US\$450 million in order to provide emergency relief. UNDP's visibility and stature in Mozambique during this period was built upon its ability to meet the demands of a country in crisis and its support and role was strategic and relevant.

However, in the third phase, 2002 to the present, UNDP's overall effectiveness seems to have declined. It does not seem to have as yet made an effective and complete transition to post-conflict strategies and is not strategically positioned to effectively support the government's emerging needs and priorities and the alternative aid modalities such as direct budget support.

In essence, UNDP has tried to make the difficult transition from quickly meeting a wide range of crisis-driven needs to providing specialized development support and services designed to meet the long-term needs of economic growth, poverty reduction and increasing the capacity of the public sector. Many of the challenges that UNDP now faces seem to stem from the organization's approaches and strategies that worked in a complex emergency situation but that must now be geared towards longer-term development needs.

## MAIN FINDINGS

UNDP's performance in Mozambique is mixed. It has an excellent record in establishing key institutions such as the Disaster Preparedness Institute and the National Aids Council and driving key initiatives in demining – always important in a country formerly wracked by civil war – disaster management and HIV/AIDS awareness and prevention. More recently, UNDP has been widely commended for its role in coordinating donor response to the 2000 floods and the mobilization of more than US\$450 million in aid. It has promoted participatory local governance throughout the country and the district planning model it piloted jointly with the UNCDF has been replicated, scaled up and is now enshrined in government policy. It has also been in the forefront of supporting the development and strengthening of the justice sector and a credible electoral and court system.

However, there are some deficits and challenges that UNDP will need to address. Despite the Agenda 2025 exercise and the publication of an award-winning Human Development Report in 2001, UNDP is mostly absent from the policy discussions between the government and its development partners. The organization's current programming lacks the necessary coherence to permit its identification with a clear strategic position, and changes may be necessary to allow UNDP to regain the visible and strategic role it held in the aftermath of the war. The ADR team's findings suggest that UNDP does well in conflict situations but finds it difficult to carve out a distinctive niche once the agenda shifts to long-term development perspectives. UNDP's inflexible programming procedures and the lack of resources that are not tied to five-year programming cycles

may well explain this lack of a flexible, agile and forward-looking-response capacity which is very much needed in the present day Mozambique.

It is important to note that this ADR report gives greater priority to highlighting areas of concern than to dwelling on those areas where the country office has had notable successes. It stresses those areas where UNDP has encountered difficulties or where the outcomes are not what might have been anticipated. For example, UNDP success in setting up the National AIDS Council is tempered by the fact that this important institution functions poorly. The ADR team regards the successes of the decentralization and local government programmes as very much important as the challenges faced in implementing the justice, prison and parliamentary reform, but it has chosen to offer views on why public reform in sensitive areas has met with only modest success instead of detailing UNDP's successes elsewhere. It has chosen to focus on what might be done about the holdover poverty programmes that have very localized and very little policy impact, or how the UNDP might more properly respond to the emergence of a donor consensus on aid harmonization. It has chosen to contribute to building a more effective programme by confronting frankly and constructively those programme features that have encountered the most significant constraints.

## PROGRAMME PERFORMANCE AND UNDP'S CONTRIBUTION TO DEVELOPMENT RESULTS

Four key areas emerged as UNDP's most significant contributions to development results in Mozambique during the period under review: (1) emergency response and post-conflict recovery, (2) local governance and decentralization, (3) support to institutional and capacity building in demining, disaster preparedness, the National Aids Council and the justice sector and (4) providing catalytic intervention in these areas and for the electoral process.

UNCDF/UNDP Mozambique scores high with the performance of what has become its flagship programme in decentralization and the strengthening of local government. Its model for training district level officials is being replicated rapidly throughout the country. Here is an instance of UNDP leveraging its core resources effectively for country-wide success.

Other programmes in other areas have been less successful. None of the other programme areas have had the same impact on policy, nor have they built capacity to the same degree or elicited the same degree of government ownership. The somewhat less impressive results from sup-

port to key democratic institutions such as parliament, prisons and police are understandable, given the sensitive nature of these institutions and the entrenched interests that reform must overcome to make these institutions better serve the public interest. Because of this and in spite of the modest record of results, the ADR team considers such efforts positive rather than negative.

The same can be said for UNDP's support in limiting the spread of HIV/AIDS. The capacity of institutions created to stem the infection and its devastating consequences needs to improve in order to more effectively increase awareness, disseminate information about prevention, provide treatment and assist those living with HIV/AIDS. The results must nevertheless be judged positive, given the magnitude of the task and institutional capacities required to accomplish the task.

Results in the poverty reduction programme area and attempts at gender mainstreaming are less positive. Despite commitments in the CCFs, programme results across the board indicate that UNDP has not succeeded in mainstreaming gender equality in its programmes. The poverty reduction projects are, with few exceptions, localized and geographically isolated with only a modest promise of being scaled up or indeed replication. One exception is UNDP's support to the government's Poverty Observatory, which has the potential to improve an understanding of the level and persistence of poverty and to nudge the PARPA's success criteria closer to human poverty concerns and national MDG targets.

It is important to underline that in Mozambique, limited institutional and administrative capacity in most institutions inhibits the outcomes of UNDP's support and indeed that of other development partners. For example, in spite of considerable UNDP support, the National AIDS Council has difficulty managing the considerable resources received from development partners. Institutional weakness and lack of transparency have affected the performance in disaster mitigation and demining, and in the case of Environment Ministry programmes, have led to the withdrawal of some key UNDP programme partners.

## STRATEGIC POSITIONING OF UNDP SUPPORT TO MOZAMBIQUE

As noted above, in the first phase of the period under review, UNDP's support was strategically positioned, and its programmes effectively laid the groundwork for long-term development commitments by other development partners. Notably, UNDP provided catalytic support to create and strengthen key government institutions in justice reform, demining, disaster preparedness and in the

campaign against HIV/AIDS. It supported the building of institutional capacities in government and within civil society organizations and promoted local governance and decentralization and engendered democratic transitions especially through its support to the electoral process.

Until recently, the Mozambique Country Office has scored highly on resource mobilization. Under the first CCF, it mobilized more than twice the amount raised by the second-ranked country in Africa. However, alternative funding modalities for donors mean less cost-sharing arrangements with UNDP. Changing modalities for development funding in Mozambique has meant that bilateral donors have more mechanisms for channeling their development assistance. Donors still channel some of their funds through UNDP to support UNDP's programme areas, and the decision by the European Union to provide US\$10 million to UNDP to support a new phase of its justice programme is a case in point. However, that the quantity of resources channeled through UNDP is diminishing and is likely to diminish further.

Mozambique's central human development dilemma is to address the high levels of income and human poverty which are most acute in the rural areas. One of the MDG targets is to reduce acute poverty by 50% by the year 2015. As the country makes its transition to a stable democracy, the challenge is to ensure that the rural poor are both contributors to, and beneficiaries of its present income growth. The government needs concentrated assistance in select areas that meet these national priorities particularly tackling the levels of human poverty and increasing the pace of poverty reduction by expanding opportunities in health and education to the majority of the population and ensuring that basic social services reach the poorest segments of the population. UNDP has begun to emphasize its outreach to the rural poor through its local governance and decentralization programme, as well as through its programmes to bring court reform to rural districts and support to community radio stations. But a lot remains to be done. Its local governance and decentralization programme, for example, could incorporate components that support income generation and addresses both human and income poverty. Court reform in rural districts might begin to address the legal and bureaucratic obstacles to accessing justice by the poor and to expanding and sustaining enterprises among rural households.

## PROGRAMME COHERENCE

As a whole, the ADR team is of the opinion that UNDP's programmes do not add up to a coherent strategic response to the development challenges facing Mozambique at present. For the most part, they are managed as separate initiatives with little synergy with each other as called for

under the second CCF. UNDP seems to be doing many different things and doing only a few things with the kind of strategic focus that could enhance its strategic positioning in Mozambique.

Declining resources have aggravated the fragmentation of UNDP's focus because, as the crisis has abated and the funds available for emergency response fallen, the resources available for regular programming are spread thinly around a number of remotely connected initiatives. While resource mobilization was at record levels during the initial stages of the first CCF, resources from non-core resource have fallen 55 percent in the second CCF period, and are likely to fall further. Supporting a broad diversity of programmes and projects might have been a viable strategy during a period of ample resources when donors depended on UNDP to manage their funds in a wide variety of areas, but this is no longer the case. Making the best use of declining resources requires the UNDP to cut its programme to fit its cloth, to concentrate more on what it does best and in the areas which most clearly draw upon its comparative advantage and fit its mandate and respond to the MDGs. Maximizing the effectiveness of diminishing resources implies trimming the scope of its initiatives, giving them more coherence and ensuring that projects and programmes are sufficiently cross-linked to explicitly draw upon each other.

## COMPARATIVE ADVANTAGE AND RESPONSIVENESS TO NATIONAL PRIORITIES

UNDP proved its ability to respond to crises in the course of a prolonged civil war and, more recently, during the droughts and floods in 2000 and 2001. Government continues to regard UNDP as an ideal partner in programmes for managing natural disasters or for removing the threat of landmines or for assisting in responding to the threat of HIV/AIDS. However, when expertise is needed on issues dealing with fiscal or monetary policy, on administrative reform, on tax policy or agricultural programmes, government officials have partnered with other organizations with a comparative advantage and expertise in these areas.

UNDP has not responded rapidly as government needs have changed from emergency response to long-term development. The ADR findings point to a widely shared perception within the government and among most donor partners that the UNDP may not be as competitive and as well placed as in the past to provide leadership and substantive capacities in today's key policy areas particularly with respect to providing policy alternatives and enhancing government capacity within the context of PARPA and budget support modality. In order to play a significant role in a rapidly changing and complex environment, a first step

for UNDP is to enhance its capacity in select areas and to engage or contract substantive expertise in these chosen competencies.

## PROMOTING GOVERNMENT CAPACITY AND OWNERSHIP OF THE DEVELOPMENT AGENDA

Since 2002, the aid environment in Mozambique has been changing and a rapidly growing number of donors are now collectively channeling development assistance into the central treasury as direct budget support. This group has grown from six two years ago, to 11 last year, to 15 this year, with more expected to join soon. The group calls itself G-15 and includes the World Bank and the European Union. Direct budget support presently accounts for 45 percent of all annual aid flows.

The group of budget support donors have formerly constituted themselves as the Programme Aid Partners (PAP) group, which has signed a Memorandum of Understanding with the government setting out the terms of their partnership. These donors conduct annual Joint Reviews in order to assess the government's implementation of the government's plans as reflected in the PARPA, the PES and the Performance Assistance Framework (PAF), coordinating the work of five thematic groups and twenty working groups. The Programme Aid Partners (PAP) has in many ways effectively replaced the Development Partners Group (DPG), co-chaired by UNDP and World Bank, as the principal coordinator of donor activity, as the main interlocutor with government, and as the venue where substantive issues of development are discussed.

In Mozambique, UNDP has only recently begun to participate as an observer on the occasions when the budget support donors convene, and this year it participated in the annual Joint Review conducted by the group. The findings of the ADR suggest that UNDP's presence and the impact of its contributions in the policy arena are modest. The emerging consensus among the direct budget support donors (G-15) has positioned this group as the principal interlocutor with government, particularly on PARPA and annual joint review exercises. The trend towards support for harmonization among key donors therefore has implications for Mozambique's future development strategies. It also has implications not just for how UNDP supports and collaborates with government but also for the UN system as a whole.

The nature of strategic partnerships which UNDP forges with the government and national development constituencies in Mozambique will be critical to the strategic

repositioning of its role and support in the years ahead. The success of the UNDP and indeed of the UN depends on them anticipating the country's needs, redefining their roles as priorities shift and staking out strong positions on human rights and development. A strategy is necessary to support government to ensure that DBS generates benefits to the country through effective and sustained support for the PARPA and MDG goals. Given its past record, its comparative advantage in UN system coordination through the resident coordinator system, and its experience in capacity building of key government institutions, it is the view of the ADR team that UNDP, in partnership with the UN system, is strategically placed to spearhead these efforts.

## LESSONS

Based on its findings, the ADR team has identified a number of lessons which could assist UNDP in strategically repositioning its support to strengthen its contribution to Mozambique's emerging needs and future development priorities, in collaboration with the UN agencies and other development partners.

**Better understand the transition from crisis response to long-term development.** The requirements of responding to emergencies are very different from those of collaborating with the government on meeting long-term development objectives. UNDP seems to have done well in responding to the conflict situation in Mozambique but the evidence suggests that this success has not easily translated into a strong and strategic partnership role for long-term development needs. It may well be that the transition is not well understood and there may be too few instances of successful transitions to provide lessons.

**The achievement of successful development outcomes requires long-term commitment, close monitoring and broad-based participation and partnerships.** The UNCDF/UNDP success with the local governance and decentralization pilot programme in the Nampula province had a long gestation period beginning 1999. It involved a variety of partners and the participation of target communities and the commitment of considerable resources. UNCDF/UNDP has replicated the model of district planning and strengthening local government, which was piloted in Nampula, and the World Bank has replicated it in four other provinces. The Ministry of Planning and Finance has adopted it as a nation-wide model and it is now the basis for national legislation on local government.

**Development effectiveness demands a coherent human development strategy.** UNDP's present programmes are an amalgam of diverse projects that may not necessarily be strategic enough to promote a coherent focused response to prevailing conditions. Some of the

projects are legacies from previous years, some could be projects that the government counterparts may be reluctant to discontinue, and some are those that UNDP retains because of their potential for drawing more resources from donors. Many of them seem to be ‘supply driven,’ kept on because resources or support is available for them and not because they are part of an effective strategy for reducing poverty or enhancing human well being. Demining, for example, uses significant resources almost as much as the fight against HIV/AIDS, even though its contribution to the human development agenda may be far less. UNDP is better served at the country level by a programme that resonates with its human development and human rights advocacy role and generates support because it offers a coherent strategy to improve human wellbeing.

**A compelling vision and an effective communication strategy are critical for the visibility and success of the organization.** UNDP’s credibility relies on having a distinctive and compelling vision of its mission. UNDP must not underestimate the importance of effectively projecting an image of its corporate principles and accomplishments. Documenting, disseminating and distinctively branding the organization with its successes have a number of advantages: the exposure this affords builds partnerships, generates resources and enhances credibility. Although UNDP has scored a number of successes with building institutions and with the Nampula local governance and district planning model, not many will associate these successes with UNDP’s image and contributions in a few years time, unless they are turned into strategic knowledge assets for the organization and the country.

**Informed advocacy on key issues is more important than simply preserving a reputation for neutrality and generating resources.** UNDP’s focus on its reputation for neutrality may at times hinder its advocacy on critical human rights and human development issues. By the same token, concern with raising resources from donors may lead to accepting the management of programmes that detract from UNDP’s core business and its effectiveness. UNDP should take stronger stands in supporting programmes that are of strategic value and are in line with UNDP’s priorities, rather than focusing on programmes only because donors are more inclined to fund them.

## RECOMMENDATIONS

The findings and conclusions of the ADR lead to the set of recommendations outlined below. By no means exhaustive, they cover issues that the ADR team think strategic and necessary to support UNDP as it builds on its comparative advantage and past record of achievements to reposition itself to meet Mozambique’s development challenges.

## ENHANCING THE STRATEGIC POSITIONING OF UNDP SUPPORT

**Define a coherent and compelling vision and an effective communication strategy.** Designing a compelling, coherent and distinctive vision of how UNDP will support Mozambique’s development needs in the years ahead is an urgent challenge. In a crowded and competitive environment such as Mozambique, where the development needs and government’s strategies for addressing them have changed, it is a necessary first step in increasing UNDP’s profile and relevance.

**Develop an effective transition strategy from crisis response to long-term development.** As its excellent record of performance in the aftermath of Mozambique’s civil war shows, UNDP has a clear comparative advantage in managing and providing support during conflict and the immediate post-conflict periods, but seems to lack an effective strategy for making the transition to a post-conflict phase. The challenge for UNDP is to devise an effective formula that allows it to harness the successes of peace building and recovery for long-term development gains.

**Develop a strategic response on how to support governments that have adopted direct budget support at corporate and country level.** UNDP cannot expect to make a substantive contribution to development policy in Mozambique as long as it remains outside of the donor harmonization and coordination of aid initiatives and fails to develop a strategic approach to supporting government in the new environment. There are avowedly a number of risks in supporting direct budget support, but there are greater risks in not taking any decision at all and continuing with systems that may wrongly or correctly be perceived as raising transaction costs and undermining national ownership. The adoption of direct budget support by government entails changes in UNDP’s traditional convening and coordination role and in its policy advisory role. A way needs to be found for UNDP to participate as a full member in the Joint Donor Review which the government conducts with donors annually. This is essential if UNDP is to play a credible role in placing human development and poverty reduction at the centre of policy discussions. UNDP’s hesitancy to join the group of direct budget support donors is understandable given the potential risks of compromising its neutrality or impartiality, but UNDP should not be perceived as undermining the Rome Declaration and Monterrey Consensus. Direct budget support with its attendant implications challenges UNDP, both at the corporate and at the country level, to make a decision, one way or the other, about how to respond to government capacity needs and how to re-orient its role in this harmonization initiative.

There are a number of options UNDP could pursue. First UNDP could participate fully in aid harmonization, both globally and in individual countries, such as Mozambique, where donors are increasingly committed to direct budget support. Second, UNDP could focus on advocacy work and building government capacity. In the case of Mozambique, a way needs to be found for UNDP to participate as a full member in the Joint Donor Review which the government conducts with donors annually. This is essential if UNDP is to play a credible role in placing human development and poverty reduction at the centre of policy discussions.

The ADR team has concluded that UNDP would be well-advised to encourage the UN system as a whole to commit itself to the donor support group and to bring, not just UNDP's resources and expertise to the table, but the collective weight of the UN system as a whole.

**Support capacity building for development management and aid coordination to promote government leadership and national ownership of the process.** UNDP should focus on enhancing capacity for strategic planning and financial management at crucial levels of the government. All parties in support of direct budget support – the government, the bilateral and multilateral donors – understand the magnitude of the effort required to lead, coordinate and manage development assistance and the development processes and to direct external resources and efforts towards national development priorities. Government leadership and national ownership can mean the difference between achieving aid effectiveness through direct budget support and attaining development effectiveness. Increased capacity within the central government to improve financial management systems and to foster systemic efficiency to manage the resources channeled directly into the state treasury and conduct national level planning is a pre-requisite.

Even though fifteen out of 47 donors have made commitments that range from 1 percent to 60 percent of their aid budget, the success of this experiment is not guaranteed. For more donors to join and for those who have joined to maintain a predictable level of funding and perhaps increase their level of commitment, assurances will be required that finance managers and planners are prepared to execute their responsibilities accountably and effectively, and for this, a great deal more training and restructuring is required. Because of UNDP's impartiality and its relationship of trust with the government, it is uniquely placed to promote and support the building of capacity in departments and

ministries to reduce fiduciary risks, accelerate programme implementation, and thereby enhance government's leadership role.

**Champion and strengthen UN system collaboration through joint programming and broaden non-traditional partnerships.** UNDP is unlikely to marshal resources on its own to give priority to its human development agenda. This will require greater collaboration among UN agencies. The scope of the resident coordinator office has grown impressively in the last two years, and this may provide a foundation for further collaboration. The United Nations has agreed on system-wide objectives and guidelines for programming, but these objectives mean little without the collective weight that comes with joint programming. This is the moment to experiment with joint programming on a significant scale. Pooling resources in joint programming is perhaps the United Nations' only viable strategy for overcoming its reputation of having too little funds, limited expertise and often too many agendas, especially in the context of greater donor harmonization and adoption of the direct budget support mechanism.

The trend towards support for harmonization among key donors has extensive implications for the UN system as a whole. A strategy to meet this challenge is necessary and depends on the UN Agencies developing a strong position of joint advocacy on human development, MDGs and strengthening a pro-poor bias in PARPA. Efforts to articulate common goals and strategies through the United Nations Development Assistance Framework (UNDAF) have not yet led to the ultimate objective of maximizing goal-oriented development cooperation through joint programming. The UNDAF strategic objectives represent the collective commitments of the UN system, including its programmes and funds (UNDP, UNFPA, UNICEF, WFP), the specialized agencies (FAO, UNESCO, WHO) and the commitments sanctioned by the Mozambique government in a number of international instruments.

The UNDAF for Mozambique (2002-2006) has embraced two common thrusts for development assistance across the UN system. The first is the HIV/AIDS pandemic and the second is gender equity with a special emphasis on girls' access to educational opportunities. Recent research, especially in the Common Country Assessment, reveals that "common and mutually reinforcing support for HIV/AIDS and gender equity are undoubtedly key to ensuring longer-term empowerment, reaching poverty reduction goals and ensuring rights attainment for all populations."<sup>2</sup>

<sup>2</sup> United Nations, Mozambique, *United Nations Development Assistance Framework (UNDAF) 2002-2006*, Maputo: April 2001, p. 5

**Redouble efforts to enable civil society to have a genuinely independent input to PARPA through the Poverty Observatory.** UNDP has had a tradition of supporting the emergence of a strong civil society sector in Mozambique. In part because of its efforts, the number of NGOs in the country has increased more than eight-fold since the mid-1990s. The Poverty Observatory, housed within the Ministry of Planning and Finance, to track PARPA is a promising instrument for providing an independent assessment of the efforts by government and donors to reduce poverty, inequalities and regional disparities.

UNDP should intensify its efforts to ensure that the Poverty Observatory opens up the way for civil society organizations to participate in national policy dialogue on poverty reduction. Civil society organizations should include the full gamut of non-government organizations, encompassing faith based, private sector and citizens' groups, all of which are essential actors in bringing fuller democracy to Mozambique. More important, civil societies can also be a resource that UNDP can tap into to test and enrich its ideas and knowledge base on critical development issues facing the country.

## **ENHANCING PROGRAMME PERFORMANCE AND CONTRIBUTION TO DEVELOPMENT RESULTS**

**Sharpen strategic focus, achieve greater coherence and enhance programme effectiveness by reducing the number of core areas.** Achieving greater coherence will entail building on existing strengths as well as developing new areas. These strengths are in local governance and decentralization through district planning, support to democratic institutions and the response to the HIV/AIDS pandemic.

UNDP should concentrate its support on four core areas: (a) local governance and decentralization through district planning; (b) support to key democratic institutions; (c) combating the spread of HIV/AIDS; and (d) policy advocacy in the area of poverty reduction and MDGS that draws on the organization's human development paradigm while limiting micro-level support to innovative high-impact replicable ideas.

Within the context of PARPA, UNDP could focus on the alignment of PARPA reporting and tracking of progress to human development and MDG targets by piloting provincial and district level human development reports. Nampula would be an obvious place to start if synergies within and among UNDP interventions are to be realized. This entails reducing commitments to other areas where a

clear comparative advantage is not evident and the potential for development results is demonstrably less. The following are areas where commitments could be reduced: enterprise promotion, microfinance, community-based income and employment generation schemes and demining. Support in these areas may be maintained only to the extent that they demonstrate innovation and reinforce outcomes to be achieved in core areas.

**Promote a rural development focus and accord increased priority in UNDP programming to reducing human poverty and improving rural livelihoods.** The overwhelming imperative in Mozambique is to devise and implement a viable pro-poor growth strategy that places the rural poor at the centre of the equation. Income and human poverty in Mozambique is primarily rural. The majority of Mozambique's poor, with little or virtually no access to education, health, safe drinking water and basic physical and social infrastructure, are rural-based. Reduction of human poverty should be a cross-cutting objective to which all UNDP programme areas aspire. Closing the rural—urban divide and the huge income and human poverty gap will depend on expanding the opportunities and human capabilities of the rural poor.

MDG targets for reducing absolute poverty have been set and annual commitments made within the context of PARPA. Augmenting on-farm and off-farm rural incomes is essential to closing the gap between high growth and persistent human poverty, and the PARPA will need to put rural development at the centre. Given its human development mandate, UNDP is in a strong position to take a stronger stand on devising a rural focused programme and advocate for a greater human development and rural bias within PARPA. More explicit linkages should be made between existing UNDP programmes with a rural presence—decentralization and justice sector programmes – and poverty reduction by building support for augmenting rural incomes more deliberately into these programmes.

**Build on past successes and increase initiatives to strengthen local government.** Decentralization of government functions and strengthening of district level governments have worked well in Mozambique. Experiments in devolution of responsibilities and even in fiscal decentralization have shown the government that sharing political responsibility with district governments has the potential to move the centers of decision-making closer to the people, to provide services efficiently, generate income and reduce poverty in the rural areas. UNDP's success in strengthening representative district-level planning

has spawned a number of other initiatives which now need coordination and close observation in order to ensure that the collective lessons of these diverse experiments are not lost and make a real contribution to the government's decentralization plans.

**Improve and diversify resource mobilization and partnership strategies.** UNDP will need to re-invigorate and diversify its resource mobilization strategy, broaden partnerships and develop flexible programming procedures. This will assist the organization in reversing the downward trend in resource mobilization levels and in improving the coherence and quality of its programme. Notwithstanding the harmonization of aid, there is still a large universe of potential cost-sharing avenues outside direct budget support. The quality of UNDP's programming is the currency of its future success in resource mobilization. Instead of responding to donors and government by undertaking programmes proposed by them, or formulating programmes which UNDP presumes will interest its partners, UNDP's interests are best served by making its programmes of high enough quality to place them in demand among its government and donor partners. The programmes need to be demand-driven rather than supply-driven.

A first step in upgrading its resource mobilization strategy will be to improve the way it trademarks or brands and markets its programmes. To this end, the UNDP should devise a comprehensive communication strategy which highlights successful experiences and enhances UNDP's visibility in order to effectively market its programme to potential funders. Non-traditional sources of funds and partners should figure significantly in this strategy.

Another important and crucial step is to improve the quality of service that UNDP provides in collaborating with funding partners, and this refers especially to the quality and timeliness of reporting and speedy resolution of any implementation problems if UNDP is to be seen as a high quality provider of unique development services by either government or donors

The UNDP should also seek opportunities to provide services to government on a contract basis in areas where it has unique technical expertise. Capacity building and technical advice in the context of direct budget support is one such area while election monitoring is another. Building capacity in poverty programming, monitoring and accounting is yet another, especially as increases in direct budget support place demands on the government's capacity to manage poverty alleviation programming, monitoring and reporting. However, being a credible development service

provider requires high quality technical competency, flexibility and reliability and UNDP at both corporate and country level will need to squarely address this area. Reprofiting has left UNDP's capacity thin on the ground and highly specialized skills will be needed. UNDP will need to draw upon corporate units and its global networks for these resources and skills.

The ADR team applauds the UNDP's current preoccupation with the design of the next CCA/UNDAF and its promotion of joint programming among key UN agencies. Amalgamating HIV/AIDS, disaster management and food security under a single category labeled "the triple threat" has taken a strategic step toward linking major programmes in a way that opens the way for joint programming. The ADR strongly supports this joint programming initiative and recommends that these laudable joint programming initiatives be strengthened by explicitly linking these efforts to meeting specific MDGs and by incorporating gender equality as one of its components.

## **ENHANCING KNOWLEDGE AND STREAMLINING BUSINESS PRACTICES**

**Increase in-house expertise by expanding the knowledge base.** In a rapidly changing context, in-house expertise and substantive capacity are indispensable for effective programming and maintaining credibility and a competitive edge with government and other development partners. Mozambique presently requires a set of skills and capacities which the UNDP country office does not have in abundance. Based on perceptions gathered during the ADR, a number of partners, including government, perceive UNDP as well-intentioned but at times lacking the requisite competencies to make a substantial contribution to their programmes.

It is the view of the ADR team that while reducing the scope of its interventions, the UNDP should seek to build high level in-house expertise in its core areas to meet present and future demands. This would contribute to substantially raising its profile and the quality of its contributions to the policy debates on poverty reduction strategies. UNDP must be seen as a leader and substantive authority on those core areas which it supports and champions. It can engage expertise locally through research institutes or abroad through its regional centres and the global network or it can build expertise by establishing research and resource centres where successful experiences and lessons are documented. As an example, UNDP might support the central and provincial government in establishing a

Resource Centre based in Nampula to document UNDP/UNCDF's and government's experiences in strengthening local government and to disseminate lessons and innovative ideas, nationally and internationally on the process of decentralization. This would allow UNDP to turn this invaluable experience and the lessons learnt into knowledge assets for the country and re-engineer itself as a knowledge organization within Mozambique.

**Improve business processes.** Because it is perceived as a success story, Mozambique is an attractive destination for visiting missions. It is the view of the ADR team that the country office seems to be overwhelmed by frequent requests to receive delegations and participate in pilots for the UNDP and the UN system as a whole. These obligations have strained its capacity and often diverted attention away from the core business of the office. What UNDP really needs from corporate headquarters is strategic guidance in meeting its present challenges. How to respond to direct budget support and UNDP's somewhat declining fortunes as it searches for a new niche are critical areas where such support is acutely needed. In a way there have been missed opportunities at both corporate and country level. Mozambique is not the only direct budget support country, and headquarters should assist its country offices by sharing best practices, developing tool kits and system-wide corporate guidelines to address the changing context(s) of aid and development.

## CONCLUSION

Mozambique has made tremendous progress in overcoming a legacy of conflict and has succeeded in forging a comprehensive strategy for poverty reduction and secured the commitment of its key development partners in this process. It has achieved and sustained a relatively high record of economic growth over the past seven years and has become a reasonably attractive country for foreign direct investment.

However, as this evaluation has shown, Mozambique is still very much a country in the process of transition from a post-conflict country to a stable democracy and has a huge backlog of human poverty and income disparities. The principal challenge for UNDP is how to work with the government in pushing pro-poor and pro-human development for the majority of Mozambicans.



## 1

# Introduction

## BACKGROUND

This country evaluation examines UNDP's support to Mozambique since 1998 and assesses the key development results achieved and the organization's strategic positioning and contributions to development effectiveness during this period. The purpose of the Mozambique ADR is to provide UNDP and key stakeholders with an objective measure of results that have been achieved to date and recommend measures to enhance performance and strategically position the organization better in the future.

The ADR assesses how UNDP's role and its support and the range of partnerships it has forged have contributed to poverty reduction and strategically positioned the organization to bring added value to Mozambique's human development agenda. The central questions for the evaluation are how and whether UNDP has used its comparative advantage and its overall support to contribute to the country's development effectiveness, especially in meeting key national development goals as articulated in Mozambique's national poverty reduction action plan and MDG targets. In doing so, the analysis assesses the intended outcomes as articulated under the Strategic Results Framework (SRF) and key development results achieved under the Country Cooperation Frameworks (CCFs) of 1998-2001 and 2002-2006. (See Annex 4-5)

## RATIONALE FOR THE EVALUATION

Mozambique's ADR comes at an important juncture for UNDP and its national development partners for a number of reasons. First and foremost is the fact that Mozambique is a country in transition. Within the space of a decade, Mozambique has undergone the transition from war to peace; it has also moved away from being a one party socialist state and a centrally planned economy to a multi-party constitutional democracy with a market-based economy. Second, in December 2004, Mozambique conducted its third multiparty presidential elections since the United Nations (UN) supervised democratic elections of 1994 that followed the protracted civil war. This makes the country one of a few cases that has stayed the course and successfully managed the difficult transition from civil war to peace.

Third, at 7 percent plus annual growth rates, Mozambique is easily one of the few fastest growing economies in Africa today, although it remains a poor and aid dependent country. Mozambique has a Human Development Index (HDI) ranking of 170 out of 175 countries and both human and income poverty is acute. In response to these challenges, the government of Mozambique has developed a comprehensive national poverty reduction

strategy, the *Plano de Accao Para a Reducao da Pobreza Absoluta* (PARPA) or the Action Plan for the Reduction of Absolute Poverty and committed itself to a clear set of national MDG targets.

Mozambique is a high aid recipient and one of the World Bank (WB) Highly Indebted Poor Country (HIPC) where the majority of key donors to the country have recently adopted direct budget support as the modality and framework for delivering development assistance. While this represents the growing trend among donors to promote aid effectiveness by moving away from project-based lending to sector wide approaches (SWAPs), the fact that PARPA serves as the framework for Mozambique's direct budget support modality presents a unique opportunity to assess the country's emerging challenges and how UNDP is positioned to contribute to the country's development effectiveness.

## APPROACH AND METHODOLOGY

### Approach

The country evaluation was undertaken in three stages: (i) a preparatory phase during which a comprehensive desk review and a scoping mission was carried out by the Evaluation Office; (ii) an in-depth study on governance; and (iii) the country assessment mission carried out during April and May 2004 by an independent team commissioned by the UNDP Evaluation Office. During the first stage, the Evaluation Office conducted a comprehensive literature review and analysis of background data on Mozambique along with a mapping and trend analysis of the UNDP programmes from 1993 to 2004.

During the second stage, consultations were held with the UNDP Country Office and with a selection of major stakeholders to determine the scope of the ADR and identify issue areas for an in-depth study. Between October 2003 and February 2004 two consultants from the Eduardo Mondlane University were contracted to carry out an in-depth study on "Governance," a key area of UNDP's past interventions. The study included a review of recently completed and ongoing UNDP governance programmes.

In the last stage, a team of independent evaluators conducted the main ADR mission, between April and May 2004. The team drew on the preparatory research carried out in the first two stages and conducted its own document reviews, in-depth interviews and project site visits. The team had as one of its objectives to ensure that the approach was as participatory as possible, and made every effort to involve the UNDP staff at every stage of its inquiry.

### Methodology

The ADR team employed a variety of methods which primarily rely on the triangulation of different levels of results and sources of data following an approach prescribed under the Evaluation Office's ADR Methodology guidelines. The team's assessment was underpinned by results based management (RBM) approaches and focused on assessing progress towards development outcomes against the targets set in UNDP Strategic Results Framework (SRF) under the 1998-2006 CCFs (See Annex 5). The mixed methods used included: (i) data collection through comprehensive desk reviews, (ii) in-depth interviews and opinion polls of key stakeholders to gather and validate perceptions and viewpoints on the country's development challenges, UNDP programmes and its contributions, and (iii) project site visits to assess the development results UNDP is supporting on the ground.

Annex 1 gives the list of key stakeholders consulted that ranged from UNDP staff, Mozambique government officials and project managers to community stakeholders and project target communities, non-governmental organizations (NGOs), civil society organizations (CSOs), the media and donor partners.

In addition to in-depth interviews and focus group discussions with district officials on areas relevant to UNDP's projects and programmes, the ADR team also conducted its own opinion poll among a number of multi-lateral and bilateral donors. The extensive review of documentation, which in Mozambique is rather large, covered all key UNDP documents on projects and programmes, a range of evaluative studies, country surveys, books and key government planning documents, reports such as the MDG Report, the Action Plan to Reduce Absolute Poverty as well as the accountability instruments which serve to assess government performance in meeting the targets of the PARPA. A list of references is given in Annex 2.

A third area has been the review of past evaluations of UNDP projects and programmes and all government documentation, in-depth studies on issues that are relevant to the programme areas, and all academic material which places these data in a larger context. While the ADR exercise in Mozambique was of a limited duration, the ADR team did travel to two project areas in the provinces of Nampula and Zambezia and visited a number of project sites in and around Maputo. Observations at project sites were used to validate the perceived trends arising out of perceptions and opinions gathered during the in-depth interviews with stakeholders and documentation reviews.

Some caveats are in order. The focus of the ADR is assessing UNDP's contribution to development results. This has meant an analysis of macro-level programme outcomes rather than a detailed analysis of individual projects. As in any country-level evaluation of this nature, managing attribution and aggregating programme-level results have been a challenge. The team relied on qualitative rather than quantitative methods to establish plausible associations or credible links between observed development results and UNDP's contributions. The team also relied on representative sampling, meta-evaluations and the triangulation of data and its sources. The triangulation among these three types of information gathering and observation techniques used – documentation, perception and cross referencing the information gathered to validate it—allowed the ADR exercise to digest large quantities of information in a short period of time and to reach conclusions regarding UNDP contributions and its strategic positioning vis-à-vis the key development issues facing the country.

## **STRUCTURE OF THE REPORT**

Chapter 1 provides the rationale and overview of the approach and methodology used. Chapter 2 sets the development context and provides an overview of Mozambique and its key development challenges. Chapter 3 details UNDP's programmes and assesses how it is strategically positioned to play an effective role in Mozambique. Chapter 4 assesses the performance of UNDP's programmes and development results achieved during the period under review. The report concludes with an analysis of challenges and lessons learnt, recommendations and future directions in chapter 5.



## 2

# Mozambique's Development Challenges

## NATIONAL CONTEXT

With a population of 18.6 million and an area of just over 800,000 square kilometers, Mozambique is one of the largest countries in Southern Africa. A least developed country such as Mozambique extending over so large an area presents a unique set of development challenges such as adequate physical and social infrastructure and effective local administration. Mozambique became independent in 1975 following a protracted struggle against Portuguese colonial rule. Far from leading to peace and stability, independence spawned a series of proxy wars generated by its neighbours, South Africa and what was then Rhodesia. From 1976 to 1979, Mozambique was under attack from Rhodesia and from 1979 onwards it entered a decade of destructive civil wars which ended in 1992. Once independence was achieved, FRELIMO ruled Mozambique as a one-party state, outlawed political opposition and adopted a Marxist-inspired socialist government. Mozambique supported and became a key frontline state (FLS) in the armed struggle for the liberation of Zimbabwe and South Africa and hosted millions of refugees and liberation armies of these countries' nationalist movements.

These were the latter days of the cold war. FRELIMO's 'Marxist ideology'—and perhaps more importantly its support for Southern Africa's guerrilla wars—posed a threat to South Africa and Rhodesia. The Rhodesian intelligence services created and armed the Resistencia Nacional Mocambicana – or National Resistance Movement of Mozambique (RENAMO) as a destabilizing force. Funded and supported by both Rhodesia and South Africa, RENAMO became an externally funded rebel opposition to the FRELIMO regime. Between 1978 and 1992, conflict between these two movements – FRELIMO and RENAMO – held Mozambique in the grip of a devastating civil war.

By the early 1980s Zimbabwe (former Rhodesia) had become independent. The dismantling of apartheid rule in South Africa in the early 1990s leading to majority rule in 1994 coupled with Zimbabwe's independence ended external support for the RENAMO rebels and paved the way for peace negotiations between the two movements. This led eventually to the signing of peace accords in Rome in October 1992.

The costs were huge. The civil war had cost the country over a million lives, generated a million-and-a-half refugees, caused massive internal dislocations and population displacements and severe destruction of physical, social and economic infrastructure. Between 1992-1994, a United Nations Peacekeeping Force, (ONUMOZ) was assembled to oversee the cease-fire and the elections, take the initial steps toward demobilization of the fighters and

**TABLE 2.1 MOZAMBIQUE'S KEY DEVELOPMENT INDICATORS**

| INDICATOR  | VALUE        | YEAR |
|--|--------------|------|
| Population size  | 18.6 million | 2004 |
| Annual Population Growth Rate                                | 2.4%         | 1997 |
| Life Expectancy at Birth (Years)                             | 43.5 years   | 1999 |
| GDP per capita   | US \$227     | 2003 |
| External Debt as % of GNP                                    | 148.7%       | 2000 |
| Poverty headcount ratio (% of Population below poverty line) | 69.4%        | 1997 |
| Proportion of rural population under poverty                 | 71%          | 1997 |
| Proportion of urban population under poverty                 | 62%          | 1997 |
| Proportion of underweight children (under 5 years)           | 26%          | 2000 |
| Net primary enrolment  | 19.8%        | 1998 |
| Ratio of girls to boys in primary education                  | 75.6%        | 2000 |
| Under five mortality rate                                    | 246          | 1997 |
| Maternal mortality rate                                      | 158          | 1998 |
| % of population relying on traditional fuels for energy use  | 95.9%        | 2000 |
| Prevalence of HIV/AIDS                                       | 12.2%        | 2000 |
| Adult literacy   | 43.3%        | 2000 |
| Adult literacy—male  | 60%          | 2001 |
| Adult literacy—female  | 29%          | 2001 |

Source: UNDP Human Development Reports (various) & Mozambique Report on the Millennium Development Goals, 2002

to assist in meeting the needs of a drought-stricken and destitute country.

By 1992, the government had adopted a market-based economic model and abandoned the independent movement's socialist doctrine. Mozambique had joined the WB in 1984 against a backdrop of an escalating civil war, mounting economic and social hardships and a near collapsed economy. With the dismantling of apartheid, Mozambique's previous enemy, South Africa, became its favoured trading partner. The World Bank and the IMF ushered in macro-economic reforms aimed at reducing government spending, privatizing national industries, reducing tariffs and strongly encouraging an increased reliance on external trade. In 2000, Mozambique qualified for the forgiveness of its substantial debt burden under the IMF's HIPC and enhanced HIPC initiatives. Its external debt was reduced from over US\$7 billion in 2000 to less than a billion two years later.

Mozambique is divided administratively into ten provinces, which are further divided into districts. There are

128 districts in total. The ten provinces are commonly grouped into three regions, north, centre and south. The Northern Region comprises the provinces of Niassa, Cabo Delgado and Nampula; the Central Region comprises Zambezia, Tete, Manica and Sofala; and the Southern Region includes Inhambane, Gaza, Maputo Province and Maputo City. Communication and transportation between the Northern Region and Southern Region are difficult. One of the consequences is that the food surplus areas in the Northern Region are unable to serve the food deficit areas in the Southern Region, whose provinces have to rely on food imports from South Africa.

In 2003, 67 percent of the population lived in the rural areas. According to most of the development literature on Mozambique, only a small proportion of the rural population has any contact with the central government or access to basic social services such as health, education and safe drinking water. Human and income poverty are most acute in the remote rural areas of the country where most of the poorest people live and where well over half of the population

has consumption levels below the poverty line. Table 2.1 gives basic economic and human development indicators for the country. The table in Annex 3 compares Mozambique's key indicators with those from other Southern Africa Development Community (SADC) countries.

## HISTORICAL OVERVIEW

Mozambique achieved independence in June 1975 following a protracted liberation struggle against Portuguese colonial rule by FRELIMO, the country's present ruling party. The liberation struggle had begun in the early 1960s. By 1964, the various groups opposed to Portuguese rule had coalesced under the Liberation Front of Mozambique (FRELIMO) led first by Eduardo Mondlane, and later by the late Samora Machel.

At independence, literacy stood at no more than 7 percent and life expectancy a mere 41 years. The mass departure of a skilled Portuguese labour force had left the country without the critical expertise required to run the economy and government. Border closures with hostile neighbours and the resultant loss of transit traffic and remittance from labour migration to South Africa created severe hardships for the country immediately after independence.

Although much has changed since 1975, the structure of Mozambique's economy and its position in the global economy have not changed drastically. Mozambique's economy continues to rely, as it did in the colonial and post-colonial era, on a service economy dependent on labour migration to South Africa's mines, the export of primary products such as cashews and cotton, and the provision of transportation services for South Africa and its land-locked neighbours, Zimbabwe and Malawi. However, the circumstances and nature of its relations with its two neighbours have changed for the better and Mozambique's role and position today within the Southern African Development Community (SADC), especially the transport sector, is strategic and pivotal.

On the political front, the country is making positive strides. Mozambique held its first democratic elections under UNOMOZ supervision in 1994. Presidential elections and legislative elections were again held in 1999 and are scheduled to be held for the third successive time in December 2004. Elections for municipal assemblies have been held in 1998 and 2003. These elections have not been free of complaints or accusations, but the relations between the two opposition parties—the same groups that fought each other in a civil war between 1976 and 1992 – have been relatively amicable since the signing of the peace accords in 1992.

For the moment, FRELIMO has been victorious in all elections over its rival RENAMO. In the recent round of elections to choose members of municipal councils in 33 towns and cities, FRELIMO won a majority in 29 out of 33 municipal councils. FRELIMO continues to be the dominant political force in the country with superior administrative capacity, a tradition of intra-party unity and access to state resources.

## MEETING THE MILLENNIUM DEVELOPMENT GOALS (MDGS): MOZAMBIQUE'S KEY DEVELOPMENT CHALLENGES

### Growth side by side with poverty

Mozambique's reconstruction and recovery have been remarkable and are widely recognized as a success story. Notwithstanding this, there are some major development challenges facing the country. Mozambique is one of the poorest countries in the world despite the fact that its economy has grown rapidly in the last eight years, averaging over 7 percent each year. While it has successfully made the transition from war to peace and democratic pluralism, Mozambique is a poor country with a high dependency on aid, which amounts to over half the national budget.

Challenges abound. The most critical ones are endemic rural poverty, high levels of human poverty and inequalities, unequal development and regional disparities, high rates of illiteracy especially among women and the rural population, low level of capacity compounded by food insecurity, a high vulnerability to natural disasters, particularly drought, cyclones and floods and the growing threat of HIV/AIDS. The latter three have been aptly designated by the United Nations Country Team (UNCT) as the "triple threat."

HIV/AIDS is endemic. It has risen from a low of 3.3 percent in 1992 to 14.8 percent in 2004. HIV/AIDS contributes to poverty and its impact is especially devastating in the education and health sectors where experienced staff are succumbing to the pandemic.

The low HDI and the absence of a comprehensive rural development and economic growth strategy targeting the up to 80 percent of Mozambicans living in absolute poverty in rural areas will continue to bedevil government in years to come. Regional disparities and unequal development are compounded by the very high income disparities between rich and poor and between urban and rural populations. Development resources are typically concentrated in urban enclaves, especially Maputo where until the 2003 Household Survey the incidence of poverty was some 47.8 percent compared to 87.9 percent in Sofala.

Widespread gender disparities mean that the poorest of

the poor are invariably women (See UNDP National Human Development Report, 2001). These challenges are compounded by the fact that Mozambique suffers from a lack of capacity especially technical capacity at all levels of government and in all sectors. Capacity building in the public sector and retaining capable and well trained staff is the most pressing challenge especially at provincial and district levels and in the rural areas. There is also a weak private sector and lack of an effective regulatory framework to promote and encourage local small and intermediate private sector growth which would stimulate job creation.

The First Assessment of Poverty and Well-Being in Mozambique, based on a nationwide household survey in 1997, showed high levels of human and income poverty. Nearly 70 percent of the population were living below a consumption-based poverty line. Three of the provinces were reported to have more than 80 percent of the population below the poverty line. A Second Assessment of Poverty and Well-Being in Mozambique in 2003 reported 54 percent of the population under a similarly constructed and comparable consumption-based poverty line.<sup>3</sup> This second assessment reported some dramatic drops between 1997 and 2003, such as the drop in Sofala Province from 87.9 percent to 36.1 percent, and while there have been attempts to explain these anomalies, one may have to wait for further analysis and monitoring of trends to have a clearer idea about these issues. Tables 2.2 and 2.3 review data on growth and poverty headcounts respectively.

Table 2.4 complements the picture of the proportion of the population under the consumption-based poverty line by reviewing the Human Development Index computed for Mozambique for a sequence of years. There has been a positive change in the Human Development Index over the last decade and yet, Mozambique has dropped from 157th out of 173 countries in 1990 to 170th out of 175 countries in 2001.

There has been some reduction recently in the number of poor people, but the magnitude of this reduction remains unclear. The reduction in the proportion of the population under the poverty line reported by the Second National Assessment of Poverty and Well-Being has been questioned by a parallel survey conducted by a reputable research institute in Maputo. This parallel survey suggests that reductions in poverty have occurred but are not of the order of magnitude reported by the government's 2003 survey.<sup>4</sup>

The high growth rates then are driven principally by large industrial projects. Higher production from the Mozal aluminum smelter and increasing gas exports through the new pipeline to South Africa partially explain the surge in national income. Growth in the tourist industry is also a factor, as the number of tourists visiting Mozambique has grown from 150,000 in 1995 to 450,000 in 2003, an increase of 15 percent a year.<sup>5</sup> The service sector, which accounts for 55 percent of GDP, continues to benefit from increased domestic demand as local service providers replace international ones and contribute more to national income.

**Table 2.2 Annual GDP Growth Rate**

| Year              | 1999 | 2000 | 2001 | 2002 | 2003 | Average |
|-------------------|------|------|------|------|------|---------|
| Real GDP Growth % | 7.5  | 1.5  | 13   | 7.7  | 7.0  | 7.3     |

Source: Economist Intelligence Unit, January 2004

**Table 2.3 Proportion of Population under a Consumption-Based Poverty Line %**

|                            | 1996-1997 | 2002-2003 | Difference |
|----------------------------|-----------|-----------|------------|
| Poverty Headcount—National | 69.4      | 54.1      | -15.3      |
| Poverty Headcount—Urban    | 62.0      | 51.5      | -10.5      |
| Poverty Headcount—Rural    | 71.3      | 55.3      | -16.0      |

Source: Ministry of Planning and Finance, Poverty and Well-Being in Mozambique: The Second National Assessment, Economic Research Bureau, Maputo, March 2004

<sup>3</sup> Ministry of Planning and Finance, Poverty and Well-Being in Mozambique, the Second National Assessment, Economic Research Bureau, Maputo March 2004

<sup>4</sup> Jose Negro, Cruzeiro do Sol Institute for Development Research, has suggested, in an interview, that a preliminary review of the results of their 2003 survey indicated a headcount rate closer to 60 percent.

<sup>5</sup> The Economist Intelligence Unit, January 2004.

**Table 2.4 Human Development Index 1990-2001 and Mozambique's Standing in Country Rankings**

| Year                                | 1990           | 1995           | 1998           | 2001           |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Human Development Index             | .154           | .325           | .341           | .356           |
| Ranking out of all ranked countries | 157 out of 173 | 166 out of 174 | 168 out of 174 | 170 out of 175 |

Source: UNDP Human Development Report for relevant years

**Table 2.5 Cereal and sugar production 1997-2002 (billions of tons)**

| Year              | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|-------------------|------|------|------|------|------|------|
| Cereal production | 1.35 | 1.7  | 1.8  | 1.4  | 1.68 | 1.75 |
| Sugar production  | .3   | .4   | .45  | .4   | .7   | 1.8  |

Source: MADER—National Office of Economic Affairs, Statistics Department, 2002 and PARPA Implementation Evaluation Report 2001, Ministry of Planning and Finance 2003

## IMPLICATIONS OF A DUAL ECONOMY

It seems likely that growth in national income will continue. It is also likely that mega-projects, such as Mozal and the gas pipeline will continue to be the main contributors to this growth. Although there are some reports of increasing agricultural productivity, agricultural production, for its part, is unlikely to be much of a factor. Most of the reports on agricultural production provide data on cash crops only, which are a small proportion of total production. The re-emergence of agribusiness has, in some areas such as Manica province, permitted the shift of production away from subsistence toward production for the market and therefore increased incomes, but these are not high enough to account for a major reduction in the incidence of acute human poverty prevalent in the rural areas.

Cereals, not cash crops, constitute the bulk (70 percent) of farm production, and here there are few signs of improvement. Production levels remain approximately half of what neighbouring countries achieve. While sugar production has done well, cereal production remains relatively flat, as table 2.5 indicates. This is partly explained by the fact that only 4 percent of farmers use any type of fertilizer.<sup>6</sup> The number of state-paid extension agents has decreased by 13 percent over the past two years,<sup>7</sup> largely

because many of them have left the service of the state to work with tobacco, sugar or cotton producers.

It would seem unlikely, therefore that agriculture, and rural economies in general, have either contributed to Mozambique's growth rates, or benefited from them. PROAGRI, the principal programme assisting agriculture – to which UNDP contributed during CCF1 – has done little, according to the Deputy Minister of Agriculture, to improve rural incomes since most of the expenditures in this programme have gone toward building capacity in Maputo's Ministry of Agriculture.<sup>8</sup>

As a number of analyses including the most recent Economist Intelligence Unit report have noted, the economy is growing at two different speeds,<sup>9</sup> one rapidly and the other hardly at all. The World Bank's 2003 Country Assistance Strategy similarly refers to the "two economies in Mozambique."<sup>10</sup> One is the economy of large scale projects exploiting primary commodities, specifically mineral and energy resources which produce export revenues but which are unlikely to create more than 20,000 new jobs overall. This has had little impact on rural income and human poverty. The other economy is that of small farms and small enterprises where production and sales have stagnated in recent years. These small rural enterprises rely on

<sup>6</sup> World Bank, Country Assistance Strategy for the Republic of Mozambique, October 2003, Report No. 26747-MOZ, p. 5

<sup>7</sup> Government of Mozambique, Ministry of Planning and Finance, *PARPA Implementation Evaluation Report, 2001*, Maputo, 2003, p. 22

<sup>8</sup> The Economist Intelligence Unit, *Country Report: Mozambique*, January 2004, p. 23

<sup>9</sup> The Economist Intelligence Unit, *Country Report: Mozambique*, January 2004, p. 11

<sup>10</sup> World Bank, Country Assistance Strategy for the Republic of Mozambique, October 2003, Report No. 26747-MOZ, p. 6

**Table 2.6 Performance of Key Sectors in Mozambique and the Millennium Development Goals**

| Indicator                | 1990-1997            | 2004                   | 2015 Millennium Development Goals |
|--------------------------|----------------------|------------------------|-----------------------------------|
| <b>Education</b>         |                      |                        |                                   |
| EP1 Completion           | 30%                  | 43%<br>(36% for girls) | 100% for all children             |
| <b>Health</b>            |                      |                        |                                   |
| Child Mortality (U5MR)   | 235/1000 live births | 200/1000 live births   | 78/1000 live births               |
| <b>Water</b>             |                      |                        |                                   |
| % Access to Safe Water   | n/a                  | 29% rural<br>36% urban | 62% rural<br>67% urban            |
| <b>HIV/AIDS</b>          |                      |                        |                                   |
| HIV/AIDS prevalence rate | 3.3%                 | 13.6%                  | <15%                              |

Sources: World Bank, Country Assistance Strategy for the Republic of Mozambique, 2003

the local markets, and they do not have the collateral to borrow money, to expand or change their production structure. There are few linkages between these two economies and, as a consequence, high levels of and income poverty at the household level continue despite a rapidly expanding economy.

### ACCESS TO EDUCATION, HEALTH AND SAFE WATER

In recent years, there has been improvement in nearly all the three sectors relevant to the MDGs, namely, access to education, health and clean safe water, but progress is slow and Mozambique is unlikely to meet the targets for the MDGs it has set for itself. Table 2.6 reviews recent data on a selection of sectors relevant to the MDGs accompanied by the targets. A fuller review of indicators and the Millennium Development Goals is given in Annex 4.

In the education sector, intake and enrolment figures show a positive trend in attendance at the primary level as new schools are built and opened and new teachers are trained and placed in the system. In the water sector, in recent years, the government has met its annual targets of water points and latrines, which brings up the percentage of the population with access to safe water to higher levels. In the health sector, outpatient utilization rates and child vaccination rates have increased, and there is progress on the

government's key objectives to reduce infant and maternal mortality. However as Mozambique's HDI and GDI show, access to education, health care and safe water is still limited and leaves out nearly all of Mozambique's rural population. The urban poor and women are the worst affected by this high level of human poverty.

### COMBATING HIV/AIDS

The infection rate of HIV/AIDS in adults (15 to 49 years old) has risen to alarming levels in recent years, from a rate of 3.3 percent in 1992 to 14.8 percent in 2004. There is considerable variation within the country, ranging from as high as 26.6 percent in Sofala in the central part of the country to 17.4 percent in Maputo City in the south and 7.5 percent in the northern province of Cabo Delgado. The total number of people living with HIV/AIDS is 1.2 million of which 459,000 are men, 670,000 are women and 70,000 are children below four years of age.<sup>11</sup>

The HIV/AIDS pandemic has had and will continue to have a significant impact on Mozambicans' key human development indicators such as health status, life expectancy, education and on its social and economic outlook. It is estimated that infant mortality rates in Mozambique, which are already among the highest in the world, will be at least 25 percent higher in 2010 than they would have been without HIV/AIDS. From 1999 to 2003, 300,000 people died of HIV/AIDS, and experts believe that in the next

<sup>11</sup> INE, MISAU, MPF, CEP, CNCS, UEM. Impacto Demografico do VIH/SIDA em Mocambique. Actualizacao. Ronda Vigilancia Epidemiologica 2002. Maputo, Maio de 2004.

seven years, that number will be three times higher unless there are rapid and effective interventions. It is estimated that life expectancy will drop to 40 years in 2010 when, without HIV/AIDS, life expectancy would have been 50. Infection rates are particularly high among government civil servants, school teachers especially, raising the specter of a depleted civil servant force, already at a premium in the country. According to recent estimates, 17 percent of teachers are at risk of dying before 2010.

## INSTITUTIONAL CAPACITY AND TRANSPARENCY IN THE PUBLIC SECTOR

Mozambique has made considerable strides in increasing capacity in the public service. Training abroad and training in local public administration academies have enhanced the planning in administrative capacity at the central level, and this increased capacity is beginning to reach the provincial and district levels as well.

In all public sector institutions the capacity to effectively manage government functions and disburse public resources is low. There are two issues, one related to the 22 central government ministries, and a second dealing with the reach and effectiveness of governing bodies at the local levels, typically in rural areas. At the central level, all of the ministries have been undertaking a review of their own operations in order to restructure for improving performance. Only five of the 22 ministries have so far produced viable reviews. A number of donors and development partners, including UNDP, are supporting initiatives to improve public sector performance.

At the local levels, because of the legacy of a highly centralized bureaucracy, there is inadequate government presence to carry out local planning. Government essentially stops at the district or sub-district level. With the exception of the few (33) municipal councils, all of the local level officials are appointed, and their links to their central bosses are far stronger than their links to their constituencies. Presently, the affairs of the 128 rural districts, comprising 70 percent of the total population and 90 percent of the land area, are administered by the central government mediated by the 10 provincial governments. Clearly existing capacity, even when it is effective, is inevitably stretched.

Evidence gathered by the ADR team indicates that confidence in the transparency of government may be declining. In a recent Forum on Transparency and Corruption,<sup>12</sup> supported by the UNDP, all five discussants on the causes and consequences of corruption in Mozambique lamented the rapid rise in the use of public

office for private gain. In a recent citizen's survey of opinions about law enforcement, 68 percent of the respondents expressed the belief that it is harder now to get fair treatment from policemen compared to ten years ago (see Table 4.2.). Only 21 percent believed that things had improved. The survey reflects both the lack of integrity within public institutions and the increasing chagrin of citizens who need their services.

## ADDRESSING AID DEPENDENCY

Since the end of the war, Mozambique has continued to receive strong support from its expanding list of development partners. This signals a high degree of confidence in Mozambique's capacity to ensure continued peace and robust growth following the liberalization of a centralized economy in the early 1990s. During the Consultative Group conference with foreign donors in October 2003, donors continued their considerable support to Mozambique with pledges of US\$790 million for 2004, exceeding the US\$680 million that the government had requested. Three-quarters of the pledges for 2004 are grants while the remainder are in the form of soft loans, indicating the trend away from loan-based foreign aid.

Although Mozambique dependency on external financing has decreased from 60 percent of government spending five years ago to 48 percent at present, this has more to do with a growing national budget than with changes in donor contribution since, if anything, donor contributions have increased. Tables 2.7 and 2.8 review these trends.

Aid dependency of this magnitude is as much a measure of national vulnerability as it is a measure of donor confidence. Domestic revenue has increased only modestly, an average of 0.3 percent per annum, as a result of more efficient tax collection. Increasing revenues further relies on the government's capacity to build roads and other infrastructure to provide the necessary services for the productive sector to grow and generate more revenue. And yet the government does not have the resources for the level of infrastructure investment which would generate more broadly based economic productivity and ultimately reduce the level of aid dependency. Given its present economic circumstances, Mozambique's dependency on foreign aid is likely to continue for the foreseeable future. The challenge is to channel this high level of external development assistance into support for balanced economic growth, poverty reduction and human development that benefits the majority of the population.

<sup>12</sup> *Forum on Transparency and Corruption, Instruments and Strategies in Fighting Against Corruption*, supported and published in collaboration between the UNDP and the Assembly of the Republic

**Table 2.7 Aid Flows to Mozambique, 1998 – 2004 (US\$ millions)**

| Sources | 1998  | 1999  | 2000  | 2001  | 2002  | 2003  | 2004  |
|---------|-------|-------|-------|-------|-------|-------|-------|
| Grants  | 313.2 | 434.0 | 563.9 | 469.3 | 400.0 | 481.5 | 490.8 |
| Credits | 218.1 | 111.8 | 161.8 | 133.3 | 248.0 | 224.0 | 232.8 |
| Total   | 531.3 | 545.8 | 725.7 | 602.6 | 648.0 | 705.5 | 723.6 |

Note: These figures include all grants and credits in support of budget, balance of payments, programmes, projects and commodity aid from bilaterals, multilateral and private sources. It also includes donor assistance to public enterprises. Source: Ministry of Planning and Finance

**Table 2.8 Total Foreign Aid to Mozambique as a Percentage of GDP**

| Year      | 1999  | 2000  | 2001  | 2002  | 2003  |
|-----------|-------|-------|-------|-------|-------|
| Total Aid | 545.8 | 725.7 | 602.6 | 648.0 | 705.5 |
| % of GDP  | 13.7% | 19.7% | 17.5% | 18%   | 16.4% |

Source: of Mozambique, Ministry of Planning and Finance; Economist Intelligence Unit, Country Report: Mozambique, United Kingdom: January 2004

## MOZAMBIQUE'S DEVELOPMENT STRATEGY

To address these human development challenges, the government of Mozambique has successively adopted various policies and strategies. During the period under review, the national poverty reduction strategy or PARPA, the MDGs and Agenda 2025 provide the key elements of Mozambique's development strategy, and these are briefly discussed below.

Prior to 1999, the Government of Mozambique's approach to poverty reduction was split among a number of initiatives. The Social Dimension of Adjustment project was one of these. The Office for Support to Vulnerable Populations was another. In 1995, a Strategy for Poverty Reduction in Mozambique brought these diverse initiatives together and was incorporated into the Five-Year Programme of the Government, 1995-1999. The results of the First Poverty and Well-Being Assessment were made public in 1998, and the principal finding of this assessment, that nearly 70 percent of the population nationwide were under a consumption based poverty line, provoked the government and its partners to produce a cohesive poverty reduction strategy. This resulted in the *Plano de Accao para a Reducao da Pobreza Absoluta*, or the Action Plan for the Reduction of Absolute Poverty (PARPA). The PARPA was first formulated in 1999 with UNDP support and subsequently approved by the Council of Ministers in April 2001. In August 2001, the World Bank and the IMF endorsed the PARPA as Mozambique's first full Poverty Reduction Strategy Paper (PRSP).

## Action Plan for the Reduction of Absolute Poverty (PARPA)

Since 2000, the PARPA has become Mozambique's overarching national development strategy targeting poverty reduction. The 2000-2004 PARPA identifies six priorities: health, education, infrastructure, agriculture, governance and macroeconomic/financial policies. There may not be universal agreement on these six, or on the actions and indicators noted, but there is sufficient consensus on these priorities to give at least the foundation of accord among government ministries. PARPA provides furthermore the foundation for agreement among donor partners themselves and, equally significantly, between donor partners and government. This agreement has facilitated the formation of a donor/government accord, which has supported the emergence of a direct budget support group of donors who work, not separately or through separate ministries, but through the central government for common objectives.

This first PARPA covers a period of five years from 2000 to 2004. It is renewed annually each year resetting its targets for a new five-year sequence. There are some 90 quantitative targets, each one associated with a number of actions, which makes for a comprehensive but laborious document and targets that are difficult to track.

It should further be noted that the PARPA targets are not an easy fit with the MDGs as many of the eight MDGs are either buried under the many PARPA actions and targets, or the indicators used are not fully compatible with

those of the Millennium Development Goals. Annex 6 gives PARPA targets for a selection of indicators. Even more important, some of the indicators that are regarded as critical to human development concerns are not included in the poverty reduction plan, including gender indicators, vulnerability to crises and the HIV/AIDS crisis.

## MOZAMBIQUE'S AGENDA 2025

More recently, the government has sought to develop a long-term strategic vision for the country. In 2003, the government requested support from UNDP and some bilateral donors such as Danish International Cooperation Agency (DANIDA) to embark on a consultative process to set the country's long-term development agenda. The Agenda 2025 brought leaders and citizens together in June 2003 to participate in formulating scenarios for the country's future. A division of the participants into four working groups gave structure to the exercise: human capital, social capital, economy and development, and governance.

Various scenarios were discussed, among them: (1) peace and social stability, (2) democracy and participation and (3) competitiveness and technological transformation. Using these three overarching objectives, the Agenda 2025 exercise identified aspirations for the country in a number of sub-areas including social capital, economy and development, macroeconomics, rural development, human settlements, competitiveness of companies, financing development, informal sector, infrastructure, international relations and good governance.

The aspirations were broadly phrased, and unlike the PARPA and other planning instruments based on the PARPA, they did not generate specific targets. Nevertheless, most of the respondents noted that it was a useful exercise in so far as it generated national debate and created a forum which brought the leaders of the two opposition parties together.

## DEVELOPMENT MANAGEMENT AND AID COORDINATION

Since 2002, there has been a growing consensus among donors to coordinate their official development assistance to Mozambique, guided by the consensus forged at Monterrey in March 2002. The Monterrey Consensus achieved broad agreement on the considerable benefits of donor harmonization, including the reduction of transaction costs, increasing the capacity of partner countries and the coalescence of donor and partner accord on national development priorities.

Harmonizing of development assistance is intended to counter what former World Bank President James Wolfensohn recently characterized as "development unilateralism."<sup>13</sup> More recently, the Rome Declaration on Harmonization of February 2003 has gone beyond agreement on the principles of harmonization and urged their implementation. The Rome Declaration attached "high importance to partner countries assuming a stronger leadership role in the coordination of development assistance, and to assisting in building their capacity to do so." The Development Assistance Committee (DAC) of the OECD has now set up a special task force to determine good practices for ensuring that aid is delivered more effectively through simplifying and harmonizing donor practices.

In Mozambique, this consensus among donors and the government around the PARPA has given a boost to the trend for donors to channel increasing portions of their aid directly into the national budget and less into separate projects or programmes or sector pools. Increasing the amounts channeled directly into the national budget can make it easier for the government to anticipate revenue levels and conduct integrated planning. At the same time, it has the potential for enabling donors to act in a unified fashion instead of as separate advocates with separate agendas.

Direct budget support was approximately US\$118 million in 2002; it rose to US\$160 million in 2003 and is expected to rise to US\$230 million in 2004. The number of participating donors has increased from a few like-minded donors in 2002 to a total of 15 active participants, including the World Bank. The 2004 figure of aid resources channeled through direct budget support amounts to nearly 45 percent of the total aid flows to Mozambique. As the number of participants in the direct budget support group increases and the amounts involved increase, so will its prominence.

The implementation of the Monterrey Consensus and the Rome Declaration has encountered a number of reservations among donors in Mozambique. Conventions of accountability inhibit many donors from mixing their disbursements indiscriminately with other funds through contributions to the national treasury. Some donors claim that their contribution to Sector Wide Approaches (SWAs) is the best middle ground between separate project implementation and contributing to a common pool to be used at the discretion of the government.

Accord on the PARPA has strengthened collaboration among donors and between government and donors and promoted the principles and practice of harmonization. As donors increase their investment in the government's ability

<sup>13</sup> James Wolfensohn, "Ending the Unilateral Approach to Aid," *Financial Times*, 26 September 2002, p. 13.

to handle aid financing, so the monitoring instruments have become more robust. Accordingly, donors in the budget support group have developed an accountability framework, dealing with fiduciary and substantive issues, to which the government has agreed and which is now integrated in the government's Economic and Social Plan (PES). The PES is the semi-annual instrument devised by the government for regular budget review.

The Poverty Observatory is yet another instrument of accountability which ensures that the views of civil society, i.e. church groups, academic institutions and the private sector are incorporated into government decision-making on poverty reduction. The principal support for this unique government institution that formally channels the views of civil society on poverty reduction directly into government's Ministry of Planning and Finance has come from the UNDP. Its value is enhanced by virtue of a Poverty Observatory task force in every province reflecting civil society views on poverty reduction from a central as well as a decentralized perspective.

The effect has been to tighten the circle of reciprocal obligations, and foster potentially trust, among the donors, NGOs and the government. The PARPA has been the catalyst that has promoted aid harmonization in Mozambique. Donors' increased reliance on government's capacity to manage their funds encourages them to invest more in this capacity. Likewise government's efforts to improve its capacity in fiscal management pay off when donors encourage the government to take fuller responsibility for planning. Separate sector programmes and separate donor agendas that fragment planning for public services at the provincial and district level have now greater integration and synergy.

Both the government and its donor partners are also mindful of potential challenges and risks. The most prominent among them is, as every donor has noted, that the central government may not have the capacity to manage these large sums well, to oversee their transfer and effective utilization. The execution rate in many ministries is uncommonly low; in one instance, it was reported that the Ministry of Education was able to spend only 16 percent of its annual allocations. There are many reasons for this, including the complex and time-consuming burden of different reporting requirements for different donors, even though progress is being made toward making the reporting protocols uniform. There is also a fear that giving up the kind of scrutiny that project funding or SWAps allow may result in misuse of resources. Should this happen, some donors may be obliged to withdraw from the group which would jeopardize the effectiveness of the group as a whole since the strength of the group is in its consensus.

It should be noted that donors are far from making a wholesale commitment to the budget support modality. For the most part, donors have committed only a modest portion of their total aid allocations to budget support. Only one of them, the United Kingdom, channels more than half of its aid to Mozambique in this way. Most of the others allocate between 5 percent and 25 percent of their budget to direct budget support, while still others provide only token amounts. The government, for its part, also has some reservations. Mozambique is nevertheless painfully aware of the risk it runs when nearly half of all aid to the country flows through one instrument – the budget support modality. A condition not met could wreak havoc with the national budget in the event that the budget support group as a whole decides to make an issue of it. The emergence of this form of development cooperation modalities portends changes for Mozambique and poses challenges UNDP will need to address jointly with government, particularly in the area of capacity building.

Mozambique has made tremendous progress since 1992 and the political and development terrain has changed considerably for the better. There are still however some major deficits on the human development front and tremendous challenges ahead. Perhaps the most critical one is how to translate the high growth rates and expansion in the industrial sector into effective strategies for reducing the acute human poverty affecting the majority of the country's population which is largely rural. Mozambique, with the support of its development partners such as the UNDP, will need to address not just the skewed production structure, but also to narrow the rural-urban divide, the regional imbalances and the gender disparities.

## 3

# UNDP Strategic Position in Mozambique

## INTRODUCTION

The objective of this chapter is to provide an overview of UNDP's programmes between 1998 to 2006 and assess how the organization has strategically positioned itself to support and contribute to Mozambique's development goals. In assessing UNDP's strategic positioning, the ADR team considered the factors below:

- **Comparative advantage of UNDP and added value of its contributions.** UNDP's traditional comparative advantage lies in its neutrality which allows it to work in sensitive areas and on policy dialogue, its global knowledge network, and its focus on capacity building and advocacy for human development. The ADR team considered the extent to which UNDP can continue to draw upon this comparative advantage to develop a compelling vision capable of mobilizing broad-based support from government and other partners and bring added value to its operations in Mozambique.
- **Responsiveness to changes in the country's development context.** Reviewing UNDP's capacity to respond takes account of whether UNDP has stayed relevant as changes in government policies and priorities have changed and whether, as a consequence, there have been missed opportunities for UNDP's involvement in key areas.
- **Relevance to national development priorities.** Relevance requires programmes to not only to 'do the right things,' but also 'to do things right' and to be responsive to national concerns and address the most pressing of national development issues in an effective way and with tangible outcomes.
- **Strategic partnership around development outcomes.** Strategic positioning relies on maintaining productive linkages with government and its key development partners and with civil society organizations to achieve development results.

## OVERVIEW OF UNDP PROGRAMMES

### Transition from post-conflict to development

UNDP's programming has changed in response to the momentous changes that have occurred in Mozambique over the past decade and a half. The Third Country Programme (1987-1991) was adopted during a time of economic and social upheaval at the end of a 16-year long civil war. The subsequent programming cycle, the Fourth UNDP Country Programme (1993-1997) came onstream as the warring parties, FRELIMO and RENAMO, signed a general peace agreement in Rome in 1992. During this phase, UNDP supported the peace process, elections and the re-establishment of government institutions,

all the while providing humanitarian and relief assistance. Both the Third and the Fourth UNDP Country Programmes essentially responded to the state of emergency in the country. Significantly, the core thematic areas of focus for the fourth country programme were poverty alleviation and post-war rehabilitation, economic and financial management and environment and natural resources. The overarching objective was creating national capacity for policy development, coordination and resource mobilization.

### **FIRST COUNTRY COOPERATION FRAMEWORK, 1998-2001**

The Fourth UNDP Country Programme was followed by the first country cooperation framework for the period 1998 to 2001, and it was guided by the national Economic and Social Rehabilitation Programme. The country still faced the consequences of a damaging war, but the GDP had begun to rise tentatively and reconstruction was underway. While the Fourth UNDP Country Programme had spread itself across a large number of areas, from road building to sanitation to agricultural extension services, mine clearance and decentralization, the CCF1 which succeeded it began to move UNDP's programme from an extensive all embracing coverage (as emergency responses must be) toward a narrow focus on fewer practice areas.

However, the eclectic portfolio reflects the backdrop against which CCF1 was formulated—a post-conflict and reconstruction country programme aimed at supporting the country's transition to peace and long-term development. The core areas of support were: (i) poverty reduction which supported projects ranging from improved sustainable livelihoods and micro-credit to basic education, health delivery and Demining; (ii) good governance, (iii) environment and natural resources management; (iv) economic and financial management; and (v) cross-cutting issues under which gender is included.

UNDP played a key role in Mozambique's rehabilitation process, especially during the latter days of Mozambique's civil war and the years that followed. It established a solid partnership with the government during this time, and its relationship with the government today continues to benefit from this long-standing partnership. UNDP's most important contribution during this period was to support government in creating an enabling environment to encourage other external partners and donors to make commitments to long-term development support as is evident today. In the course of this 15-year period, UNDP worked closely with the government in resource mobilization,

confidence building, capacity development and fostering a positive environment for implementing development assistance in the country. Its resources for the CCF1 rose from an estimated total of US\$93,937,000 for the Fourth Country Programme in 1993-1997 to US\$143,424,723 for the first CCF 1998-2001, an increase of 53 percent.

More recently, as Mozambique has moved from a period of post-conflict to a period of recovery and long-term development, there have been significant changes within the government and within the aid environment. Government has assumed greater ownership and control of its development agenda, even though it is still dependent on external financing. It has made poverty reduction through the PARPA the centrepiece of its political and development agenda, and in doing so, assumed greater leadership in the area of policy dialogue and donor coordination than it previously did. As subsequent sections will show, these changes have had an impact on, and portend long-term implications for, UNDP's traditional role and approach to donor coordination, policy dialogue and resource mobilization.

The number of donors has increased from a very few during the war to a present total of forty-seven. Each of them seeks to make a unique contribution in an ever more crowded donor environment, intensifying the competition among them to leverage their resources into demonstrable policy impact. It has become more difficult for donors to find a niche where a distinctive contribution can be made, and this is especially true for UNDP.

The case is the same for NGOs: in 1994 there were 40 NGOs in Mozambique, 30 international and 10 Mozambican, and now there are 450, of which 50 are international. While this rapid increase among civil society organizations augments opportunities for broadening the coverage of issues and access to development outreach to more areas in the country, it also encumbers the aid environment with more players.

As the number of donors has increased and the government has assumed more ownership over development assistance, UNDP has had to search for a niche that allows it to play a meaningful role. This has proven increasingly difficult as donors develop their own programmes, pool their funds with other donors in SWAps, or collaborate with other donors to provide budget support directly to the government. UNDP's former partners now channel fewer funds through UNDP's programmes than they did previously, and UNDP's budget has diminished accordingly. Resources for the second CCF (2002-2006) declined 55 percent from the previous planning cycle to US\$63,713,454. (see Table 3.1)

## THE SECOND COUNTRY COOPERATION FRAMEWORK, 2002-2006

Under the second country cooperation framework (CCF2) for Mozambique (2002-2006) UNDP took an initial step toward improving the coherence of its country programme by narrowing the focus and reducing the scope of activities. It did so first by reducing the number of thematic areas and secondly by calling for complementarity and synergy among the projects undertaken within these programme areas.

The fourfold programme during CCF1 which included poverty eradication, good governance, environment and natural resource management, and economic and financial management became a twofold programme. This twofold programme includes only (i) poverty reduction and (ii) good governance. A comparison of the resource allocations in table 3.1 offers a picture of the structural and financial changes introduced with CCF2.

The second CCF is less than half the size of the first CCF. Two further trends also stand out. The first is that the

proportional importance of poverty reduction and good governance has switched places. Allocations to poverty reduction have fallen from 31 to 21 percent of the total in the first CCF, while allocations to governance have risen from 24 percent to 31 percent of the total. The number of poverty reduction projects remains the same, though many are being phased out as UNDP places greater emphasis on its governance portfolio. (see Figure 3.1)

The second is a reduction in overall number of projects, primarily due to a 15 percent reduction in the number of projects in the category, “non-linked programmes” which embraces a number of thematic areas. With fewer projects falling under the ‘non-linked’ category, a relatively larger portion of all projects fall within the two main thematic areas.

There are still, however, more than 100 different active projects overall with 45 percent of them falling outside the two core thematic areas of governance and poverty reduction. Even within these two thematic areas there is a diversity of projects, some linked and some only remotely linked to the core themes.

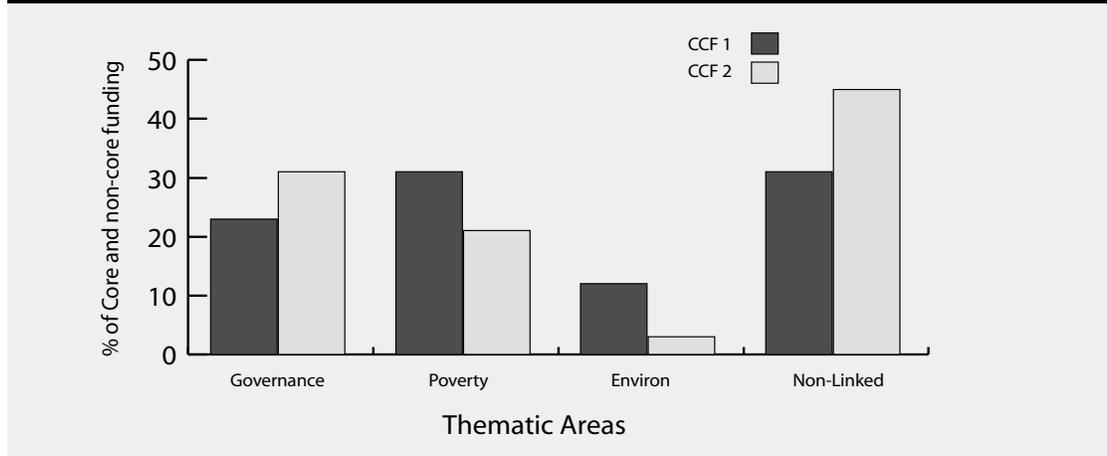
**Table 3.1 Resource Allocations (Core and Non-Core Resources) for CCF1 and CCF2 by Thematic Area, 1998-2006**

| Thematic Areas                     | CCF 1 (1998 – 2001)     |                | CCF 2 (2002 – 2006) |                         |                |                 |
|------------------------------------|-------------------------|----------------|---------------------|-------------------------|----------------|-----------------|
|                                    | Allocation (US\$ '000s) | % of Total CCF | No. of Projects     | Allocation (US\$ '000s) | % of Total CCF | No. of Projects |
| Governance                         | 34,912,846              | 24%            | 22                  | 19,735,398              | 31%            | 22              |
| Poverty                            | 43,996,246              | 31%            | 32                  | 13,685,892              | 21%            | 32              |
| Environment <sup>1</sup>           | 18,125,713              | 13%            | 8                   | 1,736,206               | 3%             | 8               |
| Non-linked programmes <sup>2</sup> | 46,389,988              | 32%            | 89                  | 28,555,958              | 45%            | 67              |
| Total – All Goals                  | 143,424,793             | 100%           | 151                 | 63,713,454              | 100%           | 129             |

<sup>1</sup> Environment has ceased to be a distinctive thematic area in CCF2 as allocations are very small.

<sup>2</sup> Non-linked programmes is the category used by UNDP Country Offices for all those projects that do not fit neatly into either of three categories of Poverty, Governance or Environment and are not reported on under the SFR/ROAR. They include, for example, capacity building in economic management, demining, disaster mitigation among others.

**Figure 3.1: Resource Allocations to Thematic Areas (Core and Non-Core Resources) for CCF1 and CCF2 1998-2006**



### COMPARATIVE ADVANTAGE OF UNDP AND ADDED VALUE OF ITS CONTRIBUTIONS

Taken as a whole and in spite of the programming guidance in the second country cooperation framework, the projects supported by UNDP remain disparate. There are two consequences. The first is that, for the most part, projects have been managed as separate initiatives with little linkage to other country programme initiatives and lack the synergy called for in CCF2. UNDP is still doing many different things and doing only a few things with the kind of strategic focus that would build upon its past reputation and enhance its effectiveness. It is the view of the ADR team that in the present competitive climate the many different activities supported by UNDP do not add up to a compelling vision that would allow the organization to optimally draw upon its comparative advantage and demonstrate the unique value of its programmes to the government and its partners.

The second consequence is that UNDP's capacity is inevitably overstretched. Its human and financial resources are spread thinly around a number of remotely connected activities. This might have been a viable strategy during a period of ample resources when bilateral donors depended on UNDP to manage their funds in a wide variety of areas, but this is no longer the case. The present situation dictates a sharper focus and a strategic repositioning of UNDP's resources on a few strategic issues where UNDP can clearly demonstrate a comparative advantage.

Project diversity is inevitable to some extent. The body of projects and the structure of their administration are partially a legacy of previous planning cycles. There are projects that have continued because financial support continues from contributing donors, or because there are still continuing commitments to the government which have not been critically reviewed. Given the imperatives of

resource mobilization and the legacy of CCF1 post-conflict portfolio, it is perhaps unavoidable that the country programme has elements of a supply-driven approach and contain some opportunistic commitments. From one perspective, this scattering of support for diverse initiatives is a measure of the UNDP's success in maintaining flexibility and mobilizing resources, since donors have been eager to have UNDP manage resources in a wide spectrum of areas. But the critical question that UNDP now must address is how to achieve a balance between the need to mobilize resources and avoid downsizing, while at the same time enhancing UNDP's role and contributions through a strategic repositioning of its support towards a more coherent and focused programme in keeping with the present realities.

Finding this balance will pose a dilemma for the UNDP. Containing the dispersal of projects and consolidating resources around UNDP's areas of strength relies, in part, on enhancing UNDP's profile as a source of expertise in select areas. The government and fifteen donors were consulted on this matter as part of the ADR exercise, and all agreed that UNDP's most conspicuous flaw was its lack of adequate and substantive expertise, particularly in the emerging policy areas. Evidence suggests that UNDP seems to rely heavily on staff in training whose expertise and skill level may not be commensurate with the tasks they are asked to perform. It is also a fact that the obligations of the few senior country office staff – there are four senior staff in a total complement of approximately 30 programme staff members—are too many and too diverse to allow them to make their presence felt.

Getting the skilled people needed may need more funding than UNDP now has. UNDP's resources are dwindling in dollar value and as a proportion of total aid flows. Both of these measures are captured in table 3.2. UNDP no longer enjoys the same notable success it

previously enjoyed in mobilizing non-core resources. Between 1999 and 2002, UNDP in Mozambique raised three times more non-core resources than the country ranked second in resource mobilization in the African region,<sup>14</sup> but this has now changed. Non-core resources mobilized for CCF2 have declined by a third of what they were during CCF1.

Table 3.3 focuses only on that portion of disbursements for staff costs and general operating expenditures, excluding salaries for senior international staff. The country office has had to rely less, in recent years, on core funding and more on non-core resources to meet personnel costs. In 2000, 73 percent of all personnel costs were met from core funding sources, while in 2004, it is expected that only 44 percent of personnel costs will come from core funding. The UNDP Country Office has been obliged to rely increasingly on extra-budgetary resources to make the same staff available for its programming needs. These are difficult conditions for sustaining a complement of competent long-term personnel, and it has implications for how UNDP will reposition itself strategically in Mozambique.

UNDP is acutely aware of its need for expertise in key areas and aware also of the difficulty it faces in accessing the sector experts who are capable of working on an equal footing with government and other development partners. Clearly this is a resource issue and must entail a strategy for making more resources available to the country office. This maybe difficult for UNDP in the short and medium term since those extra-budgetary resources on which it has most relied on in the past may be the most difficult to come by in today's Mozambique.

## RESPONSIVENESS TO CHANGES IN THE COUNTRY'S DEVELOPMENT ENVIRONMENT

Among virtually all the stakeholders polled, UNDP commands respect for having maintained a presence in Mozambique during the crisis of the war years when a number of other international organizations were absent. During this period, as Chapter 4 shows, the UNDP provided emergency relief, supported the maintenance of roads and public utilities, and was one of the first international organizations to come forward with assistance to facilitate elections and to reconstitute the police force which, during the war, had taken on more of a military than a civilian character. UNDP also played a key role in coordinating the removal of landmines, a continuing consequence of the conflict that continues to affect the rural livelihoods and the commercial and social life of 10 percent of the population.

UNDP's reputed comparative advantage and ability to respond effectively to emergency situations and coordinate partner efforts has also been very much in evidence even after Mozambique's civil war. It was the UNDP that coordinated the relief effort when floods and drought created crisis conditions in the country in 2000 and 2001. UNDP proved it was capable of responding to natural disasters as competently and swiftly as political emergencies because of its special relationship of trust with the government. The government regards UNDP as more neutral than bilateral or multilateral donors even if it also recognizes that UNDP may not have at its disposal as many resources or as much adequate expertise to address emerging challenges.

Government officials expressed to the ADR team their appreciation for UNDP's role in national reconstruction. However, the government also noted that the UNDP lacks a comparative advantage on issues dealing with fiscal or

**Table 3.2 Total Resource Allocation from Core and Non-Core Sources as a Percentage of Total Aid Flows to Mozambique (US\$ '000s)**

| Source of Funding    | 1998   | 1999   | 2000   | 2001   | 2002   | 2003   |
|----------------------|--------|--------|--------|--------|--------|--------|
| Core                 | 12,824 | 5,966  | 4,981  | 5,084  | 6,000  | 7,500  |
| Non-Core             | 20,811 | 36,903 | 24,806 | 22,758 | 16,700 | 13,400 |
| Total                | 33,365 | 42,869 | 29,787 | 27,742 | 22,700 | 20,900 |
| % of Total Aid Flows | 6.2%   | 7.8%   | 4.1%   | 4.6%   | 3.5%   | 2.9%   |

Source: UNDP, Office of the Deputy Resident Representative, Operations; Ministry of Planning and Finance, Budget Planning

<sup>14</sup> UNDP, Regional Bureau for Africa, Status Report, Resource Mobilization, 2003

**Table 3.3 Declining Percentage of Staff and Operating Expenses from Core Funding Sources (1998 – 2004)**

| Indicator  | 1998 | 2000 | 2002 | 2004 |
|--|------|------|------|------|
| Percentage of staff and general operating costs funded from core funding sources | 58%  | 73%  | 55%  | 44%  |

monetary policy, on administrative reform, on tax policy reform or on the agricultural sector.

Based on the evidence gathered during this evaluation, the ADR team concludes that UNDP has demonstrated its comparative advantage and high degree of responsiveness in responding to crises, natural disasters and providing catalytic support in the area of HIV/AIDS. However, Mozambique today presents a changed operational environment and as it builds on this past record, UNDP will need to rapidly redefine its role and approach in order to meet the new challenges and remain a strategic partner.

### RELEVANCE TO NATIONAL PRIORITIES

Since 2000, government policy has focused on the implementation of the Action Plan for the Reduction of Absolute Poverty that is renewable every five years, and has been endorsed by the World Bank and the IMF Board as the first full PRSP.

As noted previously, the 2000-2004 PARPA identified six priorities, including health, education, infrastructure, agriculture, governance and macroeconomic/financial policies.

Of these six, UNDP has been active in five during the period under review. UNDP has contributed to building roads provided training in macro-economic planning, strengthened the health sector through its support for combating HIV/AIDS, provided direct support to the Ministry of Agriculture and Rural Development, and funded a number of initiatives for strengthening individual and institutional capacity for government reform. During this period, UNDP has reduced its broad coverage in five sectors to support somewhat fewer areas though its coverage continues to be extensive.

Prior to the adoption of PARPA, the government's priorities were on post-conflict reconstruction and recovery. UNDP is universally perceived to have had an excellent record of meeting the needs of the country in the post-conflict phase and of contributing to sustainable peace. Key areas of its contribution have included building government institutions and providing critical support in the first phase of Mozambique's transition to democracy. During this period, UNDP was also able to mobilize significant resources from many donors to support the country's critical development needs at the time.

However, the ADR team has concluded that, notwithstanding its successes in the past, UNDP has not been able to build upon these successes and respond as effectively to the changing social and economic climate and to government's emerging priorities. With the rise of direct budget support, UNDP has found it difficult to carve out a niche and maintain leadership in its traditional role of donor harmonization and coordination and resource mobilization. The issue is not only that it is no longer a partner of first choice, partly due to its low level of capacity and expertise, but that the donors are dealing directly with the government, and this dictates a need for redefining both strategy and approach.

Mozambique's central human development dilemma is to ensure the rural poor are both contributors to, and beneficiaries of, the growth in national income. UNDP has begun to emphasize outreach more, to expand its decentralization programme, bring court reform to rural districts and support community radio stations. On the governance and poverty reduction fronts, UNDP has scored some significant successes. But there is more to do if these programmes are to remain relevant and achieve a higher level of results.

For example, decentralization and local governance, instead of being only about governance structures might incorporate a component that supports poverty reduction among the poorest segments of the population. Court reform in rural districts might begin to address the legal and bureaucratic obstacles to expanding and initiating enterprises among rural households.

The adoption of the MDGs by Mozambique and the PARPA present an opportunity for UNDP to redirect its support towards strengthening government ownership of the policy arena and advocate a stronger human development agenda. An MDG country profile for Mozambique was carried out in 2002 (See Box 3.1.) Annex 4 reviews the way the MDGs have been defined for Mozambique and describes briefly UNDP's contribution to meeting them.

UNDP has been successful in ensuring that Millennium Development Goals have a prominent place in Mozambique's development agendas. However, there is a need for the target setting in PARPA to be more aligned with the MDG targets, and UNDP could strategically

position itself to support this process more effectively. More specifically UNDP could also re-orient its own outcome indicators towards meeting the country's MDG targets.

The local governance and decentralization programme is a case in point: training district officials in a consultative planning process may improve the transparency of district government and eventually improve the quality of public services, but the link to the MDG targets for Mozambique, i.e. to reduce the proportion of the population in extreme poverty to 33.5 percent, may not be paramount in project implementation. There has been a tendency to neglect poverty reduction for fear that incorporating it would unnecessarily encumber the project. As successful as the local governance and decentralization programme has been, there is room for aligning the decentralization programmes more closely with the MDGs by examining whether the model for strengthening local government can more effectively serve to reduce poverty, hunger and food insecurity.

### STRATEGIC PARTNERSHIPS AND DEVELOPMENT RESULTS

In the immediate post-conflict phase UNDP was universally perceived as having an excellent record of meeting the needs of the country and contributing to sustainable peace. The key areas of its contributions have included building key government institutions, providing electoral support and strengthening democratic institutions. Because of its political neutrality, it was able to work in sensitive political areas and generate substantial cost-sharing resources for the country's development agenda.

Within the new environment, UNDP now faces a number of challenges. One of these is the challenge of defining its role and its specific niche while at the same time repositioning its programmes. Another is the challenge of attracting more resources in fewer thematic areas. This is not only a matter of maintaining a comparative advantage in strategically placed, innovative programming, since UNDP's strategic positioning in Mozambique relies also on its stature and no less important on being perceived as an unparalleled leader in innovative programme areas of concern to government and key development constituencies. It must maintain this stature and leadership as an effective convening partner among donors, a substantive and responsive partner with government and as a partner with the capacity to coordinate within the UN system.

### UNDP AS A CONVENING PARTNER AMONG DONORS

UNDP's long-standing presence in Mozambique and its unique relationship with the government has afforded it a privileged role in the country's development process. As a result, UNDP has been in a unique position to attract many bilateral and some multilateral donors to its programmes. It has exercised this unique 'convening' power in co-chairing, with the World Bank, the Development Partners Group (DPG) which brings together heads of missions and key development personnel in Mozambique.

UNDP's role as broker and manager of donor development funds for bilateral and multilateral partners has also provided UNDP with an important source of revenue from donor cost-sharing contributions. Table 3.4 gives the principal cost-sharing partners by the programme areas to which they contribute.

Notwithstanding past successes, as noted previously, UNDP's role as convener and coordinator of donors is now changing. The growing prominence of the direct budget support modality in Mozambique now poses a challenge to UNDP's convening role, both within the Development Partners Group and more generally as well.

In the opinion of the ADR team, there have been missed opportunities in strategically positioning UNDP to respond to the new situation. UNDP's failure to anticipate how it should respond to the emerging and growing importance of the direct budget support modality in Mozambique has undermined its leading role in donor coordination and policy dialogue. The fact that UNDP does not participate in the group of direct budget support donors raises questions about UNDP's effectiveness as a key development partner in the country. This may in the future dilute the possible impact of UNDP's role and contributions to substantive policy dialogue on macro economic issues of the day.

The number of those donors who do participate in direct budget support has grown from 6, two years ago to 11 last year, to 15 this year. More participants are expected. The group now includes the World Bank and the European Union, both multilateral donors. Direct budget support presently accounts for 45 percent of all annual aid flows. The group of budget support donors have formerly constituted themselves as the Programme Aid Partners,<sup>15</sup> and as a group, signed a Memorandum of Understanding with the government setting out the terms of their partnership.

<sup>15</sup> Fifteen members contributing budget or balance of payments support and participating as full members of this group include: Belgium, Denmark, the European Commission, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Sweden, Switzerland, the United Kingdom and the World Bank. Canada, Japan, Spain, the United States, the United Nations, the International Monetary Fund and the African Development Bank participate as observers.

<sup>16</sup> The most recent Aide Memoire concluded the Joint Review taking place from 24 March to 5 April.

**Table 3.4 Cost-Sharing Partners by Programme Area of Contribution**

| Programme Area  | No of Partners | Cost-Sharing Partners                                   |
|---|----------------|---|
| <b>Decentralization and Public Sector Reform</b>          |                |   |
| Decentralization and Local Government                     | 5              | United Kingdom, Ireland, Sweden, Portugal, Germany      |
| Public Sector Training and Reform                         | 4              | United Kingdom, Ireland, Norway, Denmark                |
| <b>Support to Democratic Institutions</b>                 |                |   |
| Elections<br>European Commission, Belgium, Italy          | 9              | Switzerland, Finland, Denmark, Norad, Sweden, Canada,   |
| Justice Sector – Police                                   | 6              | Netherlands, Spain, Germany, Switzerland, Spain, UNICEF |
| Justice Sector – Courts                                   | 5              | Portugal, Ireland, UNICEF, Norway, European Commission  |
| Assistance to Parliament                                  | 4              | Portugal, Ireland, Netherlands, Norway                  |
| <b>Poverty Reduction</b>                                  |                |   |
| Community Income and Employment Generation                | 3              | Portugal, Netherlands, Italy                            |
| Microfinance<br>UNICEF                                    | 5              | Sweden, Australia, Africa Development Fund, UNFPA,      |
| <b>Limiting the Spread of HIV/AIDS</b>                    |                |   |
| Limiting the Spread of HIV/AIDS                           | 4              | United Kingdom, WHO, UNFPA, UNAIDS                      |
| <b>Vulnerability Reduction and Crisis Prevention</b>      |                |   |
| Demining<br>Switzerland, Finland, Korea, Australia, Italy | 11             | Japan, USA, UNMAS, Denmark, Ireland, New Zealand,       |
| Disaster Management                                       | 4              | Denmark, Canada, Australia, Ireland                     |
| <b>Dialogue and Communication</b>                         |                |   |
| Media<br>Portugal, Markle Foundation                      | 8              | Finland, Ireland, Norad, Denmark, Sweden, Norway,       |

Source: Country Office, Project Support Unit

These donors conduct annual Joint Reviews in order to review the Government's implementation of its plans<sup>16</sup> as reflected in the PARPA, the PES and the Performance Assistance Framework (PAF), coordinating the work of five thematic groups and twenty working groups. It is commonly noted that the Programme Aid Partners (PAP) has effectively replaced the Development Partners Group (DPG) co-chaired by UNDP and World Bank as the principal coordinator of donor activity and as the venue where substantive issues of development are discussed among donors.

As harmonization proceeds quickly, the UNDP and its UN system partners risk being marginalized from substantive policy dialogue with the government and key development partners. The situation is even more critical for the UNDP given the modest resources it brings to the development table. To strategically position itself, UNDP needs to assess its role, its contribution and how best to reposition itself in the changing development architecture in the country.

## UNDP AS A KEY PARTNER WITH GOVERNMENT

UNDP has a history of close collaboration with the government, to the extent that some government officials are inclined to regard UNDP more as a partner rather than a donor. UNDP supported the government through civil war, post-conflict and reconstruction and in 2000/2001, it mobilized over US\$450 million to assist the country to respond to floods and droughts. The government and its other key development partners widely recognize UNDP for its innovative contribution to decentralization and the deconcentration of state powers, the experiences of which have been incorporated in a state law on the powers of local governing bodies. UNDP is also recognized for its willingness, early on in the post-conflict and recovery period, to contribute to institutions in the justice sector, the electoral processes and in strengthening parliamentary institutions.

This long-standing partnership with government has been an asset for UNDP. The changing donor environment precipitated by the growing number of bilateral and multilateral donors committed to direct budget support, however, may have significant repercussions for UNDP's partnership with the government. As the quantity and complexity of aid have evolved, both donors and government have sought to facilitate aid flows and reduce complexity by agreeing to channel donor funds directly into the treasury of the central government. UNDP has neither joined this process in an effective way nor developed a coherent strategy to address the issue, and this may affect UNDP's future role, contribution and visibility in the country's development process.

One of the outcomes of a growing budget support consensus has been to put the relationship between government and donors on a more regulated footing on issues of transparency and mutual accountability. The growing number of donors participating in aid harmonization through budget support, with their sizeable collective contribution, promises to precipitate the emergence of a clearer and more internally consistent set of standards which the government is expected to meet. They are founded on the government's commitment to reduce poverty in accordance with the PARPA. This is likely to promote a clearer set of standards for using aid funds than was the case when donors were competing with each other for government attention and when the government dealt with each donor separately. This in turn obligates donors to honor their pledges in a timely and predictable manner

These changes will also impact UNDP's capacity and the UN system as a whole to leverage its resources for significant policy changes. UNDP relies on its stature and on the key role it plays among donors and NGOs to bring international standards of human rights, gender equity and poverty reduction to bear on national ones. Due to weak oversight and financial accountability in some programmes (e.g. environment and Demining activities), the UNDP is already widely regarded by some of its key partners as being "too soft" on the government. A number of donors expressed their reservations about collaborating with the UNDP because of its perceived failure to take action quickly when evidence of corruption surfaces.<sup>17</sup>

## UNDP AS A COORDINATING PARTNER WITHIN THE UN SYSTEM

UNDP's support to the UN system through the Resident Coordinator Office sustains a forum for substantive collaboration among the eight resident UN agencies. The UN Country Management Team has focused its collective efforts on addressing the issue of vulnerability to HIV/AIDS, natural disasters and food insecurity, the "triple threat." This focus provides an opportunity for UNDP to draw upon its reputed competence in emergency response and positions the UN system to respond to such crises.

Within the context of UNDAF, the UN system coordinates its work under six technical working groups dealing with disaster management, HIV/AIDS, gender issues, primary education and health (see Annex for UNDAF results matrix). While UNDP collaboration with the UN system has been generally positive, there is a need to develop ways of strengthening greater collaboration in order to enhance its effectiveness in the policy arena. The new development cooperation climate requires that the UN team act in concert and promote synergies among their programmes.

The UNDAF and Country Programme mid-term reviews provide an opportunity for the UN system to make a commitment to reassess its strategic approach to the emerging climate. The real challenge is for the UN system to go beyond collaboration, or even agreement on who will implement the different activities, and instead to commit member agencies to the ultimate objective of maximizing goal-oriented development cooperation through joint programming. There are two major common thrusts which run throughout 2002-2006 where joint programming represents a natural direction for the UN system to consider.

<sup>17</sup> UNDP's donor partners in the support to capacity building for the Ministry of Environment are impatient with UNDP's failure to take more decisive action to resolve a case pending for three years.

These are firstly a joint response to the HIV/AIDS pandemic and secondly, a joint commitment to gender equity with a special emphasis on girls' access to educational opportunities.

## CONCLUSION

In the first phase of the period under review, UNDP was strategically well-positioned, and its programmes effectively laid the groundwork for long-term development investments or commitments by other development partners. UNDP provided catalytic support to create and strengthen key government institutions in the justice, demining and disaster preparedness sectors and in the campaign against HIV/AIDS. It supported the building of institutional capacities in government and within civil society organizations, promoted local governance and decentralization and engendered a transition to democracy through its support to the electoral process.

Until recently, the Mozambique country office has scored highly on resource mobilization. Under the first CCF, it mobilized more than twice the amount raised by the second-ranked country in Africa. However, alternative funding modalities for donors will mean fewer cost-sharing arrangements with UNDP. Changing modalities for development funding in Mozambique have meant that bilateral donors have more mechanisms for channeling development assistance in Mozambique. Donors still channel some of their funds through UNDP to support UNDP's programme areas, and the decision by the European Union to provide US\$10 million to UNDP to support a new phase of its justice programme is a case in point. It is a fact, however, that the quantity of resources channeled through UNDP is diminishing and is likely to diminish further.

On the programme front, UNDP's programming at present lacks the necessary coherence and signature expertise to permit its identification with an identifiable strategic position. As a whole, UNDP's programmes do not add up to a coherent strategic response to the development challenges facing Mozambique at present.

Making the best use of declining resources requires the UNDP to cut its programme to fit its cloth, to concentrate more on what it does best and in the areas which most clearly draw upon its comparative advantage and fit its mandate to respond to the Millennium Development Goals. Its present scope of projects and programmes is more appropriate for a time when UNDP had ample resources to spread across a broad spectrum of programming initiatives. Maximizing the effectiveness of diminish-

ing resources relies on trimming the scope of its initiatives, giving them more coherence and ensuring that projects and programmes are sufficiently cross-linked to explicitly draw upon each other.

There is a widely shared perception within the government and among most donors that the expertise within UNDP is not sufficient to provide leadership in today's key policy areas, nor is it sufficient to command their attention as the partner of first choice. While government considers UNDP as more of a partner than a donor, there is concern that UNDP may not have the substantive capacities or the competitive edge, comparable to other partners, to meet the challenges of providing credible support. In order to play a significant role in a rapidly changing and complex environment, a first step for UNDP is to enhance its profile in select areas and to engage or contract substantive expertise in these chosen competencies in order to boost its capacity to address the present demands and challenges. There are many ways to do this, for example, contracting with local research institutes, linking with the Eduardo Mondlane University or drawing upon UNDP's own regional centers.

Finally, notwithstanding the Agenda 2025 exercise and the publication of award winning Human Development Reports, evidence of UNDP's presence in the policy arena is modest. It is the considered opinion of the ADR team that UNDP cannot expect to make a substantive contribution to development policy in Mozambique as long as it remains outside of the donor consensus on harmonization and coordination of aid or fails to develop a strategic approach to redefining its role in the new environment. There are avowedly a number of risks in supporting direct budget support, but there are greater risks in not taking any decision.

The emerging consensus among the G15 budget support donors and their capacity to set the development agenda has positioned this group as the principal interlocutor with government, particularly on PARPA and annual review exercises. The trend towards support for harmonization among key donors has extensive implications not just for UNDP but for the UN system as a whole. The nature of strategic partnerships the UNDP forges with donors, with the government, and with national development constituencies in Mozambique will be critical to the strategic repositioning of its role and support. A strategy to meet this challenge is necessary and depends on the UNDP and other UN agencies developing a strong position of joint advocacy on core UN system concerns, for example, human development and rights based approaches to development, both of which are at the core of the UN's mandate.

The situation in Mozambique has changed significantly since the mid to the late 1990s and UNDP's strategic positioning and continuing role in addressing key development priorities in Mozambique will depend on its capacity to respond to the several challenges outlined in this chapter. Designing a compelling, coherent and distinctive vision for UNDP in Mozambique is an urgent challenge. It is a necessary first step in raising UNDP's profile and visibility which has been somewhat eclipsed compared to the initial post-conflict phase.



## 4

# UNDP's Performance and Contribution to Development Results

This chapter assesses the development results achieved during the period under review against the objectives as articulated in UNDP's Strategic Results Framework (SRF) for the first and second CCF (see Annex 5). The four key areas were governance, poverty reduction, environment and energy for sustainable livelihoods with gender as an overarching theme. Well over 100 projects were supported, primarily aimed at a total of 12 key outcomes identified under the SRF. For the purposes of this evaluation, the ADR team has focused on the most strategic areas of UNDP support: (i) local governance and decentralization, (ii) support to key government institutions, (iii) promoting dialogue and communication, (iv) poverty reduction, (v) combating the spread of HIV/AIDS and (vi) reducing vulnerability to natural disasters.

The ADR team has analyzed development results against three determinants of development effectiveness. First, did the programmes contribute to enhancing infrastructure or capacity at the institutional or societal level? Second, did they promote government or national ownership, specifically whether the government or local target communities express an interest in funding or continuing or replicating some or all of them? Third, did they create an enabling policy environment and effective policies for sustainable development.

## GOVERNANCE

### Local Governance and Decentralization

#### **Expected Outcomes: Effective legal and policy framework for decentralization and local governance**

The 18 districts of the Northern Province of Nampula have been the locus of an array of decentralization initiatives in the past ten years. The first of these dates to 1993 when the UNCDF in partnership with UNDP undertook rural rehabilitation with a local development fund for financing small infrastructure schemes. These schemes were administered within a project facilitation unit inside the Nampula Provincial Directorate of Plan and Finances. At the end of two years, less than US\$100,000 had been disbursed on only 15 projects.

In 1997, the project strategy changed in order to focus on building capacity among district level government planners who would organize decision-making on what expenditures would be made. This change in emphasis laid the foundation for the UNDP/UNCDF's successful decentralization initiative that now constitutes the model for strengthening local government throughout the country.

In 1998, UNDP/UNCDF launched an ambitious programme to work with the government officials in the provincial Ministry of Planning and Finance, who would in turn work closely with district level officials to guide district-level planning. Out of Nampula's 18 districts, 14 have now developed district-level plans and have put in place district-level Consultative Councils and a network of groups to actively consult with their constituencies. The Consultative Council at the district level (a district's population averages 175,000) coordinates the consultative efforts of sub-district Consultative Councils which, in turn, consult with community groups, allowing development priorities to be expressed and flow through the network to be considered among the priorities set for the district as a whole (see Box 4.1.).

Ideally, decentralization programmes aim to: (a) carry out planning functions at lower levels of government, (b)

enhance the decision-making power of lower levels of government and (c) transfer fiscal resources to local governments and increase their control over public monies. The UNCDF/UNDP programme has achieved the first aim and a part of the second but not the third, and attempts to move toward the second and third remain an on-going drama among the donors and NGOs involved in the decentralization process. The UNCDF/UNDP programme is in the vanguard of these efforts.

The Ministry of Planning and Finance has designated Nampula – with particular reference to the UNCDF/UNDP programme – as the pilot province for the introduction of decentralized district planning practices. The Nampula model is being replicated by UNCDF/UNDP in another province, Cabo Delgado and a version of this model is being implemented in four other provinces by the World Bank. These guidelines are

#### Box 4.1 Decentralization and Poverty Reduction in Mogovolas District, Nampula Province

Five years ago, the UNCDF/UNDP decentralization programme, in collaboration with the Ministry of Planning and Finance in Nampula, began to train district level officials in development planning. One of the poorer districts at the beginning was Mogovolas. A Consultative Council was established and trained, and once this was done, consultative councils for each of the sub-districts were created. Participatory planning was the guiding principle. Sub-district consultative councils consulted extensively with community members and took the concerns of the community to the district level councils on which their representatives served. The Consultative Council produced a district level development plan in 2002. The project's activities might have ended there once the institutions were in place and a district plan was produced, except that the consultative process had its own momentum and once there was an accord on what projects should be implemented, the consultative councils sought financing. Funding from the provincial and central governments was modest and the funding that was made available was typically kept by the centrally appointed district administrator who felt little responsibility to his constituents.

The project had increased the transparency of the district administration and mobilized the population. The consultative councils at the district and sub-district levels experimented with raising public funds themselves, even in districts where families were poor, by levying taxes selectively on the operation of vehicles, bicycles and commercial stalls. For the first time taxes were paid because tax payers were able to see the results of their contribution. Retained tax revenues have increased in Mogovolas by 1,300 percent since 1999 and the effects are obvious: public benches, clean markets, improved roadways, controlled erosion. Businessmen prefer to operate out of a place where honesty prevails and where services are reliable.

Source: ADR team Interviews with Mogovolas Consultative Council, Mogovolas, Nampula, 28 April 2004 and UNCDF/UNDP, Independent Programme Impact Evaluation of the UNCDF Local Government Programme, Maputo, March 2004

**Table 4.1 Number of Districts Covered by Applications of the Nampula Decentralization Model**

| Indicator                 | 2003  | 2004  | 2005  | 2006  |
|---------------------------|-------|-------|-------|-------|
| Number of districts       | 21    | 37    | 53    | 67    |
| Percentage of total (128) | 16.4% | 28.9% | 41.4% | 52.3% |

Source: Fidelx Pius Kulipossa, "Progress Towards the Implementation of Decentralization Policies in Mozambique," Maputo, 22 March 2004.

enshrined in a law, Act 8/2003 concerning the Local Organs of the State, passed by parliament.

The practice of this law is now being studied in depth by the Ministry of State Administration (which is responsible for public service administration) for ways to incorporate its provisions on decentralization into the training and deployment of civil servants. UNDP financially supports this review by the Ministry of State Administration and its application to training in public service training centres. UNDP is also providing support to the civil service training academies and contributes, as well, to programmes which seek to mainstream capacity building in HIV/AIDS awareness, e-governance, monitoring and evaluation and governance issues.

Between 1997 and 2002, total resources committed to decentralization and public sector reform came to US\$19.1 million. Of this amount, 31 percent has come from cost-sharing contributed by the United Kingdom, Ireland, Sweden, Portugal and Germany.

The UNCDF/UNDP district planning and financing model has now been 'mainstreamed' throughout Mozambique. The government tracks progress towards decentralization with a record of those districts covered by 'applications of the model.' Table 4.1 depicts this progress for 2003 and 2004 and shows targets set by the government for two subsequent years. The UNCDF/UNDP programme has set in motion a process that began with no coverage in 1997 and, in nine years, aspires to provide more than 50 percent coverage in all 128 districts.

There is wide agreement on the programme's considerable accomplishments. There is also agreement that UNCDF/UNDP's success is in spite of the government's 'gradualist' approach to decentralization, which contributes to slow progress in institutionalizing local planning. The law on Local Organs of the State stops short of allowing districts to conduct popular elections of its own officials in the way that 33 municipalities now do. This creates the anomalous situation of local elections taking place in some parts of the country, mainly in urban areas, while the rural areas continue to be governed by appointed officials, and there is very little in the law allowing the local bodies, such as the Consultative Councils set up by the Nampula project, to make decisions on their own.

Nor have the highly visible decentralization experiments had much impact as yet on gearing the public sector – the 22 ministries – to serving the rural areas and district level population more effectively. As part of

on-going public reform, each of the ministries are reviewing how they function and few of these 'functional analyses' consider how reforming their ministry can make them serve citizens better. UNDP is contributing to the functional analysis of the Ministry of State Administration (public service) as well as providing continued support to the public sector management training institutes. UNDP is also funding an Interministerial Commission project to mainstream HIV/AIDS training, e-governance training, monitoring and evaluation training and good governance throughout the public service.

## PUBLIC SECTOR REFORM

### **Expected Outcome: Improved capacity to efficiently and equitably provide public services**

The capacity to deliver public services has been enhanced in a number of ministries where training has been provided. Five out of the 22 ministries undertaking functional analyses (Agriculture, Health, Education, Finance and State Administration and Planning ) have made progress, and one of these, State Administration, is supported by UNDP.

Corruption in the public service continues to be a matter of concern. It is generally agreed that Mozambique's success in controlling corruption has declined relative to other African countries since 1996.<sup>1</sup> A pay reform proposal has recently been prepared by an interministerial commission on linking pay to performance in order to curtail the use of public resources for private gain, one leg in the campaign against corruption. Another is strengthening the justice sector's capacity to inhibit corrupt behaviour. The Ministry of Justice together with the Administrative Court, the Supreme Court and the Attorney General's Office has developed a plan to be implemented over the next three years to combat corruption, and the Ministry of Justice has established an anti-corruption unit. However, none of the three projects under UNDP's justice programme directly address themselves to fighting corruption.

Decentralizing state power by strengthening local government has the potential to mobilize public opinion for local level planning, to improve public services, generate income at the local level and reduce poverty in rural areas. The programme ranks high in policy effectiveness and in creating an enabling policy framework for decentralization. UNDP/UNCDF's interventions in promoting decentralization have been catalytic in mobilizing government efforts to promote effective local governance and in strengthening capacity at district level. UNDP has accom-

<sup>18</sup> World Bank, Country Assistance Strategy for the Republic of Mozambique, 2003, Report No. 26747 –MOZ, p. 12

plished this by training district level officials and by increasing their individual capacity as well as the institutional capacity of the district government.

The results have been district level committees that are capable of economic planning based on popular consultation, and these committees have spearheaded initiatives at district levels to formulate plans, present them to provincial and central levels, and in some cases to generate the revenue for realizing some of these plans. It appears that the increased capacity and the performance of these popular district level planning bodies have shown the central government the considerable value of decentralization and the government, in turn, has taken ownership of the UNDP model as its own. As noted above, the experiences of the model have been enshrined in national legislation and the model itself has been replicated both by the government and by other donors throughout the country.

## SUPPORT TO DEMOCRATIC INSTITUTIONS

### Expected Outcomes:

- **Increased effectiveness of parliament to perform its functions**
- **Improved confidence in the justice system**
- **Reduction in court cases**
- **Proportion of the prison population in remand**
- **Increased effectiveness of parliament to perform its function**

As soon as political pluralism was guaranteed in Mozambique's 1990 constitution, a host of new parties emerged. An ambitious liberalization of the economy accompanied this step toward political democracy. The three branches of the government – executive, legislative and judicial – became legally separate. The courts and the Attorney General's office were made more impartial by

removing them from the Ministry of Justice and giving them independent status. The first legislative and presidential elections were held in 1994 and by the mid-1990s, Mozambique had come to look much like a constitutional democracy with a market-based economy, and very few traces remained of the centralized socialist economy from the post-independence period.

There is now institutional capacity to manage the electoral process and within parliament and a justice sector with functioning police, prisons and courts. The existence of the institutions alone is an important contribution to Mozambique and an achievement by UNDP but this does not mean that any of these institutions function well or that they meet all the needs of the citizenry at a time when the demands on these institutions are growing rapidly. The emergence of a market economy sets individuals against one another in ways that were once, but are no longer, regulated by the state. Individual entrepreneurs are now expected to protect themselves against unjust behavior of others by contracting legal counsel and working through the justice system, and such cases have multiplied in a poorly regulated commercial environment. The need for police protection, litigation and prison facilities has expanded, but the services have not grown commensurately. Nonetheless, the key institutions to promote and protect the rule of law are in place and their capacity is increasing, but not fast enough to keep pace with the growing demand.

In each of four interrelated government institutions—courts, prisons, police and parliament – UNDP has assisted in the preparation of long-range strategic plans. It has also provided facilities and training in each of these areas. UNDP has channeled funding for the construction of the Centre for Legal and Judicial Training where aspiring court judges are trained (see Box 4.2). The prison component has financed a study for prison reform for the government and

### Box 4.2 UNDP/European Commission Partnership to Support Citizens' Access to Justice

For nine years, UNDP has supported the promotion of the rule of law and strengthening of the justice sector by training police and subsequently by rehabilitating prisons and providing facilities and resources for training judges. However, the number of new judges entering the system barely keeps pace with the ever-increasing number of court cases requiring adjudication. One of the consequences is that two-thirds of all inmates in prison are awaiting trial. The farther away from Maputo one travels, the greater the number of prisoners detained without a trial and the greater the backlog of court cases awaiting trial. It is reported that district courts hear no more than an average of four cases per month and in 128 districts, there are only three trained judges. UNDP has recently partnered with the European Commission to take an innovative approach to expediting criminal justice. Under this initiative, courts will be refurbished and judges trained to staff judicial offices at the district level in Nampula, Beira and Inhambane provinces, where presently judicial services are minimal if they exist at all. Citizens' forums and civil society groups will participate by advising project management, by working in prisons, by conducting research on how best to improve the justice system's capacity to support human rights, women's rights and to better meet the special needs of those living with HIV/AIDS.

supported, in particular, the preparation of a new “Prison Policy” as well as staff training on social issues. It has also financed sewage and water systems for selected prisons. The police component has trained regular police officers, assumed a portion of the costs for establishing an officer’s police college and restored police stations.

UNDP has also mobilized financing for technical assistance to the electoral process, including civic education for voters, training for Registration Brigades and updating voter registries for municipal elections in 1998 and 2003 as well as for the legislative and presidential elections in 1994 and 1998. Its support to parliament has strengthened the administrative infrastructure of the Parliament’s Secretariat and given training to parliamentarians, notably in constituent relations.

Between 1997 and 2002, total resources committed to the support for democratic institutions came to US\$45.1 million. Of this amount, 67 percent has come from cost-sharing contributed by Switzerland, Finland, Denmark, Sweden, Canada, European Commission, Belgium, Italy, Netherlands, Spain, Germany, UNICEF, Portugal and Norway.

**Parliament.** A recent evaluation of UNDP’s parliamentary support observed: “Relative to other parliaments in emerging democracies and especially post-conflict environments, Mozambique has accomplished more than many, moving rapidly to consolidating its legislative functions.”<sup>2</sup> It is important to keep this observation in mind when assessing the results of the parliament project against the anticipated outcome. UNDP’s support to the parliament has yielded so few concrete results – with the exception of the first-ever five-year Strategic Plan—and been beset with so many difficulties, that two of UNDP’s three contributing partners have decided to withdraw their support in the project’s next phase. The parliament project has been unable to ensure that its support for training members of parliament in debating and amending bills or in consultation with

constituencies is impartial. It might have been better for the project to align with the parliament’s Secretariat, the non-partisan administrative wing of the parliament, rather than the Commission on the Assembly of the Republic whose political interests have made it difficult for the project to meet its objectives. Discounting the value of this project comes relatively easily, for the project has had difficulties, and yet credit must be given to UNDP for maintaining support to parliamentary reform in a post-conflict situation where success is typically difficult to achieve.

**Justice.** A recent study of the perception of police services in Mozambique has shown that the confidence in police has declined. Table 4.2 summarizes public views on whether police services are better or worse now than they were ten years ago. Respondents were asked first whether it was harder or easier to get fair treatment from police compared with ten years ago, and secondly whether it was harder or easier to get an officer to provide a service.

**Courts.** In 1999, throughout the country, there were 139,321 court cases awaiting trial and in that year, the courts had judged only 8.4 percent of them. The rest were pending because there were either no judges or no facilities or no support services to adjudicate the cases. In 2002, the number of pending cases had risen to over 140,000. The court system is not keeping up. The problem is most severe at the provincial level where the backlog is growing, and the percentage of cases adjudicated each year is diminishing. Table 4.3 reviews the decline in percentage of cases adjudicated at the provincial level for the years 1999-2001.

**Prisons.** The majority of individuals in prisons are detainees awaiting trial. In 1999, there were 8,812 inmates in the prisons of the Ministry of Justice and Home Affairs combined. Of these, 2,958, or 33 percent had received a trial, while the other 66 percent were on remand. The inability of the courts to keep up with rising crime rates would suggest that the number of detainees without trial has increased.<sup>3</sup>

**Table 4.2 Public Perception of Police Services, Ten Years Ago and Now**

| Question: Is it harder or easier now to get: | Harder | Easier | Don't Know |
|--|--------|--------|------------|
| Fair treatment                               | 68.7%  | 21.1%  | 10.2%      |
| An officer to provide a service              | 64.8%  | 23.5%  | 11.7%      |

Source: Eduarde Mondlane University, Population Studies Centre, Strategic Planning for the Police of Mozambique, Analysis of the Results of the External Survey, 2002.

<sup>19</sup> Obede Baloi and Nancy Taylor, Consultants, Evaluation of MOZ/97/003, Assistance to the Mozambican Parliament, October 2001.

<sup>20</sup> UNDP, The Prison System in Mozambique, Maputo, August 2000

**Table 4.3 Percentage of Pending Cases Adjudicated at the Provincial Level**

| Year                           | 1999  | 2000  | 2001 |
|--------------------------------|-------|-------|------|
| % of pending cases adjudicated | 16.5% | 11.9% | 7.6% |

Source: UNDP, "The Justice System Past and Present," Draft Paper, 2003

Overall, the results of UNDP's governance programmes are not comforting. The figures demonstrate that in spite of considerable donor support, the obstacles to parliamentary reform are great and the pressures on the justice system are growing faster than the capacity of police, courts and prisons to respond. These figures should not be taken, however, as an indication of UNDP's performance, or the performance of other donors in achieving results in the justice sector. UNDP's contribution has been to keep these figures from being worse than they are. The results are symptomatic of the difficulties in strengthening of politically-sensitive institutions where results are typically long in coming.

Although UNDP is widely recognized for its initiative, early on, to reform politically sensitive institutions such as those associated with the justice sector, more recently, it has lost the distinction of being a lead donor or even the most innovative in the areas of justice reform, police training, prison reform and making courts more effective. The DANIDA, the World Bank and the United States Agency for International Development now all contribute more extensively to the justice sector, and this makes their presence and influence in these areas more prominent than that of UNDP.

UNDP's diminishing profile in supporting justice, prisons and police is due, in part, to the fact that UNDP does not provide either the level of resources or the expertise that other donors do. The ADR team was also informed that this may be because UNDP has become less inclined to engage with the government proactively, essentially to stand firm on the urgency of reforms and the directions these should take. In the recent review of the strategic plan for the justice sector, a number of UNDP's partners had hoped that the UNDP would stand up for a more coherent vision and argue for a more rational distribution of services among the various ministries. Instead, UNDP seemed to have taken a back seat. As UNDP's influence in this sector declines, its capacity to contribute to these sectors is likely to diminish.

Support to key democratic institutions strengthens government commitment to policies which can have considerable economic returns. Legal protection provided

by a functioning system of police, courts and prisons, can reduce the exposure of enterprises to risk and can open up opportunities for the private sector. Elections and parliament put in place instruments of accountability which, when effective, oblige the government to fulfill the expectations that constituents have of these democratic institutions. UNDP's support to these institutions has and is contributing positively to creating an enabling policy environment for upholding the rule of law and democratic governance in the country.

In each of these cases, UNDP's contribution has involved training individuals and putting rules and strategies in place to strengthen the capacity of institutions. Justice, police, prisons and parliament are all prey to entrenched political interests and in some instances, these entrenched political interests have slowed down the internal reform that UNDP and other partners have tried to promote. Government ministries within the justice sector have all endorsed the principles of reform while some of the basic steps remain neglected. Amalgamating two different prison systems, enhancing police transparency and making parliament more effective have all confronted obstacles.

On the question of ownership, government has endorsed UNDP's activities in this programme area, but its commitment has not actively extended these activities beyond UNDP's own contribution nor has its financial backing increased.

## PROMOTING DIALOGUE AND COMMUNICATION

### Expected Outcome:

- **Sustainable human development concepts reflected in government policies and statements, effective mechanisms for management and coordination of development assistance in place.**

Mozambique's 1990 constitution guarantees the right to freedom of expression and freedom of the press. Subsequent legislation, the Press Law, set forward the conditions for ensuring an independent media. UNDP's support of the UNESCO-implemented media project – Strengthening

Democracy and Governance through the Development of the Media in Mozambique – realizes crucial aspects of this law. Since 1998, UNDP's media project has provided technical backing for print and radio media, supported their administration and financed eight community radio stations in remote parts of the country which broadcast in local languages and which actively solicit the participation of women and youth.

Like the media, digital communication facilities were virtually non-existent after the war in 1992, and absent in most of the provinces outside of Maputo. Recently, the Government of Mozambique has developed an explicit Information and Communication Technology (ICT) Policy for promoting information and communication technology and started the ICT Commission and the ICT Advisory Group to coordinate policy.

During the first phase of the media project, the key activity was to make affordable paper available to newspapers to enable them to use their modest resources for purchasing equipment. During a second phase, UNDP's support focused on radio, and with the collaboration of the Institute for Social Communication and Catholic Radio Stations, the project assembled a National Community Radio Coordination Group which has directed the foundation of eight community radio stations broadcasting in local vernaculars. These eight stations have experimented with disseminating listeners' views on issues ranging from public health to public administration and, in particular, have disseminated information on HIV/AIDS issues in local languages (see Box 4.6.). They have also been vehicles for promoting social equity by incorporating issues of concern to women in their programming and also by encouraging, through research, advocacy and practice, the participation

of women in radio journalism.

The ICT Project is more recent, having started formally in December 2002. Its objective is to promote uses of information and communication technology in government and civil societies, to expand the ICT infrastructure throughout the country and incorporate ICT usage as a strategy for meeting PARPA goals. If it is to do this, the promotion of ICT must serve rural, remote areas as well as urban centres. The difficulty is that 70 percent of all ICT capacity is in Maputo and therefore unlikely to serve the more than 70 percent of the population in poverty outside Maputo. The project has sought to balance this urban concentration by establishing provincial centres in Tete and Inhambane where computers are installed and training is given locally in provincial centres.

Between 1997 and 2002, total resources committed to the support for information and communication technology have amounted to US\$5.1 million. Core UNDP resources committed to information and communication technology constitute less than four percent of this amount. Of the total, 85 percent has come from cost-sharing contributed by Finland, Ireland, Denmark, Sweden, Norway, Portugal and the Markle Foundation.

All three of the projects in this area are of modest scope. The media project has supported only eight community radio stations in a country of many hundreds of communities. It has established two provincial ICT centres, each with 20 computers in a country where, at the most, one person in 250 has ever used a computer. Taken individually, the outcomes of these two projects cannot be substantial. They do have the potential for more extended outcomes, and evidence of support by the government in both these areas indicates nascent government ownership.

### Box 4.3 Radio and Democracy

Beginning in 1998 UNESCO, UNDP and donor partners shifted the focus of their project, "Strengthening Democracy and Governance through the Development of the Media in Mozambique," from financial support to print media in provincial capitals to establishing community radio stations in the rural areas. It was in these rural areas that radio realized its potential for mobilizing public opinion. The community radios broadcast in local languages, and this gives many listeners access to information they would otherwise not have. Nationwide, fewer than 50 percent of the population over 15 are literate or speak Portuguese, and this figure would be substantially less in remote radio locations. The radios have become the focus for community information, for conveying health information, for publicly addressing women's concern and for giving air time to local culture. As independent media, the radios air political messages, balancing sides and aspiring to unbiased programming. More importantly, the radios have become the place where HIV/AIDS issues are discussed, some of them personal, some of them political and the consequence is to raise awareness on issues that existing institutional resources do not reach in the campaign to fight HIV/AIDS.

Source: ADR team on site interviews with project staff, April-May 2004 and UNDP/UNESCO Project document "Strengthening Democracy and Governance through the Development of the Media in Mozambique" (MOZ/96/004)

Should this occur, radio and other communication technologies might serve as vehicles for mobilizing support for policies that promote equity and reduce poverty.

The National Human Development Reports are valuable sources of information for portraying the statistical dimensions of both the education gap and the gender gap and for influencing government policy in these areas. One of their assets is the disaggregation of data by provinces, serving to profile the considerable variation by region and by rural location. The calculation of the Human Development Index separately for separate provinces illustrates the extreme variation among them, for example the elevated index in Maputo City (0.622) and the far lower index in other poorer provinces such as Zambezia (0.202).

Media, publications and digital technology are all promising vehicles for promoting an enabling policy environment through support for open debate on policy alternatives and strategies on how to achieve pro-poor growth. The messages of radio stations, the National Human Development Reports and a more accessible digital technology can reach policy makers and their constituents alike and potentially contribute to creating a more open and consultative policy environment.

Although the operation of community radios and the ICT centres are in their initial years of operation, they have both received unequivocal backing from the government and donors have readily partnered with UNDP in providing financial support. Efforts have been made within the radio stations and the ICT centres to increase capacity, to create viable, sustainable organizations and received government support for doing so. Increased government ownership can be expected.

## POVERTY REDUCTION

### Expected Outcomes:

- **Adoption by the country of national targets for reduction of human and income poverty disaggregated by gender. Poverty dimension explicitly addressed with macro-policy and planning instruments**
- **Participatory poverty assessment exercises carried out in selected communities to support development of national poverty reduction targets.**
- **Enactment of legislation on use rights to productive assets for poor men and women**
- **Number of registered bank and non-bank financial institutions with lending windows, specifically targeting the poor**
- **Increased number of clients and proportion of women using microfinance services targets.**

The government adopted a comprehensive approach to poverty reduction in 2001, the Action Plan for the Reduction of Absolute Poverty which covers the period 2000–2004. The PARPA has succeeded in focusing the efforts of both donors and government to reducing poverty levels. It has laid the foundation for an agreement among donor partners themselves and more importantly between donor partners and government for setting priorities in poverty alleviation. This agreement has been a catalyst in the emergence of a budget support group of donors who work through the central government to implement the objectives and targets expressed in the PARPA. The government, for its part, has agreed with the donors to make a substantial commitment to the PARPA priority areas, which was 68.1 percent of total public expenditure in 2000, 64.3 percent in 2001 and 65 percent in 2002. This is only marginally short of the amount the government agreed with donors to spend on PARPA priority areas.

During the period under review, UNDP has undertaken four different sets of interventions under the rubric of poverty reduction: microfinance, enterprise promotion, community-level income generation, and the creation of a facility within the Ministry of Planning and Finance to mobilize the views of civil society on the government's poverty reduction programme. On the upstream policy front and advocacy, UNDP has supported the development of Agenda 2025 and produced a number of National Human Development Reports (NHDRs), significantly the NHDR on gender which received a special award in 2001.

**Microfinance.** One of four microfinance initiatives provides institutional support to a selection of microfinance institutions. Another disseminates information and training for policy makers and opinion leaders on microfinance policy directions, and another establishes a number of small savings groups, primarily in urban areas, to mobilize savings and at the same time to discuss the threat of HIV/AIDS. A final one, now terminated, has been a community development scheme that included a microfinance component. Among the three active microfinance initiatives, none directly serves the rural areas.

A study of microfinance in Mozambique in mid-2001 reported the existence of 30 microfinance banks, credit cooperatives and credit schemes, a 20 percent increase over 25 microfinance institutions operating in 1998. UNDP has contributed support to three of them. The number of microfinance clients country-wide has increased. It was estimated at 50,000 in 2004, meeting the target of 40,000 set by the UNDP SRF/ROAR of 2002. Data is available for the three microfinance institutions assisted through the UNDP MicroStart project. Clients in all three institutions

rose from 4,886 in 2001 to 12,472 in 2004, an increase of 155 percent. The proportion of women has risen modestly from 59 percent to 60 percent of the total clientele. UNDP's contribution has been to increase the numbers of microfinance clientele.

However, they are a drop in the bucket. The estimated 50,000 clients that microfinance schemes have served over the past decade represent less than 0.3 percent of the population, or 1 in 400. In a country where most of the population is rural, and most of the poor are concentrated in the rural areas, the large majority of these 50,000 clients have been in the urban or peri-urban areas. Repayment rates are low (about half), and interest rates are high (30–40 percent). Only one of UNDP's three on-going projects directly supports the delivery of credit, and the estimated number of clients assisted in this project is less than 15,000. There is considerable debate about best practices and efforts to promote appropriate legislation, but there are few innovative schemes for reaching remote villages with a combination of small loans in tandem with income generation opportunities.

**Enterprise Promotion.** One of two enterprise promotion projects has provided training for 341 individuals, most of whom were entrepreneurs or potential businessmen and represented 238 different businesses or potential businesses. There are an estimated 28,800 private businesses in Mozambique of which 9 percent can be considered small enterprises, and interventions in this area may have reached a small proportion of these. The comparatively small number of small to medium enterprises in Mozambique is an indication of the difficult bureaucratic hurdles small businesses have to surmount in Mozambique. In a recent World Bank study of 130 countries, Mozambique ranked near the bottom in nearly every category of bureaucratic regulation, and in an aggregate index, Mozambique was third from last.<sup>4</sup>

The project offered virtually no follow-up assistance in overcoming these hurdles, or as a critical evaluation of the project observed, it offered very little guidance to small businesses in accessing startup capital (see Box 4.3).<sup>5</sup> Another enterprise promotion scheme continues a previous initiative to set up provincial level Local Economic Development Agencies, to be situated in Zambezia and Nampula. However, the concrete outcomes are not well articulated in the available documentation.

**Income Generation.** A third component of this group of four is a conventional community development project, now in its second phase, which has provided either income generation facilities or social infrastructure such as schools and clinics. Over a hundred community associations have

been formed, 55 projects have been supported of which 39 generate income. Fifteen of these income generation schemes have so far honored their obligation to use the income from their own businesses to assist other startup businesses in their communities.

**Poverty Observatory.** On the upstream policy front, UNDP presently provides resources for the Ministry of Planning and Finance to establish a Poverty Observatory in order to assemble the views of civil society in all provinces on the country's progress toward meeting PARPA targets. This is the only one of UNDP's initiatives that directly reinforces the national level campaign to reduce poverty within the context of PARPA. The other three are micro-projects with micro-consequences.

Between 1997 and 2002, total resources committed to the support for poverty reduction have amounted to US\$7.3 million. Of this amount, 10 percent has come from cost sharing contributed by Portugal, Netherlands, Italy, Sweden, Australia, Africa Development Fund.

UNDP's activities have contributed to three of the six of the original expected outcomes: the adoption of national targets for reduction of human and income poverty, participatory poverty assessment exercises, and increased number of clients utilizing microfinance. Setting comprehensive targets has been a conspicuous outcome of the government-led PARPA. It is the government's principal target setting exercise to which all others refer. The Performance Assessment Framework (PAF) that guides the annual review by the budget support donor group, Programme Aid Partners follows the PARPA, and the UNDP participates only as an observer in this process.

When the UNDP-supported Poverty Observatory is fully operational, it will coordinate the collection of information against targets set by civil society though these Poverty Observatory indicators differ only minimally from those in the PARPA. The UNDP has contributed to the formation of the Poverty Observatory and coordinates some of the activities, but UNDP's influence on setting national targets has been, and continues to be modest. UNDP's contribution to participatory poverty assessment exercises is likewise modest, although the Poverty Observatory may choose to adopt participatory approaches in the future.

The broader question, apart from UNDP's performance in meeting the expected outcomes, is whether a diverse set of individual projects—enterprise promotion, institutional and policy support for microfinance, building

<sup>4</sup> World Bank, *Doing Business in 2004, Understanding Regulation*, Washington: 2004

<sup>5</sup> Arlete Patel and James MacDade, "Enterprise Mozambique, Mid-Term Evaluation," Prepared for UNDP Maputo, Maputo: December 2003, p. 23

community-based organizations and facilitating the expression of civil society views on poverty reduction – constitutes a viable strategy for contributing to the reduction of the incidence of poverty in Mozambique. With the exception of the Poverty Observatory, these projects seek to provide capital or advice to a diverse range of small enterprises, located in dispersed locations and using different modalities.

Only one of these projects reaches rural areas where the incidence of poverty is most acute. These interventions may have modest practical value for the small number of target groups but have limited potential for creating an enabling policy environment for poverty reduction in Mozambique. Overall, with one or two exceptions, the capacity of the institutions in which these projects have invested has not been sufficient to ensure their sustainability.

The government may occasionally showcase some of the community-level activities that UNDP is supporting but for the most part, these are isolated activities which do not engender scaling up and ownership at the national level. Most of these activities exemplify what has been referred to as the “project approach” to development, isolated endeavors with localized or modest impact. The one exception may be UNDP’s MicroStart project’s support to microfinance institutions, though these small banks are limited to urban and peri-urban areas and attract consumers who already have modest resources. The challenge is to create a microfinance policy that combines loans with income generation skills which are made accessible to large numbers of rural clients. UNDP projects and programmes under the rubric of poverty reduction are unlikely, individually and as a whole, to raise income levels among much of the population or to reduce national poverty to any significant degree.

## LIMITING THE SPREAD OF HIV/AIDS

### Expected Outcomes:

- **Institutional capacity built to plan and implement multi-sectoral strategies to limit**
- **the spread of HIV/AIDSs and mitigate its social and economic impact**
- **Increased proportion of the population, disaggregated by gender, with access to information and support services targeting HIV/AIDS**
- **Participatory and multi-institutional coordinating mechanisms operating effectively**

The HIV/AIDS prevalence rate among adults (15-49 years of age) was 3.3 percent in 1992. By the year 2000 the prevalence rate for HIV/AIDS had increased to 12.2 percent, and in 2004 it stands at 14.8 percent. Mozambique’s infection rate is less than in surrounding

countries (25 percent in Zimbabwe, 20 percent in South Africa), and this is probably due to the prolonged civil war in Mozambique that for years reduced foreign travel. Now that travel and trade have resumed, there is greater risk of contagion. As expected, the highest number of cases is found among the four main transportation corridors where population movement is most common. At the present rate of increase, the percentage of the population infected is expected to reach 16.3 percent in 2010 and, by that time, the life expectancy may fall to less than 40 years.

Since the first case of HIV/AIDS in 1986, the government’s response has been to contain the spread. NGOs have emerged which are likewise committed to providing services and policy direction in combating HIV/AIDS. In 1997, UNDP supported the government to launch a programme to deal with sexually transmitted diseases and HIV/AIDS, followed two years later by support to the elaboration of a National Strategic Plan. The National Strategic Plan (NSP) included strategies for prevention, treating sexually transmitted diseases and putting in place bio-safety measures such as blood supply screening. The National Strategic Plan is now under revision to take account of changing dimensions of the problem, notably the provision of anti-retroviral drugs.

Since 1997, three UNDP projects have provided resources for strengthening three different institutions aimed at combating the threat of HIV/AIDS. The first, and the one with the greatest profile, has supported the establishment of the National AIDS Council by funding some of its administrative costs as well as some of its programmes to educate government, to establish a nation-wide presence and to build a network of NGOs whose efforts are coordinated by this National AIDS Council. UNDP’s support for elaborating a first and now an updated National Strategic Plan is part of this effort.

A second project supports the National AIDS Control Programme within the Ministry of Health by strengthening provincial plans to increase awareness of government and by mobilizing communities in various ways to prevent the spread of infection. A third project funds training in anti-retroviral therapy as well as a portion of the administrative costs for the AIDS Commission at the Maputo Central Hospital, which is likewise a part of the Ministry of Health (see Box 4.4.).

Between 1997 and 2002, total resources committed to the support for limiting the spread of HIV/AIDS have amounted to US\$3.3 million. This is one-tenth of the total committed to demining. Of this amount, 8 percent has come from cost-sharing contributed by the United

Kingdom, WHO, UNFPA and UNAIDS.

After a good initial start, the momentum of the campaign to combat HIV/AIDS appears to have stalled momentarily, and the reason suggested by some observers is the absence of a well-focused programme within the principal institution bearing responsibility for these activities. This is the National AIDS Council, founded and financed with UNDP resources. Government spending on HIV/AIDS care and prevention continues to rise, reaching US\$3.6 million in 2003, but this is still only 70 percent of the US\$5 million that the government has committed to spend, and this shortfall probably explains why the government has not met its targets in many areas.

One of these targets, on which there is data, is the number of condoms distributed by the Ministry of Health, a rough but useful indication of the commitment of the government and the awareness of the population of the AIDS crisis. Table 4.4 shows the number of condoms distributed throughout the country between 1995 and 2001. The government has not met its PARPA target of distributing 1.5 million condoms in any of the last six years.

Because of organizational inefficiencies within the National AIDS Council and a lower financial commitment

by the government, it seems unlikely that the UNDP objective of ensuring that over 90 percent of the population are well informed about HIV/AIDS will be met by 2005.

UNDP's support has enhanced the administrative and technical capacity of the National AIDS Council staff and sought to extend its presence throughout the country. It has trained medical and paramedical personnel in dealing with infection, using anti-retroviral medications and in coping with opportunistic infections. It has supported actions to lower the rate of transmission of the infection from mother to child. Whether these measures and others will achieve UNDP's target of reaching 90 percent of the population with information and services depends on the capacity of the National AIDS Council, specifically on whether the National AIDS Council can complete the revision of the second National Strategic Plan shortly and put it into practice. It also depends on whether it can maintain adequate in-house expertise. Perhaps more importantly it depends on whether the National AIDS Council can provide appropriate levels of funding and support for civil society organizations that are capable of serving on the front line.

#### Box 4.4. Traditional healers and the fight against HIV/AIDS

By 2002, many of the obstacles of providing anti-retrovirals had been surmounted. As the new drugs became available in Mozambique, UNDP responded to the need for training in managing these drugs under a project, "Capacity Building and Advocacy on HIV/AIDS for the Health Sector." Training began in 2002 and initially addressed only the management of anti-retrovirals by health professionals, but once they had begun, the training programmes introduced a new and innovative twist. In addition to health professionals from throughout the country, the training programme began to invite traditional healers since the majority of patients do not have regular access to medical staff and rely on local doctors. New teaching techniques were incorporated into the training programmes adapted for traditional healers, including drama and story-telling. Traditional healers wanted to learn more. The training programmes expanded their coverage beyond the use of anti-retrovirals to include how to manage opportunistic infections, how to prevent the spread of infections in order to dispel some mistaken ideas about transmission. Even more important, the training programmes stressed the human rights of those living with HIV/AIDS. Over 120 traditional healers have been trained so far, nearly a fifth of all those attending the programmes. The project has reached its mid-point and already the impact of engaging traditional healers as both healers and advocates has been amply demonstrated.

Source: ADR team on site interviews with project staff, April-May 2004, Maputo and UNDP Project Document, "Capacity Building and Advocacy on HIV/AIDS for the Health Sector" (MOZ/01/011)

**Table 4.4 Number of Condoms Distributed by the Ministry of Health 1996-2001 ('000,000s)**

| Indicator           | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---------------------|------|------|------|------|------|------|
| Condoms distributed | .65  | 1.22 | 1.23 | .62  | .60  | .82  |

Source: Ministry of Planning and Finance, PARPA Implementation Report 2001, Maputo 2003

In supporting the production of two successive strategic plans, UNDP has contributed to an improved policy framework for addressing the pandemic and for limiting the spread of HIV/AIDS. This has been a catalytic and crucial step in building the capacity of key organizations, especially the National AIDS Council (NAC) which is the principal institution charged with managing donor funds, long-range planning, advocacy and outreach.

Evidence gathered through ADR stakeholder consultations suggests that the NAC may be overwhelmed and that capacity in the organization has not increased to meet the challenge, especially of outreach.<sup>6</sup> Some stakeholders are concerned that leadership of the NAC has been ineffective.<sup>7</sup> Still others point out that while the government supports the organization in principle, it has not provided sufficient funding and it has not taken ownership of the programme to the extent that is required. Clearly, awareness of the dimensions of the threat of HIV/AIDS has grown quickly and policies have emerged to respond appropriately, and this is a singular accomplishment, but government commitment will have to increase before institutions in place have the capacity to respond more effectively.

## SUPPORT TO VULNERABILITY REDUCTION: DEMINING AND DISASTER MANAGEMENT

**Expected Outcome: Policy and planning framework of the country elaborated which incorporates a comprehensive approach to reduction of human and income poverty taking account of the Millennium Development Goals**

Mozambique is prone to adverse climatic conditions such as droughts, floods and cyclones. Frequent natural disasters and land mines combine to place Mozambique in a state of perpetual vulnerability. Their common thread is the challenge they pose, individually and collectively, to personal security in Mozambique, and it is because of this common thread that the United Nations Development Assistance Framework (UNDAF) for 2002-2006, has grouped these challenges along with the threat of HIV/AIDS under its first of four Strategic Objectives: To Promote the Fulfillment of the Right to Personal Security.

UNDP prepared a comprehensive document – the Vulnerability Reduction Strategy—in the course of 2003 detailing a strategy for addressing these three threats: disaster management (including landmines), the threat of HIV/AIDS and food insecurity. In showing the linkage

among these three areas of vulnerability, the Vulnerability Reduction Strategy also described a mechanism for key UN agencies to bring about a convergence of their individual efforts, through joint programming, to address poverty reduction by diminishing these paramount threats to household well being.

The key UN Agencies have not yet reached an accord on how best to implement this programme. UNDP, however, continues to refine its Vulnerability Reduction Strategy, works closely with the government's Vulnerability Assessment Committee to produce a detailed vulnerability status report on a regular basis, and uses the Vulnerability Reduction Strategy to guide its own evolving response to disaster mitigation.

**Demining.** Large numbers of landmines jeopardize human access to productive resources. A Mozambique Landmine Impact Survey (MLIS) estimated that more than 10 percent of the population, covering all 10 provinces, are facing direct threats to their lives and livelihoods. In total, more than 1.7 million people are directly affected by the presence of landmines. Agricultural land is out of production, roads are unusable and access to water points is obstructed.

UNDP support for demining is channeled through two very different organizations, one acting as a national coordinator for implementing a country-wide demining strategy and a second, an NGO, carrying out field-level humanitarian demining. In principle, these two initiatives at two different levels complement each other. The first organization, the National Demining Institute under the Ministry of Foreign Affairs, aims to provide overarching coordination that will establish priorities through on-going surveys and, based on these surveys, allocate responsibilities according to these priorities.

The National Demining Institute is expected to set standards as well as priorities and to coordinate the efforts of a number of different demining organizations each funded by different donors. Support to the second organization, the Accelerated Demining Programme, has the more concrete objective of transforming this indigenous demining organization into a national NGO in order to increase its role and competence among the more than 10 humanitarian and commercial demining organizations operating in Mozambique.

**Natural Disasters.** Natural disasters such as floods and prolonged droughts occur frequently and occasionally in tandem. In 2000 and 2001, large areas of southern and cen-

<sup>6</sup> Programme Aid Partners (PAP) and the Government of Mozambique, Aide-Memoire of the Joint Review, Maputo: April 2004.

<sup>7</sup> Gregorio Firmino, and Amilcar Tivane, *In Depth Study in Governance Report*, a report commissioned by UNDP-Mozambique in support of the Assessment of Development Results team mission, Maputo: 2004

tral Mozambique were affected by floods resulting in internal displacement, loss of life and destruction of property. At the same time, and throughout 2001–2003, below average rainfall in areas contiguous to flooded regions also affected agricultural production resulting in poor crop production and loss of income. It was in these areas most affected by floods and drought that rapid rises in HIV/AIDS infection occurred, and the combined effect of illness, economic recession and repeated natural disasters have created crisis conditions (see Box 4.5.). The simultaneous occurrence of these threats has demonstrated their interlinkages and demonstrated also the need for a common strategy to address them. The government has recently prepared a National Contingency Plan, which has reviewed the threat of natural disasters and has assembled data demonstrating that, as a result, over 660,000 people are presently at risk of insufficient food resources.

UNDP's support to the Disaster Management Institute (INGC) has attempted to strengthen the government's ability to respond to floods and droughts and their humanitarian consequences. The Disaster Management Institute was created in 1999 for this purpose, and the UNDP project has mobilized support to put the institute on a firm footing.

Between 1997 and 2002, total resources committed to the support for demining and disaster mitigation have amounted to US\$31.0 million. Resources committed to demining constitute 98.5 percent of this amount. Of this total, 17 percent has come from cost-sharing contributed by the Japan, USA, UNMAS, Denmark, Ireland, Canada and Australia.

The ultimate outcome measure for the two demining organizations supported by UNDP is the pace of landmine removal and the consequences for the safety and well-being of the population. Crucial to achieving this outcome is the capacity of one of the supported organizations – the National Demining Institute – to manage demining at a country level, set priorities and to review these priorities carefully. This capacity has recently been questioned following a misuse of funds inside this organization. Equally crucial is the capacity of the implementing organizations, such as the Accelerated Demining Programme, to carry out the removal of landmines efficiently and effectively

The pace of removal varies from year to year. The area cleared in 2003 was 22 percent less than the area cleared in the previous year. Typically, progress is measured by the number of villages rendered free of landmine impact, or by a reduction in estimated population affected, or by a reduction in the affected areas. Table 4.5 shows some 'guesstimates' at what this progress has been over a two-year period covering 2002 and 2003 based on villages cleared, people spared and areas cleared. The clearance rates show overall positive results, but a closer look at the figures shows how difficult it is to draw straightforward conclusions. The clearance rates shown for 'villages' suggest the rosy possibility of total clearance being completed in five years. But the clearance rates shown for 'area affected' suggest the grimmer possibility of total clearance requiring more than a hundred years. Landmine removal is an inexact science since it is difficult to have precise figures on areas and people affected. When the National Demining Institute (IND) sets its target for making Mozambique 'mine impact free' by

#### Box 4.5 Weather and malnutrition in Mozambique

Mozambique's vulnerability to natural disasters, cyclones, floods and droughts, has made disaster preparedness in Mozambique an essential element in the fight against poverty. The government must be prepared to respond quickly, families need to be evacuated where possible and food stocks must be available. The threat of bad weather is so severe that the UN Secretary General has given it special attention in a report issued by the High Level Committee on Programmes (HLCP), "Organizing the UN Response to the Triple Threat of Food Insecurity, Weakened Capacity for Governance and AIDS, Particularly in Southern and Eastern Africa." UNDP's project to support the Institute of Disaster Management (INGC) has attempted to address this threat. Bad weather translates into food insecurity and food insecurity into hunger and poverty. A sequence of Vulnerability Assessment Committee (VACs) surveys between November 2002 and June 2003 covering a period of floods and droughts have shown the consequences of repeated occurrences of damaging weather on chronic malnutrition in four of the most vulnerable provinces of Mozambique – Gaza, Tete, Inhambane and Maputo. The first of these surveys was done during a lean period while the last was done after a harvest period, and the results are surprising because there should have been an improvement. There was not. Where violent weather is a recurrent phenomenon, vulnerability is a constant. More than one in three children suffer from chronic malnutrition, based on a standard ratio between height and age, and there has been virtually no change between the first and second surveys. High rates of chronic malnutrition contribute to high rates of mortality, and this partially explains that in the surveyed areas, the persistently high rate of one in four child deaths shows little likelihood of improvement over the long run.<sup>6</sup>

<sup>1</sup> UNICEF, Summary of the Additional Analysis of the Demographic, Nutrition and Health Findings from the Multisectoral Assessment of the Impact of the Humanitarian Situation on the Lives of Mozambican Children and Women, Maputo, November 2003

2012, it is difficult to know exactly what this entails. And since demining is by nature inefficient and expensive (the average cost for removing one landmine or unexploded ordinance is US\$770), the implications are considerable.

UNDP's support for natural disaster reduction is a similar story of support for an institution where there is potential but where a lack of transparency and competent leadership have weakened the institution's capacity to deliver results. The National Institute of Disaster Management has succeeded in making national leaders aware of the best ways to respond to emergencies. Disaster management legislation has been drafted. Efforts of the National Institute of Disaster Management were curtailed when a major funding partner withdrew and, partially as a consequence, a national coordinator for the Institute was never appointed. The disaster management legislation was never passed by parliament. A mid-term evaluation of the Disaster Management Institute criticized the institute for its leadership and its failure to accomplish even a minimum of its objectives.

Given Mozambique's legacy of war, both demining and disaster management appear to be important components of a viable poverty reduction policy, and UNDP's support to both of these programme areas have kept the threat of mines and natural disasters at the forefront of national policy debates. Their overall policy effectiveness is, however, open to question. Whether the financial commitments to demining – over US\$30 million – is commensurate with its importance is debatable especially as demining receives 10 times the financing that the fight against HIV/AIDS receives.

Government's financial commitment to these programmes supported by UNDP, on the other hand, is minimal and is likely to remain so, an indication that UNDP's activities in these programme areas have not led to strong national ownership. UNDP's key contributions in this area have been to build the institutions and create the confidence among donors to support these institutions and catalyse a systemic approach to the reduction of and response to vulnerability to natural disasters. While capacity in these institutions remains weak, UNDP has a demonstrated comparative advantage in this area as evidenced by the

response to the floods of 2001/2002 where it was able to through the UN Resident coordinator system work with national institutions and authorities and the UN system to mobilize a total of US \$450 million for this emergency. The challenge is to bring the institutional capacity to the level of the early warning systems that have been formulated.

## CONCLUSION

Four key areas emerge as UNDP's most significant contributions to development results in Mozambique during the period under review: emergency response and post-conflict recovery, local governance and decentralization, support to institutional and capacity building in demining, disaster preparedness, the National AIDS Council and the justice sector and providing catalytic interventions in these areas and for all the electoral processes since 1994. UNCDF/UNDP Mozambique scores highly with the performance of what has become its flagship programme in decentralization and strengthening local government. Its model for training district level officials is being replicated throughout the country and scaling-up has occurred rapidly. Here is an instance in which UNDP has leveraged its core resources effectively to scale up successes for country-wide application.

However, programmes in other areas did not perform as well. None of the programme areas have had the same impact on policy, nor have they built capacity to the same degree or elicited the same degree of government ownership. The somewhat less impressive results from support to key democratic institutions such as parliament, prisons and police is understandable, given the sensitive nature of these institutions and the entrenched interests that reform must overcome to make these institutions better serve the public interest. Because of this and in spite of the modest record of results, the ADR team regarded results in these institutions as positive rather than negative.

The same might be said for UNDP's support to limit the spread of HIV/AIDS. The capacity of institutions created to stem the proliferation of infection and its consequences needs to improve in order to more effectively increase awareness, disseminate information about prevention,

**Table 4.5 Trends in Landmine Removal for 2002 and 2003**

| Indicator           | 2002                        | 2003                        | % change |
|---------------------|-----------------------------|-----------------------------|----------|
| Villages affected   | 719                         | 583                         | -19%     |
| Population affected | 1.39 million                | 1.01 million                | -27%     |
| Area affected       | 5.35 million m <sup>2</sup> | 5.27 million m <sup>2</sup> | -1%      |

Source: Ministry of Foreign Affairs and Cooperation, National Demining Institute, Annual Report: Mine Action Programme 2003, Maputo 2004

provide treatment and assist those living with HIV/AIDS. The results must nevertheless be judged positive, given the magnitude of the task and institutional requirements to accomplish the task.

Results in the poverty reduction programme area and attempts at gender mainstreaming are less positive. Despite pronouncement in the CCFs, programme results across the board indicate that UNDP has not succeeded in mainstreaming gender equality in its programmes. The poverty reduction projects are, with few exceptions, localized and isolated with modest promise of scaling up or replication. One exception is UNDP's support to the government's Poverty Observatory, which has the potential to improve an understanding of the level and persistence of poverty. This remains to be demonstrated.

On the matter of demining and disaster mitigation, questions have been raised about their institutional effectiveness and, in the case of demining, whether the level of resource commitment is commensurate with its overall importance.

It is important to underline that limited institutional and administrative capacity in most of government's key institutions is also a factor that inhibits and affects the outcomes of UNDP's and indeed that of other development partner's support. In spite of considerable UNDP support, the National AIDS Council has difficulty managing the considerable resources received from donors. Institutional weakness and lack of transparency have affected the performance in disaster mitigation and demining and led to withdrawal of some of UNDP's key partners in these programmes.

However, UNDP has also been plagued by charges of poor reporting by most of its cost-sharing partners. Its reporting has become slower, and UNDP is increasingly perceived as overly bureaucratic and inefficient. There is also a widely shared perception among most donors that the expertise within UNDP may be neither sufficient to provide leadership in key policy areas, nor is it sufficient to command other donors' attention or resources. While government values UNDP's neutrality and considers UNDP as more of a partner than a donor, there is also the perception within

government that UNDP may not have the substantive capacities or the competitive edge, comparable to other partners, to meet the challenges of providing credible support.

The purpose of this assessment is less to render judgment on individual projects and past performance than to give direction for shaping, or re-shaping the country programme and improving UNDP's performance as a whole. There are areas on which UNDP should capitalize and areas where UNDP exposure could justifiably be discontinued in the interests of giving the programme more coherence and imbuing the programme with a more compelling vision.



## 5

## Future Directions: Lessons and Recommendations

This evaluation has assessed UNDP's performance and its contributions to development results in Mozambique. The ADR also analyzed whether UNDP is strategically positioned to effectively contribute to emerging challenges and the country's development effectiveness. This concluding chapter summarizes the key lessons emerging from this evaluation and concludes with recommendations.

During the period under review, UNDP's programmes have straddled many themes. Programme orientation during the 1993-1997 phase was primarily a response to the state of emergency. UNDP concentrated its efforts on supporting rehabilitation programmes and forging a strong partnership with government. From 1997-2001, UNDP focused on providing development assistance to government by mobilizing considerable resources for priority areas, creating key institutions and engendering enabling conditions for other partners to make long-term commitments to Mozambique.

In the third phase from 2001 to the present, UNDP has focused on long-term development goals but has not yet made an effective and complete transition to post-conflict strategies. It faces a changed development situation where Mozambique's needs have changed and alternative aid modalities such as direct budget support are in place. UNDP seems to lack the substantive expertise and capacities required in a more complex and competitive donor environment and is experiencing a decline in its core and non-core resources.

The balance sheet on UNDP's performance and its overall strategic positioning and contribution to development results in Mozambique is mixed. On programme performance, the UNDP has done the right things in some areas but did not sufficiently anticipate change and seize opportunities in others. UNDP is universally perceived to have had an excellent record of meeting the needs of the country in the post-conflict phase and contributing to sustainable peace. Key areas of its contribution have included building government institutions, election assistance and creation of the Demining Institute, the Disaster Preparedness Institute and the National AIDS Council. More recently, UNDP has been strongly commended for its role in coordinating the donor response to the 2000 floods, leading to the Rome Conference and the mobilization of over US\$450 million in aid.

Promotion of local governance through district planning and finance programmes has been replicated, scaled up and supported extensively by government and is now enshrined in policy. UNDP also effectively laid the groundwork for development commitments of other development partners, notably in the areas of strengthening local government, electoral procedures and monitoring, support to the justice sector and catalyzing the campaign against HIV/AIDS. In spite of the fact that there is little evidence of impact apart from retarding the deterioration of these institutions, UNDP's support for politically sensitive

institutions (courts, police, prisons, media, elections and parliament) is widely appreciated. Due to its mandate and neutrality, most stakeholders polled consider UNDP's comparative advantage to lie in politically sensitive areas.

However there are some deficits and challenges that UNDP will need to address. First, notwithstanding the Agenda 2025 exercise and the publication of an award-winning Human Development Report in 2001, UNDP's presence in the policy arena is modest. UNDP does not seem to draw on its global knowledge networks to provide the kind of high-level expertise which would be most welcome to government and invaluable in national policy discussions.

Second, even though the operational environment has changed considerably and the country office is acutely aware of this, the ADR team's assessment is that UNDP's portfolio has not changed much, and its strategy for delivering development assistance to Mozambique and mobilizing resources remains fundamentally the same.

Third, at both country and corporate levels, UNDP does not seem to have either sufficiently anticipated or come up with a strategic response to how it will support Mozambique's priorities in the changed context. There may have been missed opportunities in catalyzing an innovative response to support government and position UNDP strategically for substantive contributions to the PARPA processes within the context of direct budget support and donor harmonization principles that have emerged since 2000.

Fourth, UNDP's programming as presently constituted lacks the necessary coherence and focus to permit its identification with an identifiable strategic position, and changes may be necessary to allow UNDP to regain the visible and strategic role that was evident in the aftermath of the war. The ADR team's findings may well apply to UNDP as a whole and suggests that UNDP does well in conflict situations but finds it difficult to carve out a distinctive niche once the agenda shifts to long-term perspectives. Its inflexible programming procedures and the lack of resources that are not tied to five-year programming cycles may well explain this lack of a flexible, agile and forward-looking-response capacity which is very much needed in the present day Mozambique.

Lessons Based on its findings, the ADR team has identified a number of lessons learned which could assist UNDP in strategically repositioning itself to strengthen its contribution to Mozambique's development.

**There is a need to better understand the transition from crisis response to long-term development.** The requirements of responding to emergencies are very

different from those of collaborating with the government on meeting long-term development objectives. Some analysts on the subject have claimed that emergency response is simply not compatible with tackling the complex issues of governance and building democratic institutions.<sup>8</sup> UNDP seems to have done well in responding to the conflict situation in Mozambique but the evidence suggests that this success has not easily translated into a strong and strategic partnership role for long-term development needs. It may well be that the transition is not well understood and there may be too few instances of successful transitions to provide answers.

**The achievement of successful development outcomes requires long-term commitment, close monitoring and broad-based participation and partnerships.** The UNCDF/UNDP success with the local governance and decentralization pilot programme in the Nampula province had a long gestation period beginning in 1999. It involved a variety of partners, the participation of target communities and the commitment of considerable resources. UNCDF/UNDP has replicated the model of district planning and strengthening local government piloted in Nampula in another province and the World Bank has replicated it in four other provinces. The Ministry of Planning and Finance has adopted it as a nation-wide model, and it is now the basis for national legislation on local government.

**Development effectiveness demands a coherent human development strategy.** UNDP's present programmes are an amalgam of diverse projects that may not necessarily be strategic enough to promote a coherent and focused response to prevailing conditions. Some of the projects are legacies from previous years, some are projects that government counterparts may be reluctant to discontinue, and some are those that UNDP retains because of their potential for mobilizing resources from donors. Many of them seem to be 'supply-driven,' kept on because resources are available for them and not because they are part of an effective strategy for reducing poverty or enhancing human well-being.

Demining, for example, constitutes a significant component of the programme resource-wise receiving almost as much over all as the fight against HIV/AIDS, even though its contribution to the human development agenda may be far less. UNDP is better served at the country level by a programme that resonates with its human development and human rights advocacy role and, as well, generates support because it offers a coherent strategy to improve human well-being.

<sup>8</sup> Mark Duffield, *Complex Emergencies and the Crisis of Developmentalism*, Institute of Development Studies Bulletin: Linking Relief and Development. Sussex: October 1994; see also Mark Duffield, *Global Governance and the New Wars, the Merging of Development and Security*, London: Zed Books, 2001

**A compelling vision and an effective communication strategy are critical for the visibility and success of the organization.** UNDP's credibility relies on having a distinctive and compelling vision of its mission. UNDP cannot underestimate the importance of effectively projecting an image of its corporate principles and accomplishments that brand UNDP distinctively. Documenting, disseminating and branding the organization with its successes have a number of advantages: the exposure this affords builds partnerships, generates resources and enhances credibility. Although UNDP has scored a number of successes with building institutions and with the Nampula local governance and district planning model, not many will associate these successes with UNDP unless these experiences are systematically and strategically turned into knowledge assets for the organization and the country.

**Informed advocacy on key issues is more important than simply preserving a reputation for neutrality and generating resources.** UNDP's concern to preserve the unique relationship of trust that it has built with the government, which relies on UNDP's reputation for neutrality, may at times jeopardize its capacity for advocacy on critical human rights and human development issues. By the same token, concern with raising resources from donors may lead to accepting the management of programmes that detract from UNDP's core business and its effectiveness. UNDP should take stronger stands in supporting programmes that are of strategic value and are in line with UNDP's mandate and human development priorities, rather than focusing on programmes only because of their resource mobilization value.

## RECOMMENDATIONS

The findings and conclusions of the ADR lead to the recommendations outlined below. These recommendations are by no means exhaustive but cover issues that the ADR team think strategic and necessary to support UNDP as it builds on its comparative advantage and past record of achievements to reposition itself to meet emerging and future development challenges and enhance its added value in Mozambique.

### ENHANCING THE STRATEGIC POSITIONING OF UNDP SUPPORT

**Define a coherent and compelling vision and an effective communication strategy.** Designing a compelling, coherent and distinctive vision of how UNDP will support Mozambique's development needs in the years ahead is an urgent challenge. In a crowded and competitive environment such as Mozambique, where development needs and government strategies for addressing them have changed, this is a necessary first step for increasing UNDP's profile

and relevance and in facilitating the definition of a niche in the changed and changing environment.

**Develop an effective strategy for managing the transition from crisis response to long-term development.** As its excellent record of performance in the aftermath of Mozambique's civil war shows, UNDP has a clear comparative advantage in managing and providing support during conflict and the immediate post-conflict periods, but seems to lack an effective strategy for making the transition to a post-conflict phase. It seems to have been slow in becoming an effective agent for long-term development after many years of responding to crises. The challenge for UNDP is to devise an effective formula that allows it to harness the successes of peace building and recovery for long-term development gains.

**Develop a strategic response at corporate and country level on how to support governments that have adopted direct budget support.** UNDP cannot expect to make a substantive contribution to development policy in Mozambique as long as it remains outside of the donor harmonization and coordination of aid initiatives and fails to develop a strategic approach to redefining how it will support government in the new environment. There are avowedly a number of risks in supporting direct budget support, but there are greater risks in not taking any decision at all and continuing with systems that may wrongly or correctly be perceived as raising transaction costs and undermining national ownership.

Direct budget support with its attendant implications challenges UNDP, both at the corporate and at the country level, to make a decision, one way or the other, about how to respond to government capacity needs and how to re-orient its role to this harmonization initiative.

There are a number of options UNDP could pursue globally. UNDP could participate fully in aid harmonization especially where donors are increasingly committed to direct budget support. Alternatively, UNDP could focus on advocacy work, building government capacity in fiduciary mechanisms, procurement management, financial management and budget programming.

In the case of Mozambique, it seems clear that a way must be found for UNDP to participate as a full member in the Joint Donor Review which the government conducts with donors annually. This is essential if UNDP is to play a credible role in placing human development and poverty reduction at the centre of policy discussions. UNDP's hesitancy to join the group of direct budget support donors is understandable given the potential risks of compromising its neutrality or impartiality, but UNDP should not be perceived as undermining the Rome Declaration and Monterrey Consensus. The ADR team has concluded that

UNDP would be well-advised to encourage the UN System as a whole to commit itself to the donor support group and to bring, not just UNDP's resources and expertise to the table, but the collective weight of the UN system. UNDP could facilitate a consensus building exercise within the UN system to start a dialogue with the government and define a role and the terms under which the UN system would join the direct budget support. In any event, the risks are better met by confronting them than by avoiding them.

**Support capacity building for development management and aid coordination to promote government leadership and national ownership of the process.** UNDP should focus on enhancing capacity for strategic planning and financial management at crucial levels of the government. All parties in support of direct budget support – the government, the bilateral and multilateral donors – are cognizant of the magnitude of capacity required to lead, coordinate and manage development assistance and the development processes and to direct external resources and efforts towards national development priorities. Government leadership and national ownership can mean the difference between achieving aid effectiveness through direct budget support and attaining development effectiveness. Increased capacity within the central government to improve financial management systems and to foster systemic efficiency to manage the resources channeled directly into the state treasury and conduct national level planning is a pre-requisite for Mozambique to take full advantage of the potential the commitment to aid coordination and harmonization entails.

Even though 15 out of 47 donors have made commitments that range from 1 percent to 60 percent of their aid budget, the success of this experiment is not guaranteed. For more donors to join and for those who have joined to maintain predictability of funding and increase their level of commitment, assurances will be required that finance managers and planners are prepared to execute their responsibilities accountably and effectively, and for this, a great deal more training and restructuring is required. Because of UNDP's impartiality and government trust, UNDP is uniquely placed to promote and support building capacity in departments and ministries to reduce fiduciary risks, accelerate programme implementation, and thereby enhance government's leadership role.

**Champion and strengthen UN system collaboration through joint programming and broaden non-traditional partnerships.** UNDP is unlikely to marshal the resources and the credibility on its own to give priority to its human

development agenda. This will require greater collaboration among UN agencies. The scope of the Resident Coordinator Office has grown impressively in the last two years, and this may provide a foundation for further collaboration. The United Nations has agreed on system-wide objectives and guidelines for programming, but these objectives mean little without the collective weight that comes with joint programming.

The trend towards support for harmonization among key donors has extensive implications for the UN system as a whole. A strategy to meet this challenge is necessary and depends on UN Agencies developing a strong position of joint advocacy on human development, MDGs and strengthening a pro-poor bias in PARPA. Efforts to articulate common goals and strategies through the United Nations Development Assistance Framework (UNDAF) have not yet led to the ultimate objective of maximizing goal-oriented development cooperation through joint programming. The UNDAF strategic objectives represent the collective commitments of the UN System, including its programming agencies (UNDP, UNFPA, UNICEF, WFP), the specialized agencies (FAO, UNESCO, WHO) and the commitments sanctioned by the Mozambique government in a number of international instruments. This is the moment to experiment with joint programming on a significant scale.<sup>9</sup> Pooling resources in joint programming is perhaps the United Nations' only viable strategy for overcoming its reputation of having too little funds, limited expertise and often too many agendas, especially in the context of greater donor harmonization and adoption of the direct budget support mechanism.

The UNDAF for Mozambique (2002-2006) has embraced two common thrusts for development assistance across the UN System. The first is the HIV/AIDS pandemic and the second is gender equity with a special emphasis on girls' access to educational opportunities. Recent research, especially in the Common Country Assessment, reveals that "common and mutually reinforcing support for HIV/AIDS and gender equity are undoubtedly key to ensuring longer-term empowerment, reaching poverty reduction goals and ensuring rights attainment for all populations."<sup>10</sup>

Redouble efforts to enable civil society to have a genuinely independent input to PARPA through the Poverty Observatory. UNDP has had a tradition of supporting the emergence of a strong civil society sector in Mozambique. In part because of its efforts, and its support to umbrella NGO support organizations, the number of

<sup>9</sup> The field visit of the executive boards of UNFPA and UNDP made a similarly strong recommendation. UNDP/UNFPA Executive Board, *Report on the Joint Field Visit to Mozambique*, DP/2003/CRP – DP/FPA/2003/CRP.1. Annual Session, 2003

<sup>10</sup> United Nations, Mozambique, *United Nations Development Assistance Framework (UNDAF) 2002-2006*, Maputo: April 2001, p. 5

NGOs in the country has increased more than eight-fold since the mid 1990s. The Poverty Observatory, housed within the Ministry of Planning and Finance, is a promising instrument for providing an independent assessment of the efforts by government and donors to reduce poverty, inequalities and regional disparities.

UNDP should intensify its efforts to ensure that the Poverty Observatory opens up the way for civil society organizations to participate in national policy dialogue on poverty reduction. Civil society organizations should include the full gamut of non-government organizations, encompassing faith-based, private sector and citizens' groups, all of which are essential actors in bringing fuller democracy to Mozambique. More important, civil societies can also be a resource that UNDP can tap into to test and enrich its ideas and knowledge base on critical development issues facing the country.

## **ENHANCING PROGRAMME PERFORMANCE AND CONTRIBUTION TO DEVELOPMENT RESULTS**

**Sharpen strategic focus, achieve greater coherence and enhance programme effectiveness by reducing the number of core areas.** Achieving greater coherence will entail building on existing strengths though UNDP Mozambique may choose to develop new areas. These strengths are in local governance and decentralization through district planning, support to democratic institutions and vulnerability reduction particularly responding to the HIV/AIDS pandemic. More specifically, it is recommended that UNDP concentrates its support on four core areas : (a) local governance and decentralization through district planning and (b) support to key democratic institutions (c) combating the spread of HIV/AIDS and (d) policy advocacy in the area of poverty reduction and MDGS that draws on the organization's human development paradigm while limiting micro-level support to high impact replicable innovations.

Within the context of PARPA, UNDP could focus on the alignment of PARPA reporting and tracking of progress to human development and MDG targets by piloting provincial and district level human development reports. Nampula would be an obvious place to start if synergies within and among UNDP interventions are to be realized. This entails reducing commitments to other areas where a clear comparative advantage is not evident and the potential for development results is demonstrably less. The following are areas where commitments could be reduced: enterprise promotion, microfinance, community-based income and employment generation schemes and demining. Support in these areas may be maintained only to the extent that they demonstrate innovation and reinforce outcomes to be achieved in core areas.

**Promote a rural development focus and accord increased priority in UNDP programming to reducing human poverty and improving rural livelihoods.** The overwhelming imperative in Mozambique is to devise and implement a viable pro-poor growth strategy that places the rural poor at the centre of the equation. Income and human poverty in Mozambique is primarily rural. The majority of Mozambique's poor, with little or virtually no access to education, health, safe drinking water and basic physical and social infrastructure, are rural-based. Reduction of human poverty should be an overarching objective to which all UNDP programme areas should aspire.

Closing the rural—urban divide and the huge income and human poverty gap will depend on expanding the opportunities and human capabilities of the rural poor. MDG targets for reducing absolute poverty have been set and annual commitments made within the context of PARPA. Augmenting on-farm and off-farm rural incomes is essential to closing the gap between high growth and persistent human poverty and the PARPA will need to put rural development at the centre. Given its human development mandate, UNDP is in a good position to take a stronger stand on devising a rural-focused programme and advocate for a greater human development and rural bias within PARPA. More explicit linkages should be made between existing UNDP programmes with a rural presence – decentralization and justice sector programmes – and poverty reduction by building support for augmenting rural incomes more deliberately into these existing governance programmes.

**Build on past successes and increase initiatives to strengthen local government.** Decentralization of government functions and strengthening of district level governments have worked well in Mozambique. Experiments in devolution of responsibilities and even in fiscal decentralization have shown the government that sharing political responsibility with district governments has the potential to move the centers of decision-making closer to the people, to provide services efficiently, generate income and reduce poverty in the rural areas. UNDP's success in strengthening representative district-level planning has spawned a number of other initiatives which now need coordination and close observation in order to ensure that the collective lessons of these diverse experiments make a real contribution to the government's decentralization plans.

Improve and diversify resource mobilization and partnership strategies UNDP will need to re-invigorate and diversify its resource mobilization strategy, broaden partnerships and develop flexible programming procedures. This will assist the organization in reversing the downward trend in resource mobilization levels and in improving the coherence and quality of its programme. Notwithstanding the

harmonization of aid, there is still a large universe of potential cost-sharing avenues outside direct budget support. The quality of UNDP's programming is the currency of its future success in resource mobilization. Instead of responding to donors and government by undertaking programmes proposed by them, or formulating programmes which UNDP presumes will interest its partners, UNDP's interests are best served by making its programmes of high enough quality to place them in demand among its government and donor partners. The programmes need to be demand-driven rather than supply-driven.

A first step in upgrading its resource mobilization strategy will be to improve the way it trademarks or brands and markets its programmes. To this end, the UNDP should devise a comprehensive communication strategy which documents successful experiences and enhances UNDP's visibility in order to effectively market its programme to potential funders. Non-traditional sources of funds and partners should figure significantly in this strategy.

Another important and crucial step is to improve the quality of service that UNDP provides in collaborating with funding partners, and this refers especially to the quality and timeliness of reporting and speedy resolution of any implementation problems, if UNDP is to be seen as a high quality provider of unique development services by either government or donors

UNDP should also seek opportunities to provide services to government on a contract basis in areas where it has unique technical expertise. Capacity building and technical advice in the context of direct budget support is one such area while election monitoring is another. Building capacity in poverty programming, monitoring and accounting is yet another, especially as increases in direct budget support place demands on the government's capacity to manage poverty alleviation programming, monitoring and reporting.

However, being a credible development service provider requires technical competency, flexibility and reliability, and UNDP at both corporate and country level will need to squarely address this area. Reprofiling has left UNDP's capacity thin on the ground and highly specialized skills will be needed. UNDP will need to draw upon corporate units and its global networks for these resources and skills.

The ADR team applauds the Country Office's current preoccupation with the design of the next CCA/UNDAF and its promotion of joint programming among key UN agencies. Amalgamating HIV/AIDS, disaster management and food security under a single category labeled "the triple threat" is a strategic step toward linking major programmes in a way that opens the way for joint programming. The ADR strongly supports this joint programming initiative

and recommends that these laudable joint programming initiatives be strengthened by explicitly linking these efforts to meeting specific MDGs and by incorporating gender equality as one of its components.

## ENHANCING KNOWLEDGE AND STREAMLINING BUSINESS PRACTICES

**Increase in-house expertise by expanding the knowledge base.** In a rapidly changing context, in-house expertise and substantive capacity are indispensable for effective programming and maintaining credibility and a competitive edge with government and other development partners. Mozambique presently requires a set of skills and capacities which the UNDP Country Office does not have in abundance. Based on perceptions gathered during the ADR exercise, a number of partners, including government, perceive UNDP as well-intentioned but at times lacking the requisite competencies to make a substantial contribution to their programmes.

It is the view of the ADR team that while reducing the scope of its interventions, the UNDP should seek to build high level in-house expertise in its core areas to meet present and future demands. This would contribute to substantially raising its profile and the quality of its contributions to the policy debates on poverty reduction strategies within the country. UNDP must be seen as a leader and substantive authority on those core areas which it supports and champions. It can engage expertise locally through research institutes or abroad through its regional centres and the global network or it can build expertise by establishing research and resource centres where successful experiences and lessons are documented.

As an example, UNDP might support the central and provincial governments in establishing a resource centre based in Nampula to document UNDP/UNCDF's and the government's experiences in strengthening local government and to disseminate lessons and innovative ideas, nationally and internationally on the process of decentralization. This would allow UNDP to turn this invaluable experience and the lessons learnt into knowledge assets for the country and re-engineer itself as a knowledge organization within Mozambique

Improve business processes. Because it is perceived as a success story, Mozambique is an attractive destination for visiting missions. It is the view of the ADR team that the Country Office seems to be overwhelmed by frequent requests to receive delegations and participate in pilots for the UNDP and the UN system as a whole. These obligations have strained its capacity and often diverted attention away from the core business of the office. UNDP's capacity to contribute effectively to Mozambique's transition may

be jeopardized by the frequent obligations to meet headquarters' demands.

However, being a credible development service provider requires technical competency, flexibility and reliability, and UNDP at both corporate and country level will need to squarely address this area. Reprofiting has left UNDP's capacity thin on the ground and highly specialized skills will be needed. UNDP will need to draw upon corporate units and its global networks for these resources and skills.

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## CONCLUSION

Mozambique has made tremendous progress in overcoming a legacy of conflict and has succeeded in forging a comprehensive strategy for poverty reduction and secured the commitment of its key development partners in this process. It has achieved and sustained a relatively high record of economic growth over the past seven years and has become a reasonably attractive country for foreign direct investment. However, as this evaluation has shown, Mozambique is still very much a country in the process of transition from a post-conflict country to a stable democracy and has a huge backlog of human poverty and income disparities.

The principal challenge for UNDP is how to work with the government in setting a pro-poor development course for a country that is still very poor and largely rural. UNDP will need to make a strategic shift to address the challenges posed by the triple threat of food insecurity, vulnerability to natural disasters and HIV/AIDS and the paradox of growth with poverty.



## ANNEX 1: LIST OF KEY PERSONS MET

### Government of Mozambique

Nuno Tomas, First Secretary, Permanent Mission of Mozambique to the United Nations

Fernando Juliao, Third Secretary, Ministry of Foreign Affairs

Cesar Gouveia, Deputy Director, International Cooperation, Ministry of Foreign Affairs

Salimo Vala, Programme Head, Ministry of Agriculture and Rural Development

Jose Mate, Programme Head, Ministry of Agriculture and Rural Development

Isabel Cossa, Programme Officer, Ministry of Agriculture and Rural Development

Ragendra de Sousa, Programme Head, Ministry of Agriculture and Rural Development

Ester Jose, Programme Officer, Ministry of Agriculture and Rural Development

Hermes Sweia, Programme Officer, Ministry of Agriculture and Rural Development

Francisco Mabhaya, Vice-Minister, Ministry for Coordination of Environmental Affairs

Diogo Milagre, Adjunct Executive Secretary, National Aids Council

Lourenco Domingos Chipenembe, Permanent Secretary, Ministry of State Administration

Higino Longamane, National Director for Public Service, Ministry of State Administration

Gamiliel Munguambe, Director, National Demining Institute

Vicente Paulo, Chief Technical Advisor, Programme of District Planning, Ministry of Planning and Finance, Nampula

Members of the Equipa Technica, District Administrator's Office, Mogovolas District Administration, Nampula

Castro Sanfins Namuala, Mayor, City of Nampula

Dr. Abdul Razak Noormohamed, Governor, Province of Nampula

Manuel da Costa Gaspar, Vice-President, National Institute of Statistics

Jose Sulemane, National Budget Director, Ministry of Planning and Finance

Pedro Couto, Office of National Budget Director, Ministry of Planning and Finance

Machatine Munguambe, Rector, Michafutene ACIPOL Police Training Centre

Jose Manuel Guambe, National Director for Local Governance, Ministry of State Administration

Lucia Bernadette, National Coordinator, National Reintegration for Social Action Project Ministry of Social Action

Aires do Amaral, National Coordinator for Justice Project,  
Ministry of Justice

Basilio Zaqueu, National Coordinator, MicroStart Project,  
Ministry of Agriculture and Rural Development

Gabriel Mambo, Deputy National Director,  
National Direction of the Treasury

Gumerindo Langa, National Adjunct Director,  
Institute for Disaster Management

Rogério F. Manguela, Planning Department,  
Institute for Disaster Management

Maria Madalena Luciano, Planning Department,  
Institute for Disaster Management

Rita Almeida, Planning Department,  
Institute for Disaster Management

Joao Carlos Mabombo, Planning Department,  
Institute for Disaster Management

Arlindo Peidade de Sousa, Administrator, Radio Mozambique

Joao Matola, Programming, Radio Mozambique

Carlos Manuel, General Secretary,  
National Assembly of the Republic

## **UNDP**

Saraswathi Menon, Director, Evaluation Office

Nurul Alam, Deputy Director, Evaluation Office

Jeffrey Avina, Deputy Director, Regional Bureau for Africa

Michele Falavigna, Country Programme Adviser, Southern African  
Development Community (SADC) and Indian Ocean Cluster,  
Regional Bureau for Africa

Elizabeth Lwanga, Director, Regional Bureau for Africa

Diane Keppler, Chief, Internal Audit Section

Jennifer Topping, Adviser, Bureau of Development Policy

Sam Barnes, Senior Adviser, Bureau for Crisis Prevention  
and Recovery

Marco C. van der Ree, Programme Manager, UNCDF

Kadmiel Wekwete, Technical Adviser, Local Governance Unit,  
UNCDF

Rebecca Dahele, Evaluation Specialist, UNCDF

Cyril Guillot, Technical Adviser UNCDF

## **UNDP Mozambique**

Marylene Spezzati, UN Resident Coordinator and UNDP  
Resident Representative

Gana Fofang, Deputy Resident Representative, Programmes

Svend Madsen, Deputy Resident Representative, Operations

Inacia Salvador, Assistant Resident Representative,  
Head of Project Support Unit

Stella Pinto, Assistant Resident Representative  
and Head of Poverty Eradication and HIV/AIDS Unit

Henny Matos, Assistant Resident Representative  
and Head of Governance I Unit

Violet Kakyoma, Assistant Resident Representative  
and Head of Governance II Unit

Tofayel Basunia, Programme Officer, Poverty Eradication  
and HIV/AIDS Unit

Lisa da Costa, Programme Officer, Poverty Eradication  
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Carlos Mucapera, Programme Officer, Governance II Unit

Rikke Fablienke, Programme Officer, Governance II Unit

Anselmo Zimba, Programme Officer, Governance II Unit

Sorley Mulcahie, Programme Officer, Governance I Unit

Miguel Castanha, Programme Officer, Governance I Unit

Ngila Mwase, Economic Adviser,  
Economic and Policy Analysis Unit

John Barnes, Chief Technical Advisor,  
District Planning Project, UNCDF

Ondine Veira, Programme Officer,  
Poverty Eradication and HIV/AIDS Unit

Johannes Giorgis, Chief Technical Advisor,  
Disaster Mitigation Project

Peter Reeh, Assistant to Resident Representative,  
Office of the Resident Coordinator

Marina La Guidice, Chief Technical Advisor,  
Anti-Poverty Partnership Initiative

Francesca Dagnino, Chief Technical Advisor, Justice Project

Lourino Alberto Chemane, Chief Technical Advisor,  
Information Communication Technology

Paula Pateguana, HIV/AIDS Programme Analyst

Clarisse Nhabangue, Programme Assistant,  
Demining and Disaster Preparedness

## United Nations Agencies

Angela Van Rynbach, Representative, World Food Programme

Peter Haag, Consultant, World Food Programme (WFP)

Petra Lantz, Representative, UNFPA

Beatrice Crahay, Deputy Representative, UNFPA

Peter Vandor, Resident Representative,  
Food and Agricultural Organization (FAO)

Marie-Pierre Poirer, Resident Representative, UNICEF

Gloria Kodzwa, Head of Programmes, UNICEF

Carolina Siu, Project Officer, Health, UNICEF

Marie-Louise Dzietham, Resident Representative,  
United Nations High Commission for Refugees

Brigitte Jallow, Chief Technical Advisor,  
Media Development in Mozambique, UNESCO

Pedro Chequer, UNAIDS Coordinator

## Bilateral and Multilateral Donors

Magnus Lindell, Counselor for Cooperation, Embassy of Sweden

Thomas Thomsen, Counselor, Embassy of Denmark

Nina Berg, Programme Officer, Embassy of Denmark

Havard Hoksnes, First Secretary,  
Royal Norwegian Embassy

Jan Arne Munkeby, Minister Counselor,  
Royal Norwegian Embassy

Jan Willem Le Grand, First Secretary, Embassy of the Netherlands

Cristina Pucarinho, Counselor, Embassy of Portugal

Kevin Colgan, Attache and Development Specialist,  
Embassy of Ireland

Ronald Meyer, Secretary, Head of Cooperation,  
Embassy of Germany

Ichiro Muto, Head, Economic and Development,  
Embassy of Japan

Kenji Sudo, Deputy Resident Representative,  
Japan International Cooperation Agency

Bernhard Weimer, Consultant, Swiss Development Corporation

Gabriel Dava, Director, Programme Support Unit Canadian  
International Development Agency

Adrien Hadorn, Resident Director,  
Swiss Agency for Development and Cooperation

Eamon Cassidy, Head, Department for International  
Development, Great Britain

Juliet Born, Coordinator for HIV/AIDS, USAID

Ines Teixeira, Coordinator of Cooperation, European Union

Machel Farrant, Good Governance and Democratization Officer,  
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Ancieto Bila, Operations Officer Country Management Unit,  
World Bank

Perry Perone, Resident Representative,  
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## Civil Society Organizations

Jose Negrao, Socio-Economist, Cruzeiro do Sul,  
Development Research Institute

Alvaro Casimiro, Co-ordinator, Link NGO Forum

Phillip Machon, Advisor for Marketing and Organization,  
Link NGO Forum

Fernando Goncalves Andre, Editor, SAVANA,  
Weekly Maputo Newspaper

Eudoxia Gaveta, Head, Finance Department, Care International

Maria Chuma, Project Director of Urban Project,  
Care International



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## ANNEX 3: MOZAMBIQUE HUMAN DEVELOPMENT INDICATORS FOR 2003 COMPARED WITH SADC MEMBERS COUNTRIES

| Country                            | HDI Rank<br>(of 175) | Population   | Area<br>(sq.km) | GDP<br>per capita<br>in PPP (US\$) | Life<br>expectancy | Adult<br>literacy<br>% | GDI<br>rank |
|------------------------------------|----------------------|--------------|-----------------|------------------------------------|--------------------|------------------------|-------------|
| <b>Mozambique</b>                  | <b>170</b>           | <b>18.90</b> | <b>801,590</b>  | <b>1,140</b>                       | <b>41</b>          | <b>45</b>              | <b>140</b>  |
| Angola                             | 164                  | 13.9         | 1,246,700       | 2,053                              | 47                 | 42                     | n/a         |
| Botswana                           | 125                  | 1.7          | 566,730         | 8,244                              | 38                 | 78                     | 101         |
| Democratic<br>Republic<br>of Congo | 167                  | 53.8         | 2,267,050       | 606                                | 45                 | 63                     | 136         |
| Lesotho                            | 137                  | 2.1          | 30,350          | 2,272                              | 43                 | 84                     | 110         |
| Malawi                             | 162                  | 10.7         | 94,080          | 586                                | 38                 | 61                     | 132         |
| Mauritius                          | 62                   | 1.2          | 2,030           | 10,530                             | 73                 | 85                     | 59          |
| Namibia                            | 124                  | 1.8          | 823,290         | 6,410                              | 42                 | 83                     | 100         |
| Seychelles                         | 36                   | 0.08         | 450             | n/a                                | 73                 | 91                     | n/a         |
| South Africa                       | 111                  | 43.6         | 1,221,040       | 10,132                             | 46                 | 86                     | 98          |
| Swaziland                          | 133                  | 1.1          | 17,200          | 4,503                              | 44                 | 80                     | 107         |
| Tanzania                           | 160                  | 35.2         | 883,590         | 557                                | 43                 | 76                     | 130         |
| Zambia                             | 163                  | 10.5         | 743,590         | 806                                | 37                 | 79                     | 133         |
| Zimbabwe                           | 145                  | 12.9         | 386,850         | 2,280                              | 39                 | 89                     | 113         |



## ANNEX 4: MILLENNIUM DEVELOPMENT GOALS AND UNDP'S CONTRIBUTION IN MOZAMBIQUE

| MDGs for Mozambique   | Present Status/ Probability of Meeting the Goal by 2015  | UNDP's Contribution   |
|---|--|---|
| <b>Goal 1: Eradicate extreme poverty and hunger</b>                                 |  |   |
| Reduce extreme poverty to 33.5%   | Incidence of extreme poverty has dropped from 69% to 54% between 1997 and 2003.<br><i>Probability: Likely</i>  | UNDP has contributed to income growth through microfinance programmes, enterprise training and rural-based community development UNDP. contributes indirectly to poverty reduction by enhancing the government's capacity to deliver essential public services with support to decentralization and capacity building for key institutions. |
| Halve the incidence of underweight children   | Poverty headcount in rural areas has dropped from 71.3% to 55.3% from 1997 to 2003 and, at 55.3% remains higher than the 51.5% in urban areas.<br><i>Probability: Unlikely</i> | UNDP has contributed to reducing malnutrition through its CCF1 PROAREA project to provide rural credit, through support for feeder roads , rehabilitation microfinance and rural based community development programmes, as well as, indirectly, with programmes to reduce vulnerability to natural disasters such as floods and drought.   |
| <b>Goal 2: Achieve universal primary education</b>                                  |  |   |
| 100% completion for boys and girls of primary education                             | EP1 completion rates in 2004 may reach a total of 43% and for girls, 36%.<br><i>Probability: Unlikely</i>  | UNDP has contributed only indirectly through support to community micro-projects and by funding inputs defined by district planning and finance consultative councils.  |
| <b>Goal 3: Promote gender equality and empower women</b>                            |  |   |
| Eliminate gender disparity in primary and secondary education                       | Proportion of girls in EP1 has risen from 41.8% in 1995 to 43.9% in 2001.<br><i>Probability: Unlikely</i>  | UNDP makes no contribution to girls' education and gender mainstreaming.  |
| <b>Goal 4: Reduce Child Mortality</b>   |  |   |
| Reduce U5MR to 67   | U5MR declined in 1990s from 277 in 1994 to 246 in 1997 to 197 in 2004. Based on projections, it will stand at 180 in 2015.<br><i>Probability: Unlikely</i>                     | UNDP has contributed indirectly to reducing child mortality by building institutions to coordinate and carry out programmes for reducing the spread of HIV/AIDS and the incidence of children born to infected mothers.   |
| <b>Goal 5: Improve maternal health</b>  |  |   |
| Reduce MMR by three-fourths of the 1990 rate, approximately 100/100,000 live births | MMR estimated at 160/100,000 in 2004, and the trend since 1995 has not shown significant improvement.<br><i>Probability: Unlikely</i>  | UNDP has contributed indirectly to reducing maternal mortality by taking measures for eventually reducing the prevalence of HIV/AIDS.   |

**MDGs for  
Mozambique****Present Status/ Probability  
of Meeting the Goal by 2015****UNDP's Contribution****Goal 6: Combat HIV/AIDS, malaria and other diseases**

Halt and reverse the spread of HIV/AIDS

HIV prevalence among adults has increased from 3.3% in 1992 to 14.8% in 2004 and will reach 16.3% in 2010.  
*Probability: Unlikely*

UNDP has contributed directly to reducing HIV prevalence by establishing the National AIDS Council, by assisting in the drafting of a National Strategic Plan, providing institutional assistance to the AIDS Commission at the Maputo Hospital and by mainstreaming AIDS in its governance and poverty programming.

Halt and reverse the incidence of malaria

Proportional rate of malaria mortality in inpatient wards was 32% in 1998, 42% in 1999 and 40% 2000.  
*Probability: Unlikely*

UNDP has not contributed to reducing the incidence of malaria.

**Goal 7: Ensure environment sustainability**

Raise rural water access to 67% and urban water access to 62%.

29% of rural areas and 36% of urban areas have access to safe water supplies in 2004  
*Probability: Unlikely*

UNDP has contributed indirectly to rural infrastructure through its decentralization programme that funds priority social infrastructure identified by district planning consultative councils. Some of these are water facilities. UNDP has also supported implementation of the Water Sector Strategy.

Integrate principles of sustainable development into country programmes and reverse loss of environmental resources

The government's Action Plan for the Reduction of Absolute Poverty notes few linkages between environment and poverty.  
*Probability: Unlikely*

UNDP previously contributed directly to integrating sustainable development into national planning by supporting the implementation of the Government's National Environment Management Programme.

**Goal 8: Develop a partnership for development**

Make available information and communication technologies (ICT)

.4% of the population had access to a computer and .2% used the internet  
*Probability: Unlikely*

UNDP has contributed directly to increasing access to ICT by supporting the ICT Policy Commission and by forming Provincial Digital Resource Centres (CPRDs) in two provinces.

Source: World Bank, Country Assistance Strategy for the Republic of Mozambique, 2003; UNDP Evaluation Office preparatory documentation for the ADR mission, 2003; UNDP Human Development Report, 2003, Oxford: 2003

## ANNEX 5: STRATEGIC RESULTS FRAMEWORK WITH INTENDED OUTCOMES FOR CCF2

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### Governance

|                               |   |
|-------------------------------|---|
| Outcome 1<br>Dialogue         | Increased public awareness of Sustainable Human Development   |
| Outcome 2<br>Parliament       | Increased effectiveness of parliament to perform its functions  |
| Outcome 3<br>Justice          | Increased capacity of the justice sector to improve the administration of justice, law and order incorporating international norms for human rights |
| Outcome 4<br>Justice          | Increased public awareness of human rights treaties and norms   |
| Outcome 5<br>Decentralization | Effective legal and policy framework for decentralization and local governance  |
| Outcome 6<br>Public sector    | Improved Capacity to efficiently and equitably provide public services  |

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### Poverty

|                                       |  |
|---------------------------------------|--|
| Outcome 7<br>All projects             | The policy and planning framework of the country incorporates a comprehensive approach to reduction of human and income poverty taking account of the Millennium Development Goals |
| Outcome 8<br>Limit spread of HIV/AIDS | Institutional capacity to plan and implement multisectoral strategies to limit the spread of HIV/AIDS and mitigate its socioeconomic impact  |
| Outcome 9<br>Microfinance             | Improved access to financial services by the poor and other disadvantaged groups   |

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### Environment and Energy for Livelihoods

|                           |   |
|---------------------------|---|
| Outcome 10<br>Environment | Improved capacity of authorities to plan and implement in tegrated approach to environmental management responding to needs of poor |
|---------------------------|---|

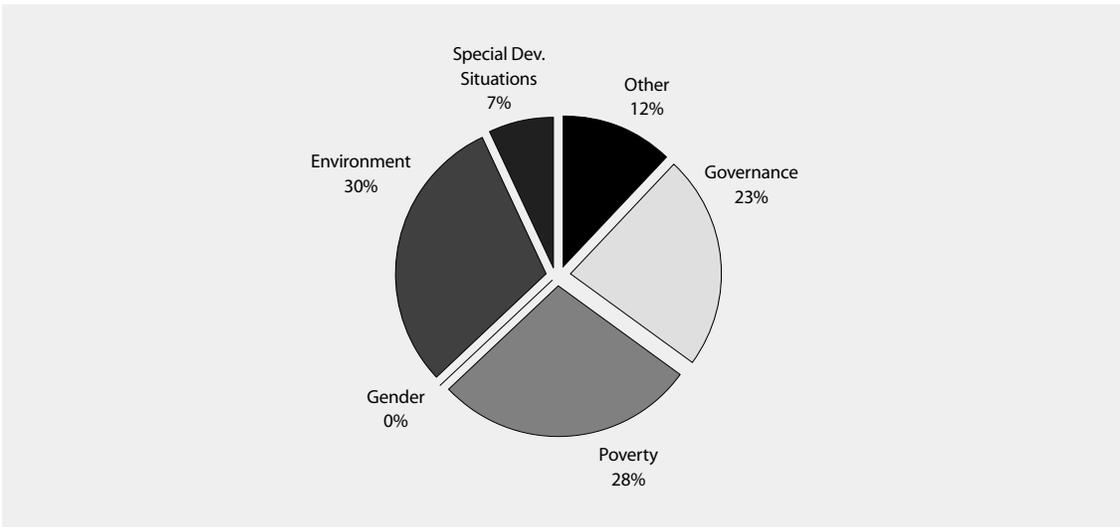
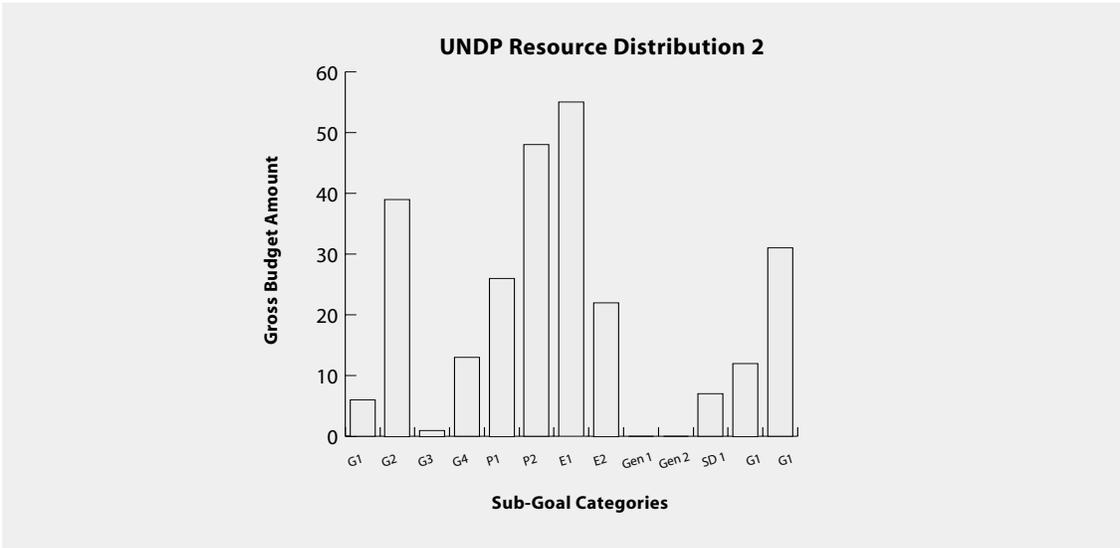
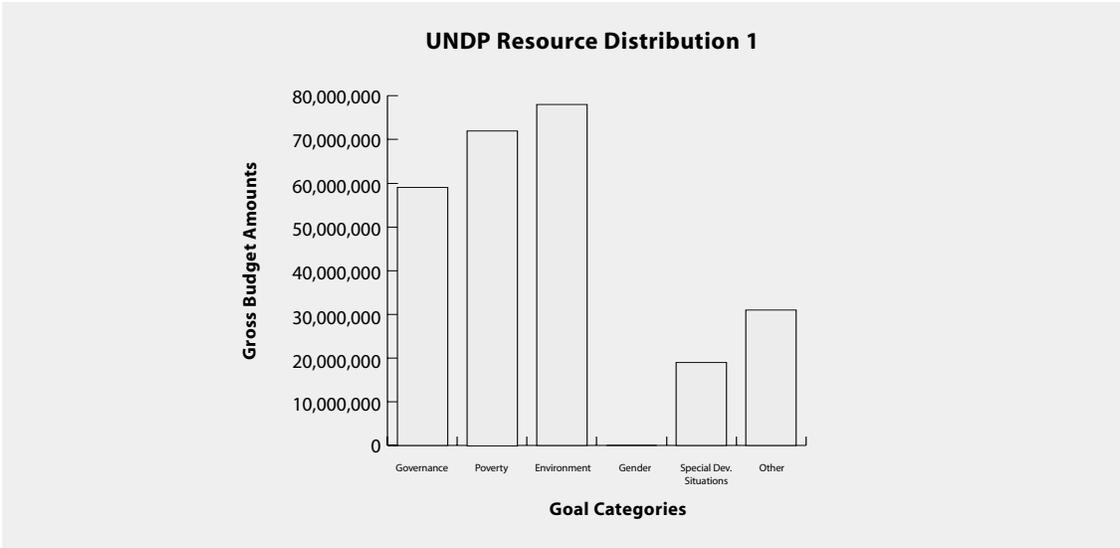
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### UN Support

|                                      |   |
|--------------------------------------|---|
| Outcome 11<br>Global goals           | Effective use of UNDAF to facilitate the national response to global goals      |
| Outcome 12<br>UN agency coordination | Harmonized and simplified planning and programming requirements within the UNDG |



# ANNEX 6: DISTRIBUTION OF UNDP RESOURCES BY SRF GOALS





## ANNEX 7: SELECTION OF PARPA INDICATORS AND TARGETS

| Objective  | Indicator                                   | Situation in 1999 | Target for 2004 |
|--|---|-------------------|-----------------|
| <b>Access to Education</b>   |   |                   |                 |
| To ensure that children have access to basic education of acceptable quality, taking into account the need to reduce regional and gender disparities in admission and school performance | Gross Enrollment                            | 74.9%             | 88.1%           |
| To ensure access to school for girls and their permanent attendance  | Proportion of girls in EP1                  | 43%               | 45%             |
| <b>Increased Productivity in Agriculture</b>   |   |                   |                 |
| Increase productivity of small farmers, especially those with labour problems through investment in extension activities   | Proportion using pesticides and fertilizers | 1.8%              | 6%              |
| <b>Infrastructure Network Expanded and Improved</b>  |   |                   |                 |
| Expand and improve the quality of roads to permit marketing and reduce transaction costs, especially in districts with the highest agricultural and livestock potential                  | Reduce proportion of poor roads             | 32%               | 25%             |
| <b>Expanded Access and Better Health Care</b>  |   |                   |                 |
| Objective  | Indicator                                   | Situation in 1999 | Target for 2004 |
| Improve access and quality of health care for women  | Hospital maternal mortality                 | 150/100,000       | 100/100,000     |

Source: Government of Mozambique, *Action Plan for the Reduction of Absolute Poverty 2000-2004*, Maputo: 1999



## ANNEX 8: ACRONYMS

|                |  |
|----------------|--|
| <b>ADR</b>     | Assessment of Development Results                    |
| <b>AIDS</b>    | Acquired Immune Deficiency Syndrome                  |
| <b>CCA</b>     | Common Country Assessment                            |
| <b>CCF1</b>    | First Country Cooperation Framework (1998-2001)      |
| <b>CCF2</b>    | Second Country Cooperation Framework (2002-2006)     |
| <b>CPRD</b>    | Provincial Digital Resource Centre                   |
| <b>DANIDA</b>  | Danish International Cooperation Agency              |
| <b>DBS</b>     | Direct budget support                                |
| <b>DPG</b>     | Development Partners Group                           |
| <b>FAO</b>     | Food and Agriculture Organization                    |
| <b>FRELIMO</b> | Liberation Front of Mozambique                       |
| <b>G15</b>     | Group of 15  |
| <b>HDI</b>     | Human Development Index                              |
| <b>HIPC</b>    | Heavily Indebted Poor Country                        |
| <b>HIV</b>     | Human Immunodeficiency Virus                         |
| <b>ICT</b>     | Information and Communication Technology             |
| <b>IMF</b>     | International Monetary Fund                          |
| <b>IND</b>     | National Demining Institute                          |
| <b>INGC</b>    | National Disaster Management Institute               |
| <b>JDR</b>     | Joint Donor Review                                   |
| <b>LDC</b>     | Least Developing Country                             |
| <b>MDG</b>     | Millennium Development Goal                          |
| <b>MLIS</b>    | Mozambique Landmine Impact Survey                    |
| <b>NAC</b>     | National AIDS Council                                |
| <b>NGO</b>     | Non Governmental Organization                        |
| <b>NHDR</b>    | National Human Development Reports                   |
| <b>OECD</b>    | Organization of Economic Cooperation and Development |
| <b>PAF</b>     | Performance Assistance Framework                     |
| <b>PAF</b>     | Performance Assistance Framework                     |
| <b>PAP</b>     | Programme Aid Partners                               |
| <b>PARPA</b>   | Action Plan for the Reduction of Absolute Poverty    |

|               |  |
|---------------|--|
| <b>PES</b>    | Economic and Social Plan   |
| <b>PRSP</b>   | Poverty Reduction Strategy Paper                                 |
| <b>RENAMO</b> | National Resistance Movement of Mozambique                       |
| <b>ROAR</b>   | Results-Oriented Annual Reports                                  |
| <b>SADC</b>   | Southern African Development Community                           |
| <b>SRF</b>    | Strategic Results Framework                                      |
| <b>SWAps</b>  | Sector Wide Approaches   |
| <b>UN</b>     | United Nations   |
| <b>UNAIDS</b> | The Joint United Nations Programme on HIV/AIDS                   |
| <b>UNCDF</b>  | United Nations Capital Development Fund                          |
| <b>UNCT</b>   | United Nations Country Team                                      |
| <b>UNDAF</b>  | United Nations Development Assistance Framework                  |
| <b>UNDP</b>   | United Nations Development Programm                              |
| <b>UNESCO</b> | United Nations Educational, Scientific and Cultural Organization |
| <b>UNFPA</b>  | United Nations Population Fund                                   |
| <b>UNICEF</b> | United Nations Children's Fund                                   |
| <b>UNMAS</b>  | United Nations Mine Action Service                               |
| <b>UNOMOZ</b> | United Nations (Peacekeeping) Operations in Mozambique           |
| <b>USAID</b>  | United States Agency for International Development               |
| <b>WB</b>     | World Bank   |
| <b>WFP</b>    | World Food Programme   |
| <b>WHO</b>    | World Health Organization  |

## ANNEX 9: TERMS OF REFERENCE

### TERMS OF REFERENCE

#### 1. Background

The Evaluation Office (EO) of the United Nations Development Programme (UNDP) launched a series of country evaluations, called Assessments of Development Results (ADRs), in order to capture and demonstrate evaluative evidence of UNDP's contributions to development results at the country level. Undertaken in selected countries, the ADRs focus on assessing UNDP's added value and the difference its contributions make to the country's development challenges with a view to enhancing performance and strategically positioning the organization's support within national development priorities and emerging corporate policy directions. The overall objectives of the Assessments of Development Results are:

- **Support the Administrator's substantive accountability function to the Executive Board and serve as a vehicle for quality assurance of UNDP interventions at the country level.**
- **Generate lessons from experience to inform current and future programming at the country and corporate levels.**
- **Provide to the stakeholders in the programme country an objective assessment of results (specifically development outcomes) that have been achieved through UNDP support and in partnerships with other key actors in a given period.**

An Assessment of Development Results is planned for Mozambique beginning May 2004. It will cover the periods 1998-2001, and 2002-2006 (i.e. the 1998-2001 Country Cooperation Framework (CCF)). The assessment will as necessary also cover preceding periods where there is evidence that UNDP support prior to 1998-2001 has served as a foundation for present developments.

#### 2. Objectives of the assessment

The purpose of the evaluation is to review the experience of UNDP in Mozambique; draw lessons learned and recommend improvements for strengthening UNDP's overall performance and support to the country. The Assessment of Development Results in Mozambique will:

- **Provide an overall assessment of the results achieved through UNDP support and in partnership with other key development actors during 1998-2001.**

- Provide an analysis of how UNDP has positioned itself strategically to bring added value and responded effectively to national development needs and priorities to changes in the national development situation.
- Based on the analysis of key achievements and overall findings; draw key lessons and provide clear and forward-looking recommendations in order to suggest optimal strategies for the UNDP in the future.

## 5. Scope of the assessment

The evaluation will undertake a comprehensive review of the UNDP programme portfolio and activities during the period under review, with a more in-depth focus on governance and poverty. Specifically, the ADR will cover the following:

### A. STRATEGIC POSITIONING

- Ascertain the strategic focus of UNDP support and its relevance to national development priorities, including relevance and linkages with the overarching goal of reducing poverty and the Millennium Development Goals (MDGs). This may include an analysis of the perceived comparative strengths of the programme and a review of the major national challenges to development. The evaluation will assess UNDP support in relation to the government's macro-economic and social development policies and strategies; the NAPED and Interim Poverty Reduction Strategy Paper (I-PRSP). The aim is to ascertain the added value of UNDP support in effectively contributing to and influencing the national development through strategic priority setting and intervening at optimal entry points.
- Assess how UNDP has anticipated and responded to significant changes in the national development context within the core areas of focus. In this regard, the ADR may, for example, consider key events at national and political level that influence and affect the development environment; the risk management of UNDP; any missed opportunities for UNDP involvement and contribution; its efforts at advocacy and policy advice and UNDP's responsiveness. The evaluation should bring out the choices made by UNDP in response to government reforms and explain the rationale behind these choices.
- Review the synergies and alignment of UNDP support with other initiatives and partners, including that of the United Nations Development Assistance

Framework (UNDAF); the Global Cooperation Framework (GCF) and the Regional Cooperation Framework (RCF). This may include examining how UNDP has leveraged its resources and that of others towards the achievement of results, the balance between upstream and downstream initiatives and the work on MDGs.

- The Evaluation should consider the influence of systemic issues, i.e. policy and administrative constraints affecting the programme, on both the donor and programme country sides, as well as how the development results achieved and the partnerships established have contributed to ensure a relevant and strategic positioning of UNDP support.

### B. DEVELOPMENT RESULTS

- Provide an examination of the effectiveness and sustainability of the UNDP programme, by: (a) highlighting main achievements (outcomes) at national level in the last five years or so (some results have their origin in efforts prior to 1997) and UNDP's contribution to these in terms of key outputs; (b) ascertaining current progress made in achieving outcomes in the given thematic areas of UNDP's support. The evaluation should qualify the UNDP contribution to the outcomes with a fair degree of plausibility, and consider anticipated and unanticipated, positive and negative outcomes. It should also gauge the contribution to capacity development at the national level as well as the degree of national ownership and sustainability of these results. The assessment will cover the key results and support in all thematic areas (governance, poverty, environment, gender, HIV/AIDS, ICT, and any other areas as appropriate).
- Identify and analyze the main factors influencing results, including the range and quality of development partnerships forged and their contribution to outcomes, the provision of upstream assistance and policy advice and partnership strategy and how the positioning of UNDP influences the results.
- Assess the anticipated progress in achieving intended outcomes, against the bench marks and indicators set under the SRF Outcomes (see Annex 1) and the 1998-2001 CCF objectives and proposed future programmes and, where this is relevant, against the MDG targets.

- **Provide an in-depth analysis of the two thematic areas, governance and poverty and identify the key challenges and strategies for future interventions in each area. These two subjects have been selected based on notable UNDP involvement in the past, complexity in terms of inter-linkages and synergies with other areas; and the growing challenges expected in the next stage of the country's development.**

### C. LESSONS AND GOOD PRACTICES

- **Identify key lessons in the thematic areas of focus and on strategic positioning that can provide a useful basis for strengthening UNDP support to the country and for improving programme performance, results and effectiveness in the future.**

## 6. Methodology

The assessment will employ a variety of methodologies including desk reviews, stakeholder meetings, client surveys, and focus group interviews and select site visits. (See Annex for a range of evaluation techniques) The Evaluation Team will review national policy documents (including the National Poverty Eradication Plan or PARPA), which give an overall picture of the country context. The Team will also consider any thematic studies/papers, select project documents and Programme Support Documents as well as any reports from monitoring and evaluation at country level, as well as available documentation and studies from other development partners. Statistical data will be assessed where useful. Empirical evidence will be gathered through three major sources of information: documented records, interviewee perceptions and the validation of and cross-referencing of all sources and the information gathered through a process of 'triangulation'. (See ADR Methodology Guidelines)

A wide stakeholder consultation and involvement is envisaged. The Evaluation Team will meet with Government Ministries/institutions at central and province level, research institutions, civil society organizations, NGOs and private sector representatives, UN Agencies, Bretton Woods institutions, bilateral donors, and beneficiaries.

The Team will visit field/project sites in a representative sample of states and communities to ensure a balanced coverage of all the country's regions as will be decided by the Evaluation Team and the EO in consultation with the country office.

In terms of methodology, the ADR will follow the guidance issued by the Evaluation Office, and consist of

preparation (with preliminary desk review, programme mapping, TOR proposal, exploratory mission to the Country Office, theme-specific desk research and local studies and research); conducting the ADR by the country evaluation mission; and use of the ADR and follow-up (dissemination, corporate discussions, country office management response, stakeholder consultations, learning events).

Preparatory work at the local level will be carried out in advance to provide substantive background for the Evaluation Team. These in depth studies in poverty and governance will be conducted by local research institute or companies. The Mozambican team will also be charged with conducting select surveys of key partners through questionnaires. The in-depth study work may entail the review of available reports, collecting additional documentation, conducting select interviews, field visits and analysis and focus group discussions. This work will be based on specific TOR in addendum to these generic terms of reference.

## 7. Expected outputs

The main expected output is the comprehensive final report on " Mozambique Country Evaluation: Assessment of Development Results", including relevant annexes with detailed data. In addition, supporting studies in poverty and governance will be available.

Prior to leaving the country, the Evaluation Team will discuss its preliminary findings and recommendations with the Resident Representative and the Country Office staff and present these to the Government and partners at a meeting of key stakeholders. The Team will use this feedback to finalize the report.

