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**Evaluation of the Country Programme
Mozambique of the
Austrian Development Cooperation**

Final Report

Vienna, 28. July 2004

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Table of Contents

Executive Summary	3
1 Introduction	6
1.1 Background	6
1.2 Mandate of the Mission	6
1.3 Methodology	7
1.4 Preamble	8
2 Current Thinking on Country Programming and Country Programme Evaluations	9
3 Mozambique: The Country and Development Context	11
3.1 The Political and Economic Situation	11
3.2 Decentralisation in Mozambique	12
3.3 Rural Development in Mozambique	13
4 Austrian Development Cooperation with Mozambique	15
4.1 History of Austrian Aid Activities in Mozambique	15
4.2 The Preparation Process of the 2002-2004 Country Programme	16
4.3 The 2002-2004 Country Programme	17
5 Country Programme Implementation	18
5.1 Allocation of Funds	21
5.1.1 Analysis of Disbursements for the Period 2001 - 2003	21
5.1.2 Budget Analysis of Ongoing Projects	23
5.2 Sector Profiles	24
5.2.1 Sector Profile Decentralisation	24
5.2.2 Rural Development	25
5.3 Multi-Sectoral Approach vs. Concentration of Sectors	26
5.4 Budget Support and SWAp Compatibility	28
5.5 Cross-cutting themes	29
5.6 The Country Programme as a Monitoring and Evaluation Tool	32
6 Systemic and Management Issues	34
6.1 The Coordination Bureau in Mozambique	35
6.2 Headquarters in Vienna	37
6.2.1 Country Desk for Mozambique	37
6.2.2 Sector and Consultants Thematic Advisors	38
6.3 Implementing Agencies and Project Partners	40

7	Assessment of the Performance of the Country Programme	43
7.1	Relevance: Alignment of the Country Programme to Mozambican Plans, Policies and Priorities	43
7.2	Coherence and Flexibility	46
7.3	Effectiveness and Impact	50
7.4	Efficiency and Sustainability	52
7.5	Visibility and Ownership	55
7.6	Donor Coordination and Policy Dialogue	57
	Annex I: Terms of Reference	60
	Annex II: Overview of the Austrian Country Programme with Mozambique 2002-2004	68
	Annex III: Donor Support to Decentralisation in Mozambique	69
	Annex IV: Budget Support and SWAp Activities in Mozambique	70
	Annex V: Project Profiles	72
	I. PROMEC	72
	II. ORAM	74
	III. PADM II	76
	IV. APROS	78
	V. PAARSS II	80
	Annex VI: Bibliography	82
	Annex VII: List of Persons Consulted	87
	Annex VIII: Bios of Evaluation Team Members	91

Executive Summary

The evaluation of the Austrian country programme with Mozambique is the first of its kind for the Austrian Development Cooperation (ADC). The current Austrian country programme with Mozambique covers a period of three years (2002 to 2004) and is basically a revised update of the previous two country programmes. It is a comprehensive and well structured document, which clearly identifies the basic assumptions, rationale, priorities and overall objective for the programme cycle. The elaboration process has been fairly participatory and the programme is accepted by the large majority of stakeholders as the overriding framework for bilateral development activities between Austria and Mozambique.

In comparison to the two previous country programmes, the current version has narrowed its focus from four to two sectors, decentralisation and rural development. However, these two sectors include a total of seven different intervention areas, with agriculture, water and sanitation, and SME development comprising the rural development sector, and the decentralisation sector portfolio consisting of district and municipal development, geographic information system, demining, and media development. While the Coordination Bureau has increased its efforts to streamline and concentrate activities and intervention areas, the programme is still based on a multitude of individual projects and lacks a clear operational focus.

The evaluation team gained the impression that neither gender nor environmental issues are considered as a priority by the Coordination Bureau. HIV/Aids issues do not receive the attention at programme or project level they should be given in a country with an HIV/Aids prevalence rate of 13.8 %. Yet, the programme has clearly a strong operational focus on poverty reduction.

At project level, monitoring is basically left to project managers and partners. For some projects, back stoppers are also used for monitoring purposes, even though the frequency of visits does not allow for effective and systematic monitoring. Only very few projects have been subjected to an evaluation and only in six out of the fourteen ongoing projects budget provisions for routine or final evaluations have been made. The main challenge with regard to monitoring and evaluation is clearly the lack of an ADC-wide structured and systematic system for planning, monitoring and evaluation of projects.

The evaluation team as well as most actors inside and outside ADC agree that the weakest spot with regard to the country programme in Mozambique are systemic and management issues, i.e. issues concerning to relations between the different actors involved in the design and implementation of the country programme. With the two national rural development sector consultants working in total only 50% for ADC, the Coordination Bureau is basically a one man show. In addition, there is little support and supervision coming from headquarters in Vienna. The desk officer has progressively delegated the responsibility for programme design and implementation to the Coordina-

tion Bureau. Most relevant sector consultants and thematic advisors have never been to Mozambique and communication and collaboration between most of them and the Coordination Bureau is minimal. The national sector consultants in the Bureau have basically no direct links to headquarters.

Thus, the Coordination Bureau in Mozambique operates in fairly exposed and isolated position, without sufficient human resources and adequate infrastructure, and with little support and supervision from headquarters. This makes the performance of the country programme highly dependent on the capacities and qualities of principally one person, the coordinator. The evaluators are of the opinion that it is in fact primarily the remarkable level of commitment and dedication of the coordinator that has ensured the successful implementation of the Austrian country programme with Mozambique.

In order to assess the performance of the Austrian country programme with Mozambique, the L&R evaluation team used, next to the analysis of systemic issues, an extended set of programme performance criteria: relevance, coherence, flexibility, effectiveness, impact, efficiency, sustainability, visibility, and ownership.

With regard to relevance, Austria's activities are fully in line with the national poverty strategy and comply with Mozambique's sector policies, as far as they are formulated. There has been some discontent on the side of the provincial government of Sofala that ADC has not fully integrated its activities into provincial plans and programmes. However, local administrations are rather satisfied as regards coordination and collaboration with Austrian projects. Interventions generally fit well into the concrete local context and respond to the needs of the local population.

While sectors and activities have been somewhat streamlined and concentrated, the country programme still follows a clear project based approach, with sometimes little connection and complementarity between projects. Over the past years, the Coordination Bureau has successfully strengthened its efforts to increase synergies and complementarities between projects, yet, there is still some room for improvement in this respect. The most problematic aspect with regard to the coherence of Austria's development activities in Mozambique concerns projects which are not fully integrated into the country programme, in particular co-financed projects as well as multilateral aid and demining activities. Usually there is no cooperation, and often not even communication, between these projects and the rest of the country programme. The programme has, on the other hand, exhibited a relatively high degree of flexibility with regard to responding to needs and challenges surfacing during implementation, for example in the case of the devastating floods in 2000. The evaluation team believes that the deficient level of internal consistency and homogeneity of the country programme can, to some extent, be ascribed to this sort of flexibility

Most Austrian funded projects have to a large extent accomplished their project objectives. All stakeholders as well as beneficiaries agree that ADC activities have had a high impact on the ground and contributed substantially to poverty reduction in Sofala province. The district of Buzi, for example, would be very different today without the continuous and extensive support granted by ADC over the past years. This perception is substantiated by the fact that projects spend a large percentage of overall project

budgets for target group activities and capital investments that directly benefit target groups.

The country programme is implemented with a relatively high level of efficiency, also reflected in a low level of spending on capital investments for project set ups. Yet, this efficiency seems to come at the expense of sustainability. Lean project structures, including small project teams and insufficient project infrastructure, limited monitoring and backstopping for projects, limited human resource development of project staff, and short project contract terms, all lower immediate implementation costs, but decrease long term sustainability of ADC projects and the country programme in general. Parallel stand-alone projects structures also work against the sustainability of ADC development activities.

The visibility of the Austrian Development Cooperation is high in Sofala province, mainly due to its programme focus on this province. However, visibility is fairly low at national level, mostly attributable to Austria's low level of aid to Mozambique and the deficient presence in Maputo. Austrian participation in donor meetings and other coordination events is restricted to one or two visits per month of the coordinator to Maputo. Yet, for its size, the Austrian Development Cooperation is still a fairly well known actor in the donor community, primarily for its focus on Sofala province and its reputation of having in-depth knowledge of the reality on the ground. However, some donors expressed that a donor's non-participation in the budget support donor group, currently the most important forum for donor coordination and policy dialogue, may lead to isolation within the donor community. The limited presence in Maputo also means that Austria's experiences gained with piloting innovative approaches have so far hardly been used as a means to nurture and stimulate sector policy dialogues at national level.

In summary, the Austrian country programme with Mozambique shows a satisfactory performance in most areas. Weaknesses are primarily due to (1) structural constraints, i.e. unclear roles and responsibilities of ADC actors and deficient communication and collaboration between these actors, (2) capacity limitations of the Coordination Bureau and headquarters, and (3) the general approach of the country programme, in particular implementation through a multitude of relatively small stand-alone projects and lean project structures.

The **recommendations** of the evaluation team include:

Increase the relevance of the country programme by (1) increasing ADC's aid budget for Mozambique, (2) maintaining the geographic focus on Sofala, (3) reducing the number of intervention areas and streamlining the country programme, (4) integrating activities more closely into provincial plans and programmes, (5) increasing the staffing level of the Coordination Bureau, (6) showing stronger presence in Maputo, and (7) clarifying ADC's position on budget support and SWAps.

Strengthen the coherence of the country programme by (1) improving communication and collaboration between bilateral projects and co-financed projects, multilateral activities and demining activities, (2) setting a clear operational focus, and (3) concentrating on few larger projects rather than numerous smaller ones.

Improving the sustainability of the country programme by (1) giving higher priority to cross-cutting themes, HIV/Aids and culture, (2), strengthening project structures in terms of staffing as well as infrastructure where necessary (3), allowing for more intensive project monitoring and backstopping by implementing agencies, (4) putting more emphasis on human resource development of project staff, (5) intensifying direct collaboration with Mozambican implementing agencies and project partners, and (6) increasing efforts to contribute more effectively to policy dialogues at national level.

Improve systemic and management issues by (1) clarifying the role and responsibilities of each function within ADC, (2) establishing systems and mechanisms that ensure that all actors assume their assigned roles and fully live up to their responsibilities, (3) clarifying the level of autonomy granted to in-country offices vis-à-vis headquarters, (4) establishing mechanisms for increased communication and collaboration between all actors involved, and (5) introducing an effective agency-wide knowledge, monitoring and evaluation system.

1 Introduction

1.1 Background

The Austrian Development Cooperation with Mozambique dates back to the time shortly after Mozambique's independence in 1975. Since then, Austria continued to support various development initiatives in Mozambique at a more or less stable disbursement level, which finally resulted in the selection of Mozambique as a priority country of the Austrian Development Cooperation (ADC) in 1992. In 2002, Mozambique was chosen as the first country to undergo an ADC country programme evaluation. Being the first of its kind, the lessons learned in this country programme evaluation should provide a basis for other country programme evaluations as well as policy developments of similar programs. In addition, the Austrian Development Cooperation has entered into an extensive process of organisational restructuring aimed at outsourcing operational tasks to the Austrian Development Agency (ADA) as of January 2004. Both the novelty and the specific circumstances under which the evaluation has taken place have given increased weight to this country programme evaluation.

1.2 Mandate of the Mission

The overall objective of the evaluation was to assess the basic assumptions, the strategic orientation, and the likely results of the current (third) country programme 2002 to 2004, considering the evolution of the programme throughout the two preceding programming cycles as well as the context of international cooperation and socio-economic development of the country. Given the predominant project-based approach of the country program, the evaluation focused both on the programme and sector level

as well as on a representative sample of key projects. In addition to assessing the bilateral programme and project aid funded by the Austrian Development Cooperation, the mandate also extended to address multilateral contributions, food aid, co-financed projects, and ADC's response to the floods of 2000.

The specific objectives of the evaluation, as stipulated in the TORs, included: (1) to assess the performance of Austrian activities against the established country program, (2) to test the relevance of country programme design and activities relative to country needs, established government policies and programs, and other donor activities, (3) to contribute to strengthening subsequent country programs in Mozambique and elsewhere, (4) to demonstrate aid effectiveness and provide for accountability on the use of public funds.

The key areas of research of the evaluation included the standard set of criteria used for country programme evaluations, i.e. relevance, efficiency, effectiveness, impact and sustainability, plus consistency and coherence. In addition, steering and systemic issues were addressed, i.e. country programme-headquarters relationships, as well as donor coordination and the relevance and role of evaluations. Thus, in comparison with country programme evaluations conducted by other donors (*Conway and Maxwell 1999a*), the scope of this evaluation was fairly broad and extensive.

1.3 Methodology

The L&R Institute for Social Research evaluation team consisted of Dr. Hannes Mandorff, Mag. Barbara Nöst and Dr. Walter Reiter, as well as Ester dos Santos José as local consultant in Mozambique. Dr. Pierre Walther from Walther Consulting in Bern acted as advisor during the preparatory phase as well as during the elaboration process of the report. Part of the team spent the week from October 20 to October 24 in Vienna to interview representatives of the Austrian Development Cooperation and implementing agencies. The field visit took place from October 27 to November 14, with most of the time spent in Sofala province, including project visits in the districts of Buzi and Dondo. Interviews with donor and national government representatives were conducted from on October 26 and 27 in Maputo. In the week from October 30 to November 4 additional interviews were conducted in Vienna.

The basic research approach employed by L&R comprised three steps. First, the country programme was deconstructed into its component elements, second, a representative sample of projects was assessed in-depth, and third, conclusions about the performance of the sectors and the overall country programme, including management and systemic issues, were drawn. L&R followed a multi-method research approach, using a wide range of assessment techniques and tools, including the review of documentation and secondary sources, formal and informal interviews with key persons, project visits, performance scoring tools, focus group discussions with beneficiaries and workshops. The list of persons contacted is presented in chapter 9 and the list of documents consulted in the Bibliography.

Attempts were made to incorporate perceptions and views of all the stakeholders relevant to the country programme as well as make use of their detailed knowledge of specific aspects of the country programme and/or the local context. Stakeholder participation was ensured through a combination of approaches, including self-evaluation, workshops, and sharing preliminary results in a debriefing session with the most relevant stakeholders. The evaluation team expects that this will not only have contributed to a more insightful evaluation, but also ensure that the results of the evaluation will be more readily accepted by stakeholders and facilitate the translation of evaluation feedback into ongoing projects and future programmes.

1.4 Preamble

The L&R Institute for Social Research evaluation team would like to thank for the generous support received from the evaluation department of the Austrian Development Cooperation throughout the evaluation process. The authors would also like to express their gratitude towards the warm welcome and extensive support granted by the Coordination Bureau of the Austrian Development Cooperation in Mozambique. In addition, the evaluation team would like to thank all persons interviewed during the research, including those in national, provincial and local government, project partners, in particular project managers, as well as implementing agencies in Vienna and in Mozambique, civil society organizations and donor agencies, for their openness and willingness to share information and giving generously of their time. The openness and interest of all interviewees in sharing information effectively facilitated the analysis.

The following presents the views of L&R Institute for Social Research, which are not necessarily shared by the Austrian Development Cooperation. A programme evaluation is always an “external view”, as it is impossible to grasp and fully rationalize the dynamics of the underlying concepts and the implementation of such a complex country programme within the relatively short time frame of such an evaluation. Responsibility for the views expressed and for any errors of fact or judgment therefore remain with the authors.

2 Current Thinking on Country Programming and Country Programme Evaluations

Over the past decade, there has been a significant shift in the way development assistance is delivered and measured. For many donor agencies, the traditional project-based approach is giving way to broader country programmes with thematic initiatives and sector-wide approaches. Most donors as well as recipient governments have come to the conclusion that stand-alone projects have had limited impact on the ground and prohibited governments to take the drivers seat. Project-based support is also perceived as having little impact on policies and constraining coordination between development stakeholders.

In the current discussion on country programming donors usually associate the following opportunities and objectives with regard to packaging aid as a country programme (GTZ 2003) :

- Increasing aid efficiency and effectiveness by exploiting synergies and flexibility regarding the employment of human and other resources through a stronger focus on a common objective.
- Broadening the socio-political impact at the national level by strengthening the horizontal as well as vertical links between the different interventions at program, sector and project level.
- Strengthening the position and visibility vis-à-vis other donors as well as the partner country by consolidating government and non-government activities under one program.

Among donors a consensus has been reached that there are significant advantages to packaging aid into coherent country programmes which reflect a holistic analysis of the partner country's needs and a systematic response on behalf of the donor. The trend towards country programming has had major implications for the way evaluations are conducted. While project evaluations continue to be used and valued, countries have been identified as the most logical units of aid management as well as account, especially in view of the recent revival of interest in the role of the state as the key external determinant of aid performance.

Yet, from a research perspective, country programme evaluations raise a number of challenging issues. While individual projects have the advantage of being discrete and relatively easy to define, the problem with project evaluations is that they can be too discrete: Lessons learned tend to be very specific, making it harder to generalise from them, and often come too late to affect that particular case. With broad-based evaluations, in particular country programme evaluations, the situation tends to be reversed. The boundaries are much harder to define, there are more stakeholders involved, the

focus is more diffuse, and it is often harder to identify outcomes in a way that they can clearly be attributed to a particular donor and/or donor's intervention. This makes the process much more complex, especially when it comes to demonstrating aid effectiveness (*OECD 2003*).

In spite of these challenges, there is widespread agreement among donors that country programme evaluations should complement and have something of value to add to other forms of aid evaluation, such as project and sector evaluations. The basic rationale for country programme evaluations is based on three observations.

First, within national boundaries, political, economic and socio-cultural parameters can be taken as to some degree fixed: aid channelled to a given nation should reflect the needs and opportunities which can be observed at the country level, particularly with regard to the strengths and weaknesses of the partner government. Regardless of whether a donor's aid to a given country is packaged as a country program, there is considerable value to evaluating all forms of aid to that country in consideration of national needs and opportunities (*Conway and Maxwell 1999a – DAC Vienna Workshop*).

Secondly, and reflecting donor recognition of the point above, many donors now channel their aid through country programmes administered by in-country offices. As donor institutional practices, including plans, budgets, staffing and reporting, are organised increasingly at the partner country level, the country programme becomes the focus for the evaluation of performance (*Conway and Maxwell 1999b – DAC Vienna Workshop*). The strength of this argument varies depending upon the internal homogeneity of national socio-cultural, economic and political conditions as well as the degree to which aid is formulated and implemented at the national level.¹ Thus, a shift to more comprehensive country programming logically implies a shift to country programme evaluation.

Finally, country programs and country programme evaluations serve as agency-wide, strategic planning tools of programme management. By viewing their work in the context of specific country situations, donors can acquire a deeper understanding of aid and development processes. Thus, country programme evaluations can, for example, be used to test progress made and obstacles encountered in the adoption of cross-cutting themes or to examine the influence of agency-wide management systems upon country-level performance.

¹ With respect to this argument, the relative homogeneity of Sofala province as the geographic focus of the Austrian Development Cooperation as well as degree of autonomy with regard to programme formulation and implementation exerted by the Coordination Bureau of the Austrian Development Cooperation in Mozambique certainly justifies a country programme evaluation.

3 Mozambique: The Country and Development Context

3.1 The Political and Economic Situation

Mozambique, a nation of 17 million people, has undergone fundamental economic and political change over the past 20 years: from centrally planned to market economy, from war to peace, and from one-party state to multi-party democracy. The stifling rule of the Portuguese ended in 1975 with independence, which was followed by a devastating exodus of skilled workers. The Portuguese had restricted the local population's access to education to such an extent that at independence only forty Mozambicans had been educated to university level. During the 1980s Mozambique was riven by a civil war that exacted a dreadful social and economic toll. With more than 4 million Mozambicans displaced, 1,5 million refugees in neighbouring countries, and destruction of large amounts of infrastructure and other productive assets, Mozambique became one of the world's poorest nations in a very short period of time.

Things began to change for the better in the early 1990s, as Mozambique's government confronted the political and economic crisis with determination, setting in motion a remarkable process of reconciliation and economic recovery. Between 1994 and 2002, the economy grew at an average annual rate of around 8 percent, turning Mozambique into one of the fastest growing economies on the world. The high growth rates of 10 percent a year in 2001 and 2002 reflect a rebound from the devastating floods in 2000, particularly in the agricultural and construction sectors, as well as the positive impact of mega project construction. Growth for 2003 is projected at 7 percent (*IMF and IDA, 2003*). Mozambique also performed well with regard to other macroeconomic indicators: inflation declined to single digits and the currency stabilized over the past decade. These achievements have been sustained by financial and technical support from bilateral and multilateral donors and private investment, with foreign investors lining up to pursue billions of dollars projects. As a result of the impressive economic turn-around, relative political stability, and the government's commitment to poverty reduction, Mozambique came to be viewed as an African role model for conflict reconciliation, political transition, and economic reform.

Despite the outstanding progress made over the past decade, Mozambique remains one of the poorest nations in the world. According to the 1996/97 Household Survey, nearly 70 percent of all Mozambicans live in absolute poverty. Poverty is even more extreme in rural areas, where 80 percent of the population live. 90 percent of farmers still use backbreaking subsistence methods of food production without the benefit of modern seeds, fertilizers and pesticides. Three out of four Mozambicans are illiterate and the vast majority of the population does not have access to clean drinking water and basic sanitation. Nearly half of all children under five show physical signs of malnu-

trition and 20 percent of the children die by the age of five. HIV/AIDS is rapidly spreading, pushing estimated live expectancy to 38 years (*Ministry of Planning and Eduardo Mondlane University, 1998*).

Even worse, these grim averages mask stark regional inequalities and extreme income distribution disparities. The Maputo area has seen the lion's share of the country's GDP growth, which has become a major source of political tension and strong discontent in the centre and the north. Moreover, 65 percent of the population receive 25 percent of total income, while five percent receive 50 percent of total income, making Mozambique into a highly inequitable society, even by African standards (*Fozzard 2002*). Thus, Mozambique still faces formidable challenges. The population is becoming increasingly disaffected with the lack of visible results in terms of improved service delivery and the government's inability or unwillingness to address the rising tide of corruption. Further challenges and risks to sustained growth and poverty reduction include a very weak human capital base, distortions and weaknesses in key sectors, inadequate infrastructure and institutions, a fragile political situation, and excessive aid dependency.

3.2 Decentralisation in Mozambique

The decentralisation process in Mozambique runs parallel to public sector reform. Mozambique's process of state reform has a distinct feature: state reform has been pursued in terms of (1) decentralisation of urban areas, granting municipalities a considerable level of political, administrative and fiscal autonomy² and (2) deconcentration in rural areas, delegating some responsibilities while retaining fiscal control. (*World Bank 2003*). Administratively, Mozambique is divided into 128 districts, 33 municipalities and 10 provinces. Present policies for rural local authorities therefore merely allow for deconcentration of state functions to lower levels, whereas decision-making remains highly centralized. These policies mostly refer to the domain of local state administration rather than to local governance, which would entail true political decentralization, such as devolution of power to lower level governments. As a consequence, most stakeholders in Mozambique perceive that the ongoing policy dialogue on decentralisation is characterised by political uncertainty and lack of clarity about the general direction of decentralisation and people's participation. (*Sterkenburg 2002*).

Following the 1997 municipal reform legislation, urban and rural locations are differentiated. The 1997 municipal legislation states that all municipalities are to be administered by the elected local government, with devolved powers to manage the urban environment and to provide basic urban services on the basis of their own budgets, to be funded through own-resource revenues and intergovernmental transfers (*SLSA 2003*). This differentiation finds its expression in the fact that municipality status was granted to 33 self governed entities at local level.

² The mandate of municipalities includes economic and social development, sanitation, public services, health, education, culture, leisure and sport, policing and urban infrastructure, construction and housing. (*World Bank 2003:38*)

Rural local authorities have until recently been excluded from political decentralisation and were part of a three-tier deconcentrated system. They continued operating in accordance with the centralist logic of *dual subordination* and without the institutional participation of the citizen at provincial and district level (Weimer 2000). District authorities were under the control of and accountable to their sector/line ministry (or directorates) and the provincial authority. District and provincial authorities were appointed by government and thus directly accountable to the government. District affairs were under the control of the District Administrator. There was no downward accountability relation, since all province and district expenditure is accounted for under the state budget.

Although there are attempts by government to shift competences to districts, the regulatory framework continues to be weak and allows for little room for true political decentralisation. The enactment of the Law on Local Organs of the State (LOLE) in May 2003 has brought about a series of changes for local authorities. It provides the legal basis for an integrated model of local administration, effectuating changes at district as well as at provincial level, mainly in relation to administrative structure, the scope of services and lines of accountability at district level. District Directors will be directly accountable to the District Administrator, as opposed to the preceding system in which they reported directly to their superiors at provincial level. While the new law is widely perceived as a move in the right direction, it does not fully solve the problem of double subordination. However, it is yet to be seen how the Law on Local Organs of the State (LOLE) will be implemented in practice, in particular with respect to community participation in local decision making processes.

By and large, there is no systematic or coherent approach to decentralisation in Mozambique. There is no designated lead Ministry of Local Government that would perform the role of a policy making and supervisory body in all matters concerning decentralisation. Instead, decentralisation is being dealt with by two ministries. The Ministry of State Administration performs a supervisory role in matters concerning the state administration, while the Ministry of Agriculture and Rural Development (MADER) has a supervisory function in all matters related to rural development and district development planning.

3.3 Rural Development in Mozambique

The rural development strategy of the Mozambican government is largely determined by the PARPA and the agricultural sector programme ProAgri, on which the PARPA is based. Agriculture and rural development are identified as one of the priority areas by the PARPA and widely perceived as key to achieving poverty reduction and rapid economic growth. Yet, ProAgri as well as the PARPA have been criticized to lack the specifics on how to strengthen the family sector and the productive role of the poor. The PARPA as well as ProAgri focus more on the creation of an enabling environment for the private sector, but give little detail on how small producers should bring about an agrarian take-off.

In general, ProAgri has emphasized market supporting institutional development, in particular the revision of the institutional structure for the Ministry of Agriculture and Rural Development (MADER). The reform process has captured most of the Ministry's and donor's attention over the past years. Progress has been made in this respect, in particular with regard to harmonizing the institutional structure and strategic orientation of the Ministry. There has also been some recent progress on decentralisation, as provincial directorates are allocated their own budgets, do their own procurement, and distribute funds to the districts. However, almost all stakeholders agree that ProAgri has so far had little impact in the field. Most of the resources allocated to ProAgri have stayed in Maputo, some have arrived in the provinces, but very little has reached the districts. Thus, availability and quality of the services provided to farmers have not improved significantly (*IMF 2003*).

One of the key challenges to rural development in Mozambique is the institutional set up of MADER. The focus of the Ministry has so far clearly been on ProAgri and agricultural development. Taking into account that rural development is an integrated and multi-sector phenomenon, MADER also has been given the mandate to coordinate rural development issues. However, horizontal coordination and collaboration between Ministries in Mozambique is weak. A comprehensive rural development strategy has only been elaborated by MADER in 2003, however, it still remains to be seen whether other Ministries will actually follow and apply this strategy. With most of the donors focusing on ProAgri and other sector programmes, rural development has not received a lot of attention by most donors over the past years. Similar to decentralisation, donor approaches to rural development differ considerably. Some donors have even phased out their rural development activities, while others, such as the Swiss Cooperation, are starting to redouble their efforts in rural development.

4 Austrian Development Cooperation with Mozambique

4.1 History of Austrian Aid Activities in Mozambique

Austrian Development Cooperation³ (ADC) with Mozambique started shortly after independence with several smaller projects in the areas of education and urban development. From the early 1980s on, food aid made up, at least in financial terms, a substantial share of development assistance to Mozambique. Since the mid 1980s, the average volume of Austrian aid rose to an average of more than 3.5 million EURO per year. Flood prevention, the rehabilitation of an abattoir, and the rehabilitation of the Beira corridor railway line were the focus of the Austrian cooperation. In the early 1990s, additional funds were made available for the preparations of the first elections after the end of the civil war. In 1992, Mozambique was selected as a priority country of the Austrian Development Cooperation, a status shared with only seven other least developed countries. This, in conjunction with the peace accord signed between FRELIMO and RENAMO in the same year, paved the way for a more structured and intensive cooperation between Austria and Mozambique.

Preparations for the first country programming exercise started in 1994, around the same time when Sofala province was selected as the geographic focus of ADC. Sofala province was chosen primarily for historical reasons, i.e. the concentration of existing and previous Austrian supported activities in the province, as well as in recognition of the need to directly support one of the poorest and politically marginalised regions of the country. The Coordination Bureau of the Austrian Development Cooperation opened in Beira, in early 1996 the first Austrian country programme for Mozambique (1996-1998) was presented, and in 1997 the liaison office of ADC in Maputo was inaugurated. Yet, the first country programming exercise was basically an attempt to adjust the strategy to the reality of different, mostly unconnected, projects on the ground. The programme thus extended over four sectors: democratization, water, agriculture and small and medium enterprise development. The second country programme from 1999 to 2001 maintained these sectors as well as the geographic focus on Sofala, but tried to streamline activities in the sectors and emphasise direct collaboration with government structures. The overall focus shifted from rehabilitation and securing peace in the first programme to political stabilisation and sustainable development in the second programme.

³ While the term Austrian Development Cooperation may also be used for the sum total of all actors involved in the delivery of Austrian aid, including non-state actors such as NGOs and the private sector, within the context of this report the term will primarily depict the Department for Development Cooperation of the Ministry of Foreign Affairs, i.e. headquarter staff, Coordination Bureaus and consultants.

4.2 The Preparation Process of the 2002-2004 Country Programme

Preparations for the 2002-2004 country programme started in early 2001 in Mozambique with discussions with the key stakeholders to the program, including project partners and the provincial Government of Sofala. While the basic principles of the programme were agreed with the desk officer for Mozambique in Vienna, the main responsibility for the preparation as well as strategic focus and content of the programme were with the Coordination Bureau in Beira. In April and September 2001 two seminars to discuss the overall programme concept and sector strategies were held in and for the Ministry of Foreign Affairs in Vienna. In December 2001 a letter of understanding setting out the basic outline of the country programme was signed with the Mozambican Ministry of Foreign Affairs and Cooperation in Beira, long before the Austrian Ministry fully discussed or formally approved the strategy. Yet, the desk officer in Vienna agreed to this procedure, making an allowance for the slower process in Vienna as well as the decentralized status of the Cooperation Bureau in Beira with regard to country programming.

The programme was then presented to the European Heads of Cooperation in Maputo and the first fully elaborated draft of the programme was discussed in an internal Ministry workshop in Vienna in January 2002. The draft was then sent out to Austrian implementing agencies and other stakeholders for comments. Further discussions and presentations followed in Vienna as well as Mozambique, including discussions at district level and presentations to donors in Beira and Maputo, followed by the final approval from the Austrian Ministry of Foreign Affairs in January 2003. The programming department within the Ministry of Foreign Affairs accompanied the process throughout, but, similar to the country desk, has in fact not contributed substantially to the program, relying on the country specific experience and expertise of the coordinator.

In general, the elaboration process was perceived as fairly participatory, yet, with a clear focus on the process in Mozambique rather than Vienna. This approach, actively pursued by the Coordination Bureau in Beira, reflects the increased level of autonomy of the Coordination Bureau vis-à-vis headquarters as well as the program's focus on the Mozambican development context. While appreciated by the Mozambican partners, some sector and thematic consultants in Vienna felt that they had only limited possibilities to provide inputs to the draft program, given that it had already been agreed on in Mozambique.

Only few of the implementing agencies commented on the various draft programs sent out by the Coordination Bureau, but felt that they had been given the opportunity to do so and agreed with the basic principles and contents anyway. The overall consensus on the country programme also derived from the fact that the Austrian implementing agencies acknowledged the leading role of the Coordination Bureau in the programming process. Most implementing agencies also agreed that the Coordination Bureau had in fact the responsibility to lead the planning process and accepted that their own role was not as influential as in the past, in particular before country programming started in Mozambique.

4.3 The 2002-2004 Country Programme

The current Austrian country programme with Mozambique covers a period of three years (2002 to 2004) and is basically a revised update of the previous two country programmes. Yet, the programme has narrowed its focus to two sectors, decentralisation and rural development, with agriculture, water and SME development being incorporated in the rural development sector. The overall objective of the country programme is “the reduction of absolute poverty and improvement of living conditions of rural families in Sofala province with participation of all stakeholders in a process of sustainable, democratic, economic and socio-cultural development”. In accordance with the government poverty reduction strategy (PARPA), the basic assumption behind the programme is that rapid and broad based growth will contribute to poverty reduction. Activities in the two sectors decentralisation and rural development should promote linkages and forms of cooperation between administration, civil society and private sector at district level, and thus contribute to poverty reduction. Consequently, the target group of the programme is defined in a territorial rather than sectoral context. The 2002-2004 programme still follows a clear project based approach, but attempts to progressively embed activities at the regional and local level. More details regarding the contents of the country programme as well as the activities pursued within the context of the programme are discussed in the following chapters. An overview of country programme is presented in Annex I.

The evaluation team considers the Austrian country programme for Mozambique as a comprehensive and well structured document, which clearly identifies the basic assumptions, rationale, priorities and overall objective for the programme cycle. This perception is shared nearly unanimously by Ministry staff, project partners in Mozambique, and Austrian implementing agencies. The country programme is accepted by the large majority of stakeholders as the overriding framework for bilateral development activities between Austria and Mozambique. The Mozambican government at national, provincial and local level is aware of the programme and its role, but knowledge of the contents varies considerably, mainly depending on the level of interaction with the Austrian Coordination Bureau for Development Cooperation. Project partners on the Mozambican side and Austrian implementing agencies usually have a fairly good understanding of the program’s contents, also evidenced by the frequent references in project documents to the program.

Given the dominant role of the Coordination Bureau in the programming process, the Bureau is fully committed to the programme and uses it effectively as a steering instrument. The programme serves as a point of reference for discussions regarding existing projects as well as in the design process of future projects. It is also used, to some extent, for policy dialogue and helps the Coordination Bureau to position itself vis-à-vis its partners, implementing agencies and other donors, to some extent also protecting the Bureau from funding requests in non-priority areas that do not fit into the overall strategy. It thus helps to create a sort of corporate identity of the Austrian Development Cooperation in Mozambique, hence increasing its visibility and turning Austria into a more predictable development partner. While the overall balance regarding the use and effectiveness of the Austrian country programme is certainly positive, the

programme also faces some challenges and weaknesses, which will be discussed in more detail below.

5 Country Programme Implementation

The following analysis regarding the implementation of the Austrian country programme with Mozambique includes fourteen ongoing projects⁴, out of which five belong to the Rural Development and nine to the Decentralisation sector portfolio, as listed in Table 1 below.

Table 1: Projects included in the Country Programme

<i>Rural Development portfolio</i>	<i>Decentralisation Portfolio</i>
PACDIP (Promotion of Smallholder Production Units)	PADM II (Support Programme for Districts and Municipalities)
APROS (Support Programme to ProAgri in Sofala)	DESSOF (Demining Sofala)
PAARSS II (Programme for Rural Water Supply and Sanitation in Sofala)	Radio Búzi (Community Radio Búzi District)
PROMECC (Promotion of Local Farmer Cooperatives)	Radio Mozambique (Capacity Building for Radio Journalism)
Casa Algarve	GIS (Geographic Information System)
	CIDDI/UCM (Geographic Information for Sustainable Development and Regional Planning)
	PROMISO (Media development in Sofala)
	DEC-IN (Integrated District and Urban Development)
	ORAM (Rural Association for Mutual Support), co-financed project

Level of Intervention

The majority of the projects listed above are small-scale interventions at grassroots level directed towards clearly defined target areas and groups in rural areas of Sofala province. Six projects are stand alone projects and designed to produce specific project outputs over the life time of the project. As sustaining the institutional structure of these projects is not an integral project objective, project structures are likely to dissolve upon completion of project funds.

Three projects, however, combine micro and macro-level interventions entailing a wide range of project operations, including grassroots level as well as macro/policy level activities. Thus, their project goal is not only confined to improving the livelihood of the rural poor, but also to strengthening state capacities for the effective implementation of pro-poor policies on the ground. These projects are closely affiliated with public administration entities, such as district administrations or provincial directorates in Sofala province, and based on the premises of their governmental host institution. This usually

⁴ This also includes projects which were phased out in 2003, e.g. CIDDI/UCM.

ensures close working relationships as well as enhances compliance between project activities and provincial government policies. These linkages are formalised by means of agreements or memoranda of understanding that govern working relationships, inputs, contributions of both parties as well as outputs.

Project Structures

All projects are implemented with the assistance of sub-contracted Austrian based implementing agencies, including profit as well as non-profit institutions. The majority of the projects listed above in Table 1 are directly executed by project management units (PMUs), and are, with the exception of Radio Mozambique, based in Sofala province. Except for two technology intensive projects (i.e. GIS and CIDDI/UCM), project structures are generally fairly lean, as will be discussed in more detail below.

Project Management

Projects are mostly managed by well-qualified and committed Mozambican project managers. Only three projects are overseen by Austrian resident project managers (i.e. PADM II, Radio Mozambique and Radio Búzi). In light of the human resource constraints in Mozambique, the careful and prudent selection of Mozambican project staff has not only contributed to the success of projects in general, but also fostered the acceptance of project objectives by project partners and target groups and reinforced local participation in project activities. All stakeholders consulted perceived the Coordination Bureau's commitment to contract Mozambicans as managers of Austrian funded projects as extremely positive. However, most project managers receive short-term technical assistance from their partner implementing agency in Austria on a regular basis and whenever need arises. Thus, all projects rely to some extent on Austrian (and in some instances, on international) experts and short-term consultants, acting as supervisors, monitors and/or technical assistants providers in order to ensure accountability, regular reporting and documentation of project activities. As will be described in chapter 6, the lean structure of the Coordination Bureau makes the Bureau heavily reliant on efficient supervision and monitoring by implementing agencies, skilled and experienced project management teams on the ground, and functioning working relationships between all parties involved.

Contract Duration

The contract duration of most projects is very limited, mostly not exceeding two to three years. While some projects have been designed for longer terms, the contracts for the respective project phases are rather short by international standards. The average contract duration of ongoing projects is thirty months, which already takes into account extensions granted by the Coordination Bureau. Seven out of fourteen ongoing projects have been granted extensions, with one project having been extended four times (i.e. DESSOF). The current portfolio contains only one new project (i.e. PROMISO), while the rest of the projects are in their second or third phase of implementation.

Table 2: Summary of project features

Project	Macro or Micro-level intervention	Stand alone ⁵ or affiliated to local institution	Location of PMU ⁶	Contract duration (months)	Nr. of extensions granted	Phase of project	Project managed by
PACDIP	Micro-level	Stand alone	Sofala	30	1	2 nd	Moz. PM ⁷
APROS	Macro-level	Affiliated	Sofala	25	-	2 nd	Moz. PM
PAARSS II	Macro-level	Affiliated	Sofala	36	-	2 nd	Moz. PM
PROMECC	Micro-level	stand alone	Sofala	20	1	2 nd	Moz. PM
Casa Algarve	Micro-level	stand alone	Sofala	12	-	2 nd	Moz. PM
PADM II	Macro-level	affiliated	Sofala	24	-	2 nd	Int. PM⁸
DESSOF	Micro-level	stand alone	Sofala	50	4	2 nd	Moz. PM
Radio Búzi	Micro-level	affiliated	Sofala	36	1	2 nd	Int. PM
Radio Mozambique	Micro-level	affiliated	Maputo	37	1	2 nd	Int. PM
GIS	Micro-level	affiliated	Sofala	36	-	1 st	Moz. PM
CIDDI/UCM	Micro-level	affiliated	Sofala	58	2	1 st	Moz. PM
PROMISO	Micro-level	stand alone	Sofala	24	-	1st (new)	Moz. PM
DEC-IN	Micro-level	stand alone	Sofala	21	-	2 nd	Moz. PM
ORAM	micro level	affiliated	Sofala	24	1	2 ^{nd t}	Moz. PM
Overall balance	11 micro-level 3 macro-level interventions	8 affiliated & 6 stand alone projects	13 Sofala & 1 Maputo based project(s)	30 months average contract duration	7 projects extensions 11 extensions in total	Only 1 new project	3 international Project Managers

⁵ Stand alone projects have working relationships with local counterpart institutions, but are not institutionally embedded in those.

⁶ PMU = Project Management Unit

⁷ Moz. PM = Mozambican project manager

⁸ Int. PM = International project manager

5.1 Allocation of Funds

5.1.1 Analysis of Disbursements for the Period 2001 - 2003

Table 3: Annual disbursement figures 2001 - 2003

Sector	2001	2002	2003
Rural Development	1.122.943,00	1.224.918,00	1.205.519,00
Decentralisation	695.842,00	1.053.338,00	1.279.606,00
Total disbursements	EURO 1.818.785,00	EURO 2.278.256,00	EURO 2.485.125,00

Disbursements have increased from EUR 1.8 million in 2001 to EUR 2.5 million in 2003, a 25 % increase from 2001 to 2002 and a 9 % increase from 2002 to 2003. Disbursements for both sectors have been fairly evenly balanced between 2001 and 2003, even though the decentralisation sector budget received slightly more over the three years period. Outlays on projects in the area of decentralisation received a budget share of 38 % in 2001, 46 % in 2002, and 51 % in 2003, while rural development projects received 62 %, 54 % and 49 % respectively. Although the funding level for Mozambique has been increasing over the past years, Austria's development budget is still extremely small as compared to the budget volumes of other bilateral donors. In spite of the fact that Mozambique is one of the eight priority countries of ADC, Austria continues to remain the smallest bilateral donor in Mozambique (see Country Programme 2001-2003).

Chart 2: Disbursements from 2001 to 2003 for Rural Development in %

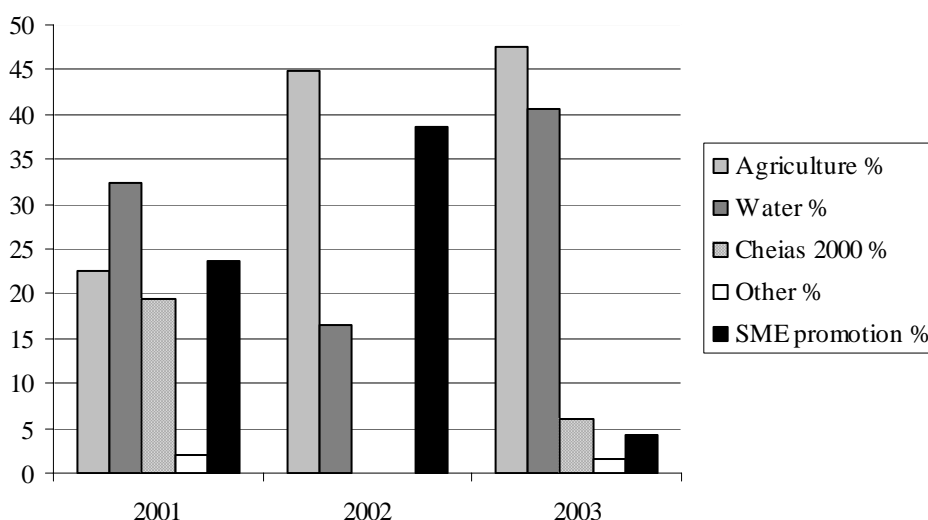


Chart 1 illustrates the disbursement volumes for different intervention areas within the rural development sector from 2001 to 2003. Funds were mostly directed towards agriculture, water and sanitation, emergency, and SME promotion activities. Interventions in the area of agriculture and water and sanitation received the largest share of funds. Emergency assistance activities were extraordinary interventions in order to mitigate the disastrous effects of the 2000 floods in areas targeted by Austrian funded projects.

Chart 1: Disbursements from 2001-2003 for Decentralisation in %

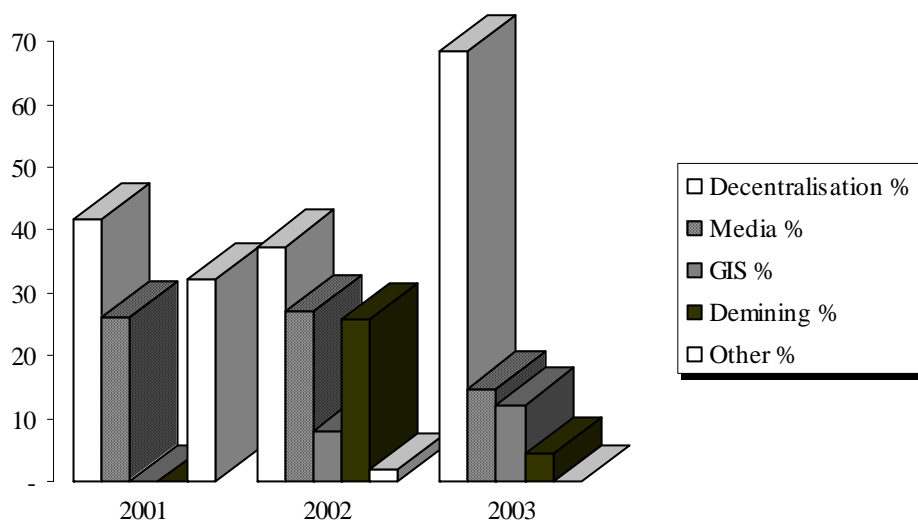


Chart 2 demonstrates disbursements for different activity areas within the decentralisation sector from 2001 to 2003. Funds were directed towards district and municipal development activities, media development, geographic information system development, demining, and a seminar on peace building⁹ (see category 'other'). District and municipal development interventions received the largest share throughout the three years period, followed by media development and demining activities. In 2003, district and municipal development received 68 % of the funding available within the decentralisation portfolio, primarily owing to the start of a large district and municipal development project (PADM II).

⁹ Organised by the Austrian Study Center for Peace and Conflict Resolution.

5.1.2 Budget Analysis of Ongoing Projects

Chart 3: Budget analysis of ongoing projects

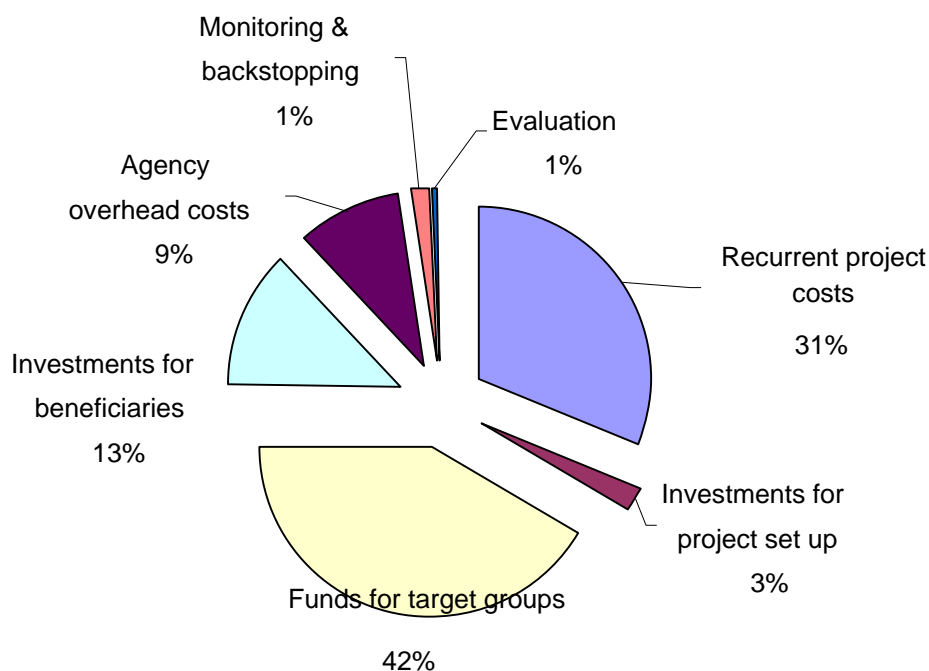


Chart 3 illustrates current spending patterns of ongoing Austrian funded projects¹⁰. Variations between sectors were found to be moderate in most budget categories. With an average of 9%, implementing agency overhead costs were found to be moderate. Monitoring and backstopping activities absorb around 1% of project funds, an exceptionally low level by international standards.¹¹ The average amount for the budget item evaluation is minimal across all projects. The analysis of project budgets also revealed that eight out of fourteen projects have no budget provision for evaluations. Spending on capital investments for project set up, including project vehicles, is very low, coming

¹⁰ As mentioned earlier, there are 14 ongoing projects included in the analysis.

¹¹ For some projects, monitoring and backstopping costs of implementing agencies are also included in project overhead costs (as part of the PBAs – “Projektbearbeitungskosten”). However, given that there is no uniform budget format, with monitoring and backstopping costs sometimes specifically mentioned and sometimes not, the evaluation team only included those monitoring and backstopping costs in this budget category that are specifically specified as such.

to an average of less than 3 % of overall project budgets. Low spending on this budget item can partly be explained by the fact that most projects have already invested in their project infrastructure in previous implementation phases. Yet, even when investments of previous phases would be included, the investment costs for project set ups would still be very low by international standards.

An average of 42% of overall project funds is used for target group activities. This budget category includes funds for a wide range of areas, including capacity-building, training, consultancies, and micro-project funds, i.e. activities aiming at directly or indirectly effectuating benefits for project beneficiaries. An average of 31 % of funds is spent on recurrent project costs. This budget item includes remunerations for project managers and project staff as well as other recurrent project costs. Only about half of all projects provide for capital investments for target groups, including rural infrastructure development. Thus, average spending on capital investments that directly benefit target groups only comes to 13% of the total project budget available.

5.2 Sector Profiles

5.2.1 Sector Profile Decentralisation

The overall objective of Austria's decentralisation programme in Mozambique is the promotion of democratic development at district and municipal level through fostering participation of state actors and citizens in the formulation and implementation process of local development plans. Austria's decentralisation policy is based on the assumption that democratic decentralisation derives from continuous interaction between state actors and citizens in negotiating local level development issues for the formulation of policies, which ultimately respond to people's preferences and needs. This is the most commonly accepted donor approach to decentralisation, yet only one of many entry points to address the multitude of salient issues involved in relation to decentralisation in the Mozambican context. Decentralisation is a multi-sectoral intervention area: it includes a magnitude of tasks, serves multiple purposes, and captures a variety of issues, ranging from poverty reduction, basic service delivery, fiscal decentralisation, capacity-building, devolution of power, to the promotion of public-private partnerships..

The existing regulatory framework governing decentralisation provides for different approaches for donors, but does not necessarily ease the choice of which avenue to take in tackling the multitude of possible intervention areas. Austria's engagement in local development planning through reinforcing state-citizen interaction is therefore not only extremely complex, but also a challenging task, which invariably involves the risk of producing outcomes that lack sustainability, given often non-existing back-up and support from social and government structures. In the particular context of decentralisation in Mozambique, the choice is between strengthening state structures, supporting decentralised institutions for the promotion of self-governance at local level or a mix of both approaches. There are also differing views amongst donors on the necessary degree and extent of harmonising decentralisation approaches. Some donors stress that

there must be continued diversity though maintaining different approaches in order to broaden and deepen interventions, while others emphasize the need for more harmonisation. Even some government representatives favour a variety of approaches, in turn reflecting the lacking consensus on decentralisation policies at central government level. At present, there is no uniform donor approach and donors and government have no agreement on how to harmonise decentralisation interventions in the future.

Austria's decentralisation portfolio currently encompasses nine projects, yet only two projects involve conventional district and municipal development activities. PADM Phase II, launched in July 2003 and absorbing 68% of the 2003 decentralisation budget in 2003, is the flagship of Austria's support to decentralisation in Mozambique. Being in its infancy, not much can be said about its likely success on the ground at this point in time. PADM II takes an integrated approach, combining support to community participation, strengthening the capacity of local state structures, and financing infrastructure investments for rural poor. Unlike other donor activities, e.g. activities of the Swiss Development Cooperation, PADM II does not differentiate between municipalities and districts. Geographic information system projects feature prominently in the current decentralisation programme. In 2003, more than 12% of decentralisation funds were spent on geographic information system projects.

5.2.2 Rural Development

As pointed out earlier, rural development in Mozambique is characterised by a particular institutional set up at central government level, which shapes the governmental policy debate on rural development. Donors' views vary as to how to tackle rural development issues in Mozambique. Similarly to decentralisation, Mozambique's rural development agenda offers many options for donor interventions. Austria's rural development approach in Mozambique incorporates a variety of intervention areas, including water and sanitation, small and medium enterprise development and agriculture. The focus of Austrian rural development interventions is on district development rather than on the sector itself.

The rural development sector programme as well as the activities on the ground are fully in line with the rural development policy recently issued by ADC headquarters. The policy paper offers a broad range of strategic options, but stresses that rural development activities should be defined according to national strategies. The evaluation team is of the opinion that Austria's approach is in line with the policies and strategies of the Mozambican government, in particular the PARPA, ProAgri and the recent Rural Development Strategy by the Ministry of Agriculture and Rural Development. Yet, as discussed above, these policies are rather broadly defined and leave a lot of room for interpretation. The Austrian rural development programme, however, does not include social service interventions, such as primary health care and education. It mentions decentralisation as an instrument as well as a prerequisite for rural development. Rural development is presented as the overriding policy, informing other service delivery sectors including decentralisation.

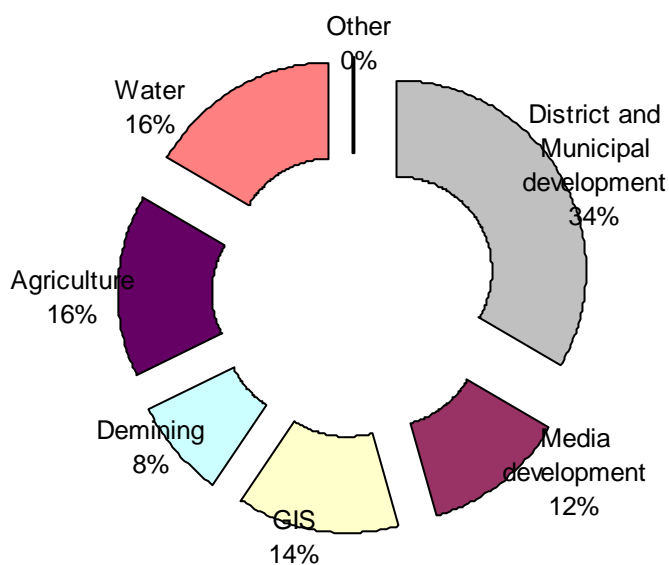
The current rural development portfolio entails five projects, three of which aim at supporting agricultural development in its broadest sense and one water and sanitation networks. Over the past years, the focus of agricultural interventions has shifted from increasing the productivity of rural farmers to promoting commercialization of surplus production. Only three of the ongoing rural development projects (PAARS II, PROMEC and APROS) will probably receive funding beyond 2004. The Coordination Bureau is currently in the design phase for a larger rural development project, which will include some elements of ongoing projects.

5.3 Multi-Sectoral Approach vs. Concentration of Sectors

The current country programme emerged from a traditional project based approach, inherited from previous country programmes. The Coordination Bureau has increased its efforts to streamline sectors as well as individual aid interventions. As described, the current programme consists of only two sectors, whereas the previous programmes comprised four sectors. However, the current sectors include various sub-sectors and/or intervention areas: The rural development sector comprises three sub-sectors, agricultural, water and sanitation, and SME promotion, while decentralisation sector portfolio consists of four different intervention areas: geographic information system, demining, media development, and district and municipal development. Thus, in total, the Mozambican country programme incorporates seven different intervention areas.

All intervention areas of previous programmes have basically been taken over by the 2002-2004 country programme. A number of actors inside as well as outside ADC feel that the reduction from four to two sectors was merely a window dressing effort. For example, the water and sanitation sector is now listed as a rural development intervention area. Yet, there is a valid ADC water sector policy in place. This has led to some uncertainty among various actors regarding the role of the rural development strategy of the Coordination Bureau vis-à-vis the water sector policy and vice versa.

Chart 4: Allocation of funds to ongoing projects according to intervention areas



The chart above (Chart 4) shows the allocation of funds to ongoing projects, which does not include projects that have been phased out in recent years, such as SME development activities. The chart clearly demonstrates that funds are still allocated across a wide range of activities. Media development, geographic information systems, agriculture, and water and sanitation receive between 12% and 16% of the overall budget. Only district and municipal development features more prominently, claiming 34% of the budget for ongoing projects.

The geographic information systems projects also serve and match with rural development objectives, and could probably be integrated into the rural development sector as well. While the evaluation team does not suggest to do so, it illustrates some salient issues concerning the overall country programme: On the one hand, it exemplifies the links between development activities that almost invariably exist between projects operating in the same geographic region, on the other hand it demonstrates Austria's multi-project approach without a very clear operational focus.

Yet, as mentioned above, credit should be given to the Coordination Bureau for its recent efforts to streamline and concentrate some of its activities. As will be discussed in more detail further below, complementarities and synergies between projects have clearly be strengthened in recent years. Equally important, Austrian development activities are now focussed on specific districts and municipalities, rather than sectors or projects, which helped to clarify the overall objective of the country programme.

However, the evaluation team believes that activities are spread across too many areas and sectors, particularly in view of extremely low budget volume as well as the capacity constraints, described in detail below, both at headquarters as well as at the Coordination Bureau. There is need to further concentrate and harmonise interventions within sectors and to focus on a few complementary intervention areas. From the evaluators' point of view, the average annual disbursement of EUR 2.2 million (cover-

ing the period 2001/2003) does not justify an engagement in seven intervention areas. Even with a substantial increment in Austria's bilateral development budget for Mozambique, as provisioned for the coming years, an engagement in more than three to four intervention areas would not seem recommendable.

Further concentration also seems important with regard to continuity and reliability of ADC in Mozambique. If activities are concentrated in fewer intervention areas, these areas would necessarily gain in weight and receive more continuous attention from the Coordination Bureau. Further concentration would also strengthen the thematic capabilities and capacities of the Coordination Bureau as well as the Austrian implementing agencies operating in Mozambique.

Recommendations to the Coordination Bureau

- Reduce of the number of intervention areas from seven to three to four, thus also clarifying the operational focus of the Coordination Bureau.

5.4 Budget Support and SWAp Compatibility

Budget support and sector wide approaches are at the heart of the international aid effectiveness debate, thereby increasingly dominating the donor-government dialogue. As for Mozambique, the pattern of aid flows has in fact changed rapidly over the past years, with a marked shift from project support to sector support and further to general budget support. Most donors as well as the Mozambican government have come to the conclusion that free-floating projects had little impact on the ground and prohibited government to take the drivers seat. Project-based support is also perceived as having had little impact on policies and constrained coordination between sector stakeholders. Annex 3 gives a brief summary on the current budget support and SWAp discussions and activities in Mozambique.

As for Austrian funded projects, PAARSS II, PADM II and APROS support provincial level activities. However, even these projects are set up as parallel structures and thus continue to remain outside the government's operations as well as budget envelope. At the district and municipality level, some Austrian projects support the elaboration of participatory local development plans and provide financial resources to fund the prioritised activities. Yet, this approach can not be classified as budget support to sub-national levels, as the funds are not directly disbursed into the accounts of the districts and municipalities.

Austria's support to ProAgri through APROS (see Annex IV) at provincial level in Sofala is seen as a first attempt to participate in a national programme. Support to APROS throughout 2004 is considered a transition phase during which the provincial government and the Austrian Development Cooperation will assess and agree upon future support modalities for ProAgri. The Coordination Bureau already signalled its willingness to possibly extend budget support to ProAgri starting from 2005 through ear-

marked budget support. It also expressed the intention of possibly supporting the forthcoming water SWAp once in place.

However, the Coordination Bureau is aware of increasing demands made on headquarters as well as Coordination Bureau staff members, which go along with an active participation in budget support activities. The implications are far-reaching and additional tasks would include monitoring, joint assessments, and active participation in donor working and coordination groups. Given the current staffing level and institutional set up of the Coordination Bureau in Mozambique, it will be impossible to perform all these additional tasks. Even within the Austrian Development Cooperation there is no consensus about the extent to which Austria should participate in pooling resources. While earmarked budget support seems to remain the preferred option amongst most officials consulted, headquarters basically has to make a strategic decisions on how to proceed with respect to budget support and support their in-country offices accordingly. Yet, given Austria's current small share of aid to Mozambique, the question remains whether ADC should engage in central-level budget support, when the potential contribution would be nearly negligible. In conclusions, the evaluation team feels that the current approach of the Coordination Bureau, with financial support to districts and municipalities and capacity building at provincial level to prepare for budget support, is well adjusted to the available funding level. Yet, there is still room for improvement in this respect (also see chapter on donor coordination and policy dialogue):

Recommendations to ADC headquarters

- Clarify ADC's position on budget support and SWAp.
- Build up headquarters capacities to support in-country offices in dealing with budget support and SWAp.

Recommendations to the Coordination Bureau

- Strengthen efforts to allow for more direct budget support to districts and municipalities.
- Strengthen alignments to SWAp.
- Continue to build up capacities to engage in a coordinated form of direct budget support to the provincial government.
- Explore possibilities more intensively to contribute to central-level budget support.

5.5 Cross-cutting themes

The Coordination Bureau commissioned a **gender** scoping study in 1997 (Tolt 1997). Other than the 1997 study, little follow-up and no other substantial activity in relation to gender mainstreaming has taken place at programme level since then. Some projects have included gender aspects in their backstopping activities on a more or less regular basis. Gender screening, conducted by two external consultants in Vienna, has become an integral element of the project formulation process and a prerequisite for pro-

ject approval at headquarters. The follow up process, however, remains weak, not only because there is no effective focal point at the Coordination Bureau taking care of monitoring implementation, but also because there is no working relationship on policy related matters between the Coordination Bureau and the gender advisor at headquarters.

Yet, there is no doubt that socio-cultural constraints including gender relationships strongly impact on the outcome of Austrian projects, which has also been confirmed by focus group discussions carried out by the evaluation team. Although most project managers are male, they are aware of these constraint and other gender related issues. Yet, none of them has been specifically trained in dealing with gender related challenges, at least not by ADC. Most projects do consider gender issues at operational level and usually monitor the participation of women in different activities. Some projects, such as PADM or PROMEC, also encourage the selection of target group activities that have a high impact on women. PACDIB has accomplished that women account for 40% of all of their group members, even though up to 90% of households in target districts are male-headed. Yet, a PACDIB report also mentions that, at district level, substantial change regarding gender equality has neither taken place on the side of the target group nor on the government counterpart side (PACDIB 2002). In general, the evaluation team gained the impression that gender issues are not considered as a priority by the Coordination Bureau. Also, project managers expressed that their projects have only to a limited extent been successful in addressing gender issues.¹²

With regard to **environmental issues**, projects also have to undergo an environmental screenings prior to the submission of project proposals. However, limited follow-up is being conducted. The advisor for environment visited the Coordination Bureau once. Yet, communication on policy related matters between the Coordination Bureau and the environmental advisor at headquarters appear to be limited. Projects do, however, consider environmental issues at the operational level. For example, two projects have carried out awareness raising and civic education with respect to slash and burn practices. Another project has successfully promoted the adoption of conservation agriculture, an initiative that has even been taken up by the agricultural directorate of the provincial government of Sofala.

Culture does not feature as a cross-cutting element in the country programme. However, activities on the ground seem to be well adapted to their respective socio-cultural environment. There are two projects that specifically incorporate culture related issues in their approach, both of them in the media intervention area: Radio Buzi, which transmits in local languages and informs about local cultural events, and PROMISO, which will support culture related activities, such as individual artists, music groups, and cultural groups. Some projects have used theatre groups for awareness raising, in particular during flood relief activities. Yet, there is no budget line for supporting cultural activities outside projects. The Coordination Bureau has still managed to support a

¹² Radio Mozambique, another project funded by ADC, has a very strong focus on gender aspects and has reportedly had good results in this respect. However, Radio Mozambique has not been selected as one of the projects to be assessed in more depth by the evaluation team.

series of small-scale cultural events, which can only be ascribed to the coordinator's strong own initiative in this respect¹³.

Because of the economic and social implications for Mozambique deriving from an HIV/Aids prevalence rate of 13.8 % (World Bank 2003), **HIV/Aids** receives increasing attention from donors, civil society and government likewise. The Austrian country programme does not specifically refer to HIV/Aids as far as activities or objectives are concerned. There was no HIV/Aids related activity carried out other than the participation of one of the national consultants for rural development at an international HIV/Aids conference in October 2003, which was co-funded by ADC. However, HIV/Aids issues are included in the project design of PROMISO, the new media project. Unlike other bilateral donors, ADC has no specific policies or relief funds which would provide guidance on how to assist in mitigating the far-reaching implications of HIV or meeting the costs of treatment for HIV affected project staff and Coordination Bureau members.

While **poverty reduction** does not feature as a cross-cutting theme, it is an overall guiding principle of ADC. The evaluation team is of the opinion that the Austrian country programme with Mozambique has a strong focus on poverty reduction, in particular at operational level. As will be discussed in chapter 7.3, most activities supported by ADC in Mozambique have a strong and direct impact on poverty reduction. However, the poverty advisor at headquarters does not know the country programme or the projects in detail. While he has a sense that the Coordination Bureau is highly aware of poverty related issues and that there is strong focus on poverty reduction, the deficient level of communication and collaboration between these two actors limits the usefulness of the poverty related experiences made by ADC in Mozambique for ADC activities outside Mozambique.

Recommendations to ADC headquarters

- Establish clear and binding policies as well as effective systems that ensure a minimum level of communication and collaboration between thematic advisors and in-country offices.
- Strengthen efforts to support in-country offices on issues related to cross-cutting themes, including follow ups on the gender and environmental screens.
- Establish a budget line for in-country offices for cultural microprojects.
- Establish policies and provide guidance to in-country offices concerning HIV/Aids related issues and provide for funds for meeting the costs of treatment for HIV affected project staff and Coordination Bureau members.

Recommendations to the Coordination Bureau

¹³ For instance, the Coordination Bureau, in agreement with the country desk officer, decided to co-fund the publication of a booklet produced by a former prominent Austrian NGO representative who worked extensively in Mozambique, with the Swiss Development Cooperation providing the main funding.

- Strengthen working relation relationships to thematic advisors from headquarters.
- Conduct gender training for Coordination Bureau staff as well as project managers and project staff.
- Conduct HIV/Aids awareness raising training for all project managers and staff and ensure that the topic receives more attention in project implementation.
- Establish simple, useful, and easily verifiable targets for gender issues, and where feasible for environmental issues, at project as well as programme level.

5.6 The Country Programme as a Monitoring and Evaluation Tool

Monitoring and Evaluation (M&E) are the basis for any informed management decision. While the evaluation department has increased its efforts to systematically evaluate ADC activities and recently introduced the principle “no intervention without evaluation”, M&E systems and practices are still considered to be an overall weakness of ADC, which has also been substantiated by various evaluations (Gloor and Heiningner 2003; Andrade, Gomes and Couto 2000, Mandorff, Rhyne, and Reiter 2000).

With regard to monitoring, the only information on the status of projects can be obtained from the reports of implementing agencies and occasional backstopping reports. However, these documents do not follow a standardised reporting format and their quality differs considerably. The reports usually do not offer any reliable or measurable indicators for rating the achievement of the development objectives and generally comment on outputs rather than the impact of the outcomes. At project level, monitoring is basically left to project managers and partners. For some projects, back stoppers are also used for monitoring purposes, even though most actors, including the Coordination Bureau, feel that the frequency of visits by back stoppers does not allow for effective and systematic monitoring.

Yet, the Coordination Bureau feels that project monitoring does not pose a problem, given the closeness of the Bureau to the projects and its regular contacts to project partners and district administrators. The Coordination Bureau has, at least of the rural development sector, developed an elaborate yearly plan outlining the activities to be performed by the sector consultants and the coordinator, including monitoring visits and the elaboration of projects progress reports.

With regard to evaluation, only three projects were subjected to evaluations over the past couple of years (microfinance activities, Radio Mozambique, and the demining programme in Sofala). As already mentioned above, only six out of fourteen projects have made budget provisions for routine or final evaluations. As for PADM I and PAARSS I, for instance, two of the largest Austrian funded projects not only in terms of outreach, but also in terms of financial support (approximately EUR 1 million and EUR 1.3 million respectively), no evaluations were carried out before they entered into their second phase of implementation. The flood relief programme, which consumed more than EUR. 1 million in additional funds, has also not been evaluated.

At programme level, the country programme document lists activities and results for both sectors, but does not specify indicators or targets. Measuring indicators at programme level is certainly more difficult than at project level, in particular in the absence of a base line. The evaluation team agrees with the Coordination Bureau that monitoring and programme level would require additional human resource capacities for the Coordination Bureau as well as technical input to start up such a system.

The evaluators believe that the main challenge with regard to M&E is the lack of a structured and systematic system for planning, monitoring and evaluation of projects. As put forward by Gloor and Heininger (2003), this raises questions regarding the reliability of internal and external assessment mechanisms for managing the efficiency and effectiveness of projects. While the knowledge and experience within ADC is immense, it remains largely inaccessible. A number of actors within ADC expressed their frustration that their level of information regarding experiences in Mozambique is very limited. Also, within ADC, upward as well as downward accountability is clearly deficient. These two issues could, at least to some extent, be tackled with the introduction of an effective M&E system. A monitoring and evaluation system will also enhance project and programme management and thereby increase effectiveness, as well as serve as a basis of continued learning.

Recommendations to ADC headquarters

- Introduce an effective agency-wide monitoring and evaluation system.
- Introduce a standardised project reporting format including standardised performance indicators.
- Establish systems that ensure that project designs include an end-of-project evaluation and that all projects are subjected to an evaluation when phased out or extended.
- Ensure that project designs allow for sufficient backstopping and monitoring visits by implementing agencies.

Recommendations to the Coordination Bureau

- Encourage implementing agencies to follow a standardised reporting format.
- Ensure that all projects are evaluated when phased out or extended.
- Establish a small set of simple, measurable, useful, prioritised and easily verifiable programme-specific performance indicators and targets for the next country programme cycle.
- Commission a base line study to facilitate monitoring of country programme performance.

6 Systemic and Management Issues

International research has indicated that systematic and management issues, defined as issues concerning to relations between the country programme and the different actors involved in the design and implementation of the country programme, in particular donor headquarters, have a significant bearing upon the performance of country programmes (*Conway and Maxwell 1999a*). With respect to the Austrian country programme with Mozambique, there is widespread agreement that systemic and management issues are indeed key to the performance of the programme. In fact, the majority of stakeholders interviewed agreed that these issues, in particular the deficient definition of roles and responsibilities of the actors involved, are the most critical and also weakest aspect of the Austrian country programme with Mozambique. This confirms the findings of previous evaluations of projects and sectors of the Austrian Development Cooperation in Mozambique (*Gloor and Heiningner 2003; Andrade, Gomes and Couto 2000, and Manndorff, Rhyne, and Reiter 2000*) as well as outside Mozambique (*Wehrle, Christen and Casella 2003*), which have identified deficient institutional set-ups and unclear roles and responsibilities as detrimental to the success of ADC.

The actors involved in the design and implementation of the Austrian country programme with Mozambique include the Coordination Bureau in Mozambique, staffed with the coordinator, two part-time sector consultants, an administrator and a secretary, plus the headquarter of the Department for Development Cooperation in the Ministry of Foreign Affairs in Vienna, with the country desk officer for Mozambique, sector and thematic consultants and other headquarter staff, as well as Austrian implementing agencies and project partners in Mozambique. This institutional set-up is basically the same for all ADC priority countries, with only the staffing level of the Coordination Bureaus differing from country to country.

While the roles and responsibilities of the implementing agencies and project partners are usually rather straightforward and clear, this can not be maintained for the different actors of ADC, i.e. its in-country offices and headquarters. Although some very basic job descriptions for some of these actors exist, until today, no formal organizational structure has been established that lays down the specific roles and responsibilities of the different actors and the relationships between these actors. The new entity ADA, which will be established in early 2004, will take over most of the current key functions of ADC, including the Coordination Bureaus and the Vienna-based desk officers and sector/thematic consultants. Only some policy and programmatic positions will remain in the Ministry of Foreign Affairs. Thus, the analysis of the current organisational structure as well as the conclusions drawn will probably also be relevant and applicable for the organisational new set-up.

6.1 The Coordination Bureau in Mozambique

The Coordination Bureau of the Austrian Development Cooperation, opened in 1995 in Beira, with the liaison office in Maputo inaugurated in 1997, is by far the most important player concerning the design and implementation of the current Austrian country programme with Mozambique. The coordinator, who has worked for ADC in Mozambique for a number of years, first as sector consultant and since three years as coordinator, also acts as decentralisation sector consultant. The Mozambican sector consultants only hold a 25% position each and are jointly responsible for the rural development sector. The administrator has a primarily administrative role and contributes substantially to the functioning of the Bureau. The liaison office in Maputo is staffed with only one secretary, charged with organising the coordinator's visits to Maputo and maintaining administrative contact to donors and the national government in the capital.

The key responsibility of two national sector consultants is to accompany and monitor projects of the rural development sector as well as to organize thematic workshops and other events that fall under the sector. An elaborate annual plan has been designed for the rural development sector, outlining the activities to be performed by the sector consultants and the coordinator respectively, including monitoring visits, the elaboration of projects budgets and progress reports, and the preparation of thematic workshops. While most projects have been fairly content with the support from the sector consultants, some have questioned their technical expertise, with neither of them having an academic background in agronomy. The sector consultants have basically no direct links to Vienna – neither to the country desk, nor to the rural development sector consultant – since communication with headquarter staff always takes place via the coordinator. With the rural development sector consultants working in total only 50% for ADC, the Coordination Bureau is generally perceived as understaffed. A number of stakeholders feel that with the current staffing level as well as the rather poor infrastructure of the Coordination Bureau, the Bureau can not fully live up to the high expectations it has created over the past years.

Some discussions have taken place within ADC with respect to recruiting Austrian nationals as sector consultants. Contracting Mozambicans certainly contributes to building the capacity of national experts. Yet, the evaluation team agrees with the coordinator that bringing in one or two Austrians with international experience would strengthen the capacity of the Coordination Bureau and give more voice to an Austrian position, which will become even more relevant when Austria starts to engage with own funds in budget support. In addition, adding more Austrian experts would enhance the level of discussion and teamwork within the Coordination Bureau. Austrian consultants would probably also increase the level of communication between the Bureau and headquarters, as Austrian sector consultants usually have closer ties and contacts to Vienna. Moreover, it would help to strengthen the institutional memory of Austrian aid in Mozambique as well in general. While Austrian experts would be more expensive than national staff, the evaluation team is of the opinion that the overall benefits would outweigh the total costs.

With only two part time technical staff, the Coordination Bureau is basically a one man show, placing a high burden on the capacity of the coordinator. His responsibilities include operational tasks with respect to programme implementation in Sofala province, such as accompanying and monitoring projects, as well as coordination tasks, above all engaging in policy dialogue with the provincial government and other stakeholders in Sofala. In addition, the coordinator frequently travels to Maputo to participate in donor coordination meetings and other events related to policy discussions, and to meet representatives of the national government and other important stakeholders. Updating the country programme as well as the design of new projects, two very work intensive tasks, also fall primarily under the coordinator's responsibility.

Project managers were fairly content with the overall level of support coming from the Coordination Bureau, i.e. the coordinator plus the sector consultants. However, project managers rated the level and quality of support provided by implementing agencies significantly higher than the support from the Coordination Bureau. Conversely, project managers scored the autonomy granted by implementing agencies as higher than the autonomy from the Coordination Bureau. This does not come as a surprise, as the coordinator generally follows a rather hands on approach with respect to programme implementation at project level. There is substantial indication that the coordinator sometimes gets involved in project management. Even in the rural development sector the coordinator has taken project related decisions by himself, sometimes communicating directly with project staff and bypassing the sector consultants, which has, in some instances, led to confusions and uncertainties on all sides. The high level of involvement of the Coordination Bureau in project management issues also leads to a situation where project managers, in case of more challenging decisions, ask their Austrian implementing agencies for advice or approval, who then often turn to the Coordination Bureau, rather than deciding on their own.

The intentions of the coordinator when intervening at project management level appear to be genuine, striving to improve the performance of the projects and the programme in general. Yet, these interventions may come at the expense of decreased ownership and satisfaction at project management level as well as lead to an overstretched workload of the coordinator. In addition, projects should be granted the possibility to make mistakes, which can potentially contribute to increased capacity and sustainability in the long run. However, most actors felt that, over the past years, the coordinator has increasingly refrained from intervening at project level, in particular where he felt that the project was on track.

Coordination Bureaus of the Austrian Development Cooperation usually function as decentralised entities of ADC at country level. The country desk officer acts as the direct counterpart of the coordinator according to the tandem principle, the most important link between the Coordination Bureaus and headquarters. Other actors at headquarter level, such as sector and thematic consultants, should maintain working relationships with Coordination Bureaus at a more or less continuous basis. Yet, the actual level of support and involvement of headquarter staff differs from Coordination Bureau to Coordination Bureau and is highly dependent on the personal relationship between the actors involved. In the case of Mozambique, the tandem is functional, but the desk officer has, over the past years, increasingly delegated the decision making authority to

the coordinator. As will be discussed below, the level of technical support by headquarter staff is minimal, with only one sector consultant coming to Mozambique on a regular basis.

While the Coordination Bureau acts as a fairly autonomous body, the level of autonomy and decentralisation of the Bureau in Mozambique has in fact never been clearly defined, and neither have the exact roles and responsibilities of the coordinator vis-à-vis headquarters been specified. Indeed, a great number of actors in Mozambique, including Coordination Bureau staff, perceive the status of the Coordination Bureau as well as the role and responsibility of the coordinator as highly ambiguous. Not only does this situation leave the Coordination Bureau and specifically the coordinator in a very exposed position, it also gives the coordinator a lot of room to interpret his responsibilities according to his needs and preferences. In fact, most actors relevant to the implementation of the country programme feel that the decision making power of the coordinator regarding programme and project issues is basically unlimited.

In conclusion, the Coordination Bureau in Mozambique operates fairly exposed and isolated, without sufficient human resources and adequate infrastructure, and with little support and supervision from headquarters.¹⁴ It is primarily the remarkable level of commitment and dedication of the coordinator that ensures the successful implementation of the Austrian country programme with Mozambique. Yet, this makes the performance of the country programme dependent on the capacities and qualities of principally one person. The dependency of the entire country programme on basically one person, i.e. the coordinator, means that the replacement of the coordinator could lead to a substantial change in focus and strategy of the country programme, as well as impact significantly on the level of performance of the overall Austrian cooperation with Mozambique. This, in turn, makes Austria a less predictable and reliable partner for the Mozambican government as well as other development partners.¹⁵

6.2 Headquarters in Vienna

6.2.1 Country Desk for Mozambique

According to the tandem principle, the country desk officer is the direct counterpart of the coordinator in the Ministry of Foreign Affairs in Vienna. In the case of Mozambique, the country desk in Vienna had a more significant role in the previous country programming cycles, providing substantial technical input during the design phase and more or less continuous backstopping during implementation. For the design as well as

¹⁴ These limitations are probably also responsible for the fact that only one entirely new project (PRO-MISO) has been designed during the current programming cycle.

¹⁵ In fact, the replacement of coordinators in other one-person Coordination Bureaus of ADC have in some cases lead to considerable changes in focus and overall approach of the respective country programmes, indicating that lean structures have a direct impact on the performance as well as programmatic robustness of ADC country strategies.

implementation of the 2002-2004 country program, the primary responsibility has shifted to the Coordination Bureau in Mozambique. The country desk has retained his overriding authority and also exercised this right on a few occasions, but has in fact delegated most of the decision making authority to the Coordination Bureau. Yet, the desk officer has continued to visit Mozambique once a year for support and monitoring purposes.

The progressive delegation of authority to the Coordination Bureau is partly due to the increased level of confidence the desk officer has in the country specific experience and expertise of the coordinator, and partly due to the high workload of the desk officer himself. Thus, the desk officer currently acts primarily as gatekeeper for the coordinator and representative of the Mozambican country programme in Vienna, assuming a mainly administrative role with regard to budgetary issues. In some instances the desk officer has also ensured that programmatic and political considerations and innovations are taken into account in the country program. However, various actors, including some implementing agencies, are of the opinion that the desk officer should in fact take on a more active role in programme management, also to counterbalance the high level of decision making power of the coordinator.

6.2.2 Sector and Consultants Thematic Advisors

Sector and consultants thematic advisors based in Vienna assume a technical back-stopping role, i.e. preparing the overall policy of their respective sector and/or theme, endorsing country sector programmes, and providing technical support where needed. Sector and consultants thematic advisors should participate in the international sector/thematic discussion and coordination, disseminate sector information to the relevant actors, in particular to country sector consultants, and respond to enquiries from in-country offices. Most of the Vienna based sector and consultants thematic advisors are outsourced and thus no permanent employees of the Ministry. They primarily function as service providers and have no real authority to intervene at project level, as the overall responsibility for programmes and projects lies with the Coordination Bureaus and desk officers.

Yet, the actual roles and responsibilities of the sector and consultants thematic advisors are rather unclear and highly dependent on the personal relationship between the actors involved. As for Mozambique, only the consultant for the water sector has accompanied in-country sector activities and travelled to Mozambique on a regular basis. The advisor for environmental issues has visited the Coordination Bureau in Mozambique once, but neither the sector consultant for rural development and decentralisation (both functions are embodied in one person in Vienna), nor the SME sector consultant or the gender advisor have been to Mozambique.

There is some communication between the Coordination Bureau and the Vienna based sector consultant for rural development and decentralisation, via email and when the coordinator pays a visit to headquarters, and some contacts to other headquarter consultants. However, communication to one sector consultant and one thematic advisor has basically broken down, primarily for personal reasons. The deficient level of sup-

port from and involvement of Vienna-based consultants gives the Coordination Bureau a lot of room for the interpretation of sector or thematic policies, in case there are any policies, and even more room to pursue own strategies in case there are no policies. This, in turn, could make the experiences collected by ADC in Mozambique less valuable for other countries, where entirely different approaches may be followed. While it is certainly necessary to adjust the sector strategies to the specific circumstances of the country, including government policies and experiences of other donors, the evaluators feel that headquarters should still remain involved during all stages of sector programming and implementation, as a guiding as well as learning actor.

As a matter of fact, the majority of sector and thematic consultants have a very limited knowledge of Austrian activities and experiences in Mozambique. This means that a vast reservoir of know-how and expertise remains untapped and can neither be disseminated to other Austrian actors, nor help to improve the performance and thus impact of ADC activities in other countries. Similarly, the Coordination Bureau has only limited knowledge of the relevant ADC sector activities and experiences in other countries, making it difficult for the Coordination Bureau to learn from and make use of these experiences.¹⁶

A number of reasons are usually offered for the lack of interaction between the Coordination Bureau and Vienna based ADC staff, including insufficient travel funds for permanent Ministry employees, the status of outsourced consultants, who are able to define their work and travel programme largely by themselves, and personal animosities between some of the actors involved. Yet, the evaluation team strongly believes that ADC management should ensure that appropriate structures, policies and mechanisms are in place that guarantee a minimum level of communication between the Coordination Bureau and the key actors at headquarters level, including the relevant sector and consultants and thematic advisors. This, in turn would probably not only lead to a higher job satisfaction of the actors involved, but also strengthen the performance of the entire agency and benefit its development partners as well as its beneficiaries.

There is currently some concern within the wider Austrian development cooperation community, also related to the ongoing restructuring process as well as developments around PRSP strategies and budget support, that sectors and themes are losing in importance at the expense of more country focused approaches. Some actors feel that this coincides with ADC moving towards a more diplomatic, i.e. foreign policy oriented, approach to development cooperation, away from technical and sector specific strategies. The evaluation team is not in a position to gauge whether these developments actually do take place. Yet, the team believes that sectors, which are usually associated with more in-depth analyses and approaches, should continue to play an important role, as long as sector interventions are based on the country specific circumstances and needs. More communication and a stronger collaboration between the

¹⁶ A recent DAC publication stresses the importance of information sharing within donor agencies, encouraging donors to "disseminate good practices to managers and staff at headquarters and in country offices and to other in country development partners" (Organisation for Economic Cooperation and Development (OECD) (2003): *Harmonising Donor Practices and Effective Aid Delivery*, DAC Guidelines and Reference Series, Organisation for Economic Cooperation and Development, Paris).

Vienna based sector consultants and the respective in-country sector consultants, as well as between the in-country sector consultants in the different countries, would not only help sectors to retain their position, but, as in the case of Mozambique, probably also improve the performance of the respective country programmes. For the same reasons, the evaluation team is of the opinion that headquarters sector consultants and advisors should maintain relationships to national, and not only Austrian, in-country sector consultants.

6.3 Implementing Agencies and Project Partners

As discussed in more detail in chapter 5, all projects are implemented with the assistance of sub-contracted Austrian implementing agencies. The role of the implementing agencies is to supervise and monitor project activities, provide technical backstopping and assistance when needed, and ensure accountability as well as effective reporting. Within the bilateral program, there are currently seven different Austrian implementing agencies operating in Mozambique, three NGOs, three for profit organisations and one University.¹⁷ The implementing agencies differ substantially in size, strategic orientation and competencies. During the time of the evaluation, only two of them had an in-country support structure in Mozambique, i.e. one country manager each, although one of these two persons had a primarily administrative role. For monitoring and technical support, all except for one implementing agency rely on Austrian or international experts visiting Mozambique once or twice per year. The persons administering and overseeing the projects are usually desk officers based in Austria.

As mentioned earlier, project managers are generally very satisfied with the collaboration with Austrian implementing agencies, in terms of support provided as well as with regard to autonomy granted by these agencies as far as project decisions are concerned. In fact, project managers rated, on average, the level of support from implementing agencies highest among a list of eleven different project related performance criteria. Yet, a number of implementing agencies without in country representation feel that one or two project visits per year are not sufficient to ensure close monitoring and supervision. There is indeed some indication that projects more closely monitored and receiving more technical support from implementing agencies perform better than those with less supervision and backstopping. In one incidence, a serious fraud case would probably have been detected earlier in case more project visits would have been conducted.¹⁸

¹⁷ Some additional implementing agencies are currently operating outside the country programme with funds from the Co-financing Division of the Department for Development Cooperation in the Ministry of Foreign Affairs.

¹⁸ The evaluation report of the project in question also mentions that the roles and responsibilities between the implementing agency and the Coordination Bureau were not clearly spelled out, with the Coordination Bureau being involved in the project set up as well as implementation without clear mandate, but at the same time not having the capacity to closely monitor the project (*Gloor and Heiningger* 2003).

Yet, implementing agencies know that ADC in general, and the Cooperation Bureau in Mozambique in particular, are not in favour of more than two visits per year and thus do not include more field visits in tender proposals. A small number of implementing agencies oversee more than one project in Mozambique and can thus visit projects more often, using their travels to Mozambique to visit all of their projects. As will be discussed later, the evaluation team believes that with larger projects, which appear to be planned for the next country programme, more field visits and closer monitoring should be allowed for.

The collaboration between the Coordination Bureau and the implementing agencies is perceived, by both sides, as generally satisfactory. The Coordination Bureau feels that the implementing agencies have by and large accepted the Bureau's leading role in country programming and adjusted well to the tender process, fully introduced only a few years ago. Most implementing agencies value the commitment and technical expertise of the Coordination Bureau, although many think that the coordinator gets involved too often in project management, as discussed at length above.

A number of Austrian projects are affiliated to project partners, mostly provincial and/or local government entities. There has been some discussion on why Austria does not work with any Mozambican implementing agency or directly with project partners, without the involvement of Austrian implementing agencies. The reasons usually given for the participation of Austrian agencies include deficient local capacities, the need to support Austrian development agencies, in particular NGOs¹⁹, the role of Austrian NGOs as representatives of the Austrian civil society, and the importance of an Austrian contribution and/or flavour with regard to Austrian funded development activities.

In some areas, however, donors should, according to international best practice standards, identify a competent and experienced local project partner and leave the primary responsibility for the design and implementation of the intervention to the partner – who should know best –, without the involvement of a donor country implementing agency. Yet, this institutional set up is only feasible in certain areas, such as microfinance, and only if competent and experienced local institutions exist. Given the capacity constraints of most Mozambican institutions, government and non government, the participation of Austrian implementing agencies will probably remain necessary in most areas for some time to come. Yet, the evaluators feel that ADC should slowly increase its direct collaboration with existing Mozambican institutions and build their capacity at the same time, possibly with some help of Austrian or other international agencies, a model already successfully applied for a few projects.

Recommendations to ADC headquarters

- Clarify the role and responsibilities for each function within ADC, based on a formal organizational structure.

¹⁹ The Austrian Minister for Foreign Affairs recently expressed her appreciation for the fact that 50% of bilateral project related funds are disbursed via NGOs, probably implying that Austrian NGOs will continue to receive substantial funds for implementing development projects (*Österreichische Entwicklungszusammenarbeit* 2003)

- Establish systems and mechanisms that ensure that all actors assume their assigned roles and fully live up to their responsibilities.
- Clarify the level of autonomy granted to in-country offices vis-à-vis headquarters with regard to programme design and implementation and ensure that in-country offices do not go beyond the established level.
- Ensure that headquarters staff, in particular the country desk officer as well as the relevant sector consultants and thematic advisors, maintain a working relationship with in-country offices, provide effective support and supervision to in-country offices, and remain involved in all salient sector/thematic and programme decisions.
- Establish mechanisms for increased communication and collaboration between sector consultants at headquarters and the respective sector consultants deployed in ADC in-country offices, including national sector consultants, for example by way of regular meetings and workshops, information bulletins or internet based discussion fora.
- Ensure that in-country offices are sufficiently staffed, including at least one Austrian technical staff.
- Provide training opportunities and/or funds for headquarter as well as in-country office staff.
- Ensure that in-country offices are provided with sufficient funds to maintain an effective and service-oriented office infrastructure.

Recommendations to the Coordination Bureau

- Strengthen the autonomy of project managers and avoid involvement in project management.
- Intensify direct collaboration with Mozambican implementing agencies and project partners.

7 Assessment of the Performance of the Country Programme

7.1 Relevance: Alignment of the Country Programme to Mozambican Plans, Policies and Priorities

The most relevant and important policy document of the Mozambican Government is the PARPA 2001-2005, the Mozambican PRSP document. It sets out the strategic vision for reducing poverty, the main objectives, and the key actions to be pursued, all of which are envisaged to guide the preparations of the government's medium-term and annual budgets, programs and policies. The main value of the PARPA has been to improve the linkage between poverty analysis, the poverty reduction strategy, and the budget envelope. It has given an extra boost to the already existing government focus on poverty reduction at the policy level. At the central level of government, and increasingly so also at provincial level, there is as strong sense of ownership of the programme and generally a great deal of commitment to the PARPA process. Donors have accepted the PARPA as a government owned plan. All of their country programs now refer to the plan and most donors use the PARPA as the overriding framework for their activities, trying to support the government in the implementation of the plan (*Mannndorff* 2003).

The Coordination Bureau of the Austrian Development Cooperation has not played any role during the elaboration of the PARPA and not commented on the PARPA during the consultation process. Yet, the Bureau closely followed the PAPRA process, knows its contents, and accepts the PARPA as framework for its activities. The 2002-2004 country programme frequently refers to the PARPA and is in line with its strategic focus and priorities. The overarching goal of both the PARPA and the country programme is poverty reduction. The two sectors of the country programme, decentralisation and rural development, are both relevant components of the PARPA, with Agriculture and Rural Development being one of the priority areas and Decentralization constituting one of the seven sub-components of the Good Governance priority area. As mentioned, supporting effective decentralisation has become a key intervention area for many donors and has been broadly recognized as one of the fundamental prerequisites for improved service delivery and poverty reduction, especially in combination with rural development.

At the level of actual interventions, Austria's activities are fully in line with the PARPA. Yet, due to its comprehensiveness, the PARPA has remained so broad that basically every activity within the two Austrian sectors can be justified by the PARPA. In total, the PARPA itself has probably not induced much change in overall Austrian priorities

and activities. However, in comparison to previous country programmes, the current programme puts more emphasis on supporting economic growth and sustainability, based on the assumption that rapid and broad based growth will contribute to poverty reduction, the same assumption the PARPA is built on.

The PARPA document as well as central government is clear about the responsibility for implementation and operationalization of the poverty reduction strategy lying with the sectors. While the Austrian country programme mentions some of the most important sector plans and policies, it does not specifically analyse in which way Austrian interventions will be embedded in these policies. Yet, as discussed in chapter 3.3, the sector policy on rural development is not very concrete and there is neither an official policy on decentralisation nor is the government's approach to decentralisation coherent. Thus, in both sectors donors have a lot of room to pursue activities according to their own preference. Still, the evaluation team concludes that ADC's interventions comply with Mozambique's sector policies as far as they are formulated.

The PARPA has neither given much attention to regional priorities, nor has it yet been operationalized at provincial level, at least for the province of Sofala. However, provinces do prepare provincial plans, such as the Provincial Economic and Social Plan and the Provincial Triennial Public Investment Plan. The quality and usefulness of these provincial plans is generally considered as restricted, also because almost all financial resources come from the central Ministry of Finance. In addition, lower level structures usually not participate in the preparation process of these plans. Yet, the provincial government of Sofala increasingly makes use of its provincial plans and is quite keen that donors integrate their activities into these plans, also in order to demonstrate annual outlays on the PARPA priority areas.

There has been some discontent on the side of the provincial government of Sofala that the Austrian Development Cooperation has not fully integrated its activities into provincial plans and programmes. In fact, high provincial government officials felt that Austria has, in the past, operated quite separately from the provincial government. While some provincial directors probably have vested political interests to incorporate Austrian activities closer into their respective directorates, these concerns should be taken seriously. However, most officials stated that Austria has, over the past years, improved its collaboration with the provincial government. This is certainly also linked to the fact that an increasing number of ADC projects are implemented with provincial directorates and local administrations as direct project partners. In addition, the Coordination Bureau is now pursuing a more active information strategy, encouraging all projects to issue a monthly newsletter to be disseminated to all stakeholders, including the provincial and local administrations.

With respect to the current Austrian country programme, the provincial government has been involved in its elaboration and the national government has approved it, as discussed in detail in chapter 4.2. In addition, once a year, representatives from the Ministry of Foreign Affairs and the Ministry of Planning and Finance come to Sofala to meet with the Coordination Bureau. These meetings are used to review, together with the provincial government, ADC's achievements as well as obstacles encountered during the previous year, and to discuss Austria's planned activities for the next year. As

agreed with the national government, the Cooperation Bureau also reports aid disbursements ex post to Maputo on a quarterly basis. Moreover, new projects as well as extensions of ongoing projects are discussed and signed with the respective provincial directorates in Beira, also contributing to the alignment of the country programme to government plans and priorities.

Yet, the actual involvement of provincial directorates and local administrations in the design and implementation of Austrian projects differs substantially from project to project. Most district administrations and municipalities are currently quite happy with the level of coordination and cooperation with Austrian projects. However, there have been some frictions between projects and local administrations in the past. These frictions also reflected badly on the Austrian Development Cooperation in general, with even the national government taking note of them. They have occurred primarily in projects supporting community participation and promoting civic education, which were apparently implemented with little consultation and cooperation with the provincial and local government. While civil society projects necessarily need to be somewhat detached from government structures, the tensions could probably have been avoided, or at least subdued, with a more subtle and less confrontational approach. Given the country's colonial and immediate post-independence history, however, civil society is also both a new concept and reality, meaning that government as well as civil society organisations are still in the early phase of the learning process.

In general, local administrations are now rather satisfied as regards coordination and collaboration with Austrian projects. The large majority of project managers, in turn, is also quite pleased with the level and quality of collaboration with local administrations. In Buzi district, which is known to have a strong and committed administrator and also has a long and intensive history of cooperation with ADC, collaboration is especially strong. Projects meet with the district administration, including the administrator and the district directors, once per month to discuss activities and fit them to the plans and priorities of the district administration.

There is still room to improve the alignment of projects to local plans and priorities and strengthen the collaboration between projects and local administrations, for example by ensuring that projects furnish officials with project progress reports on a more regular basis. Yet, the overall balance in this respect is certainly very positive and reflects the Coordination Bureau's focus on local development processes. The evaluation team is also of the opinion that interventions in both the rural development sector as well as the decentralisation sector fit into the concrete local context and respond to the needs of the local population.

Recommendations to the Coordination Bureau

- Integrate activities more closely into provincial plans and programmes where feasible.

7.2 Coherence and Flexibility

As discussed in the introductory chapter, two of the reasons to package aid as a country programme is (1) to increase aid efficiency and effectiveness by exploiting synergies and flexibility regarding the employment of human and other resources, and (2) to broaden the socio-political impact by strengthening the links between the different interventions at program, sector and project level. The coherence of a country programme is thus one of the most important performance indicators of such a programme. Coherence in its narrow sense, also referred to as consistency, describes the degree of complementarity between the elements of the country programme. In the broader sense coherence also describes the complementarity not just between the elements of the country programme, but also between the country programme and the non-aid aspects of the donor-partner relationship, including, for example, trade and cultural relationships. Flexibility, on the other hand, measures the degree of openness of a country programme, especially when it comes to responding to needs and challenges surfacing during its implementation.

On paper, the Austrian country programme with Mozambique exhibits a high degree of coherence. It is based on a thorough analysis, comprehensively outlines the basic assumptions, and, using logical frameworks, illustrates objectives as well as expected results in the rural development as well as decentralisation sectors. Yet, it is still defined broadly enough to leave room for flexibility, also because no actual targets are specified.

Regarding the coherence of Austrian interventions on the ground, ADC in Mozambique has certainly a rather tainted history. The first country programme 1996-1998 was merely an attempt to adjust the strategy to the reality of mostly isolated and unconnected projects on the ground. While sectors were somewhat streamlined and concentrated over the past programming cycle, the current country programme still follows a clear project based approach, with sometimes little connection and complementarity between projects. However, over the past years, and especially since early 2003, the Coordination Bureau strengthened its efforts to increase synergies and information sharing between projects. The overall strategy shifted from a project perspective to a focus on districts, where synergies can be exploited more easily. The increasingly strict concentration of country programmes on Sofala province has in general also helped to strengthen the cooperation and complementarity between projects.

All project managers and staff confirmed that the connection and synergies between Austrian projects have improved over the past year or so. For example, some projects now share international experts as technical advisors, implementing agencies collaborate in project monitoring, and projects subcontract other projects as service providers. However, most project managers also believe that there is still considerable room for improvement with respect to exploiting synergies between Austrian projects. PROMEC und PACDIB, for example, both work in the areas of food security and commercialization. They collaborate perfectly well in those communities where both of them operate, probably more intensively than any other ADC projects. However, they have not been designed to operate in the same geographic areas. Almost all stakeholders, including

local government representatives, are convinced that the effectiveness as well as the impact of these two projects is considerably smaller in those communities, where one of two is not present.

There are numerous examples for existing synergies and good collaboration between Austrian funded projects, yet, nearly as many could be cited where these links are still weak or missing. Most project managers feel that synergies and complementarities have not been considered sufficiently in the design of their projects, which makes it more difficult to search and exploit these links during implementation. The evaluation team believes that deficiencies in complementarity are linked to the overall approach of ADC in Mozambique, with a large number of relatively small stand alone projects basically adding up to the country programme. Designing and implementing many smaller projects evidently requires more capacities than focusing on a few larger ones, especially in view of the considerable capacity limitations of the Coordination Bureau and its isolated position vis-à-vis headquarters. The coordinator is aware of this constraint and is currently in the early design stage of two larger projects, one in the area of SME development, the other one in agriculture. These projects will integrate certain components of some ongoing projects likely to be phased out in the near future, which the evaluation team finds very positive.

The most problematic aspect regarding the coherence of Austria's development activities in Mozambique concerns those projects which are not fully integrated into the country programme, in particular co-financed projects. ADC has different instruments for co-financing projects, which are applied according to the level of own contribution and experience of the implementing agency, as well as the location of the project. The basic concept behind these instruments is entirely different from country programming: non-state actors, such as NGOs, regional administrative bodies, or trade unions, are encouraged to develop own initiatives and provide a certain level of own contribution. The support granted by the Ministry is more or less independent from the country or sector where these activities take place.

In Mozambique, a number of co-financed projects are implemented, but most of them are not integrated into the country programme, i.e. outside Sofala and/or outside the key sectors. Approvals for co-financed projects usually come directly from the officer in charge at headquarters, with the Coordination Bureau only given the possibility to comment, but not to veto. There is usually no cooperation at project level between these projects and the rest of the country programme, and thus no or very little complementarities or synergies. Only one co-financed project, ORAM, closely collaborates on the ground with some of the projects inside the country programme. However, with respect to ORAM, there is very little cooperation at project management level, primarily because the project manager has so far not been invited to participate in the monthly project manager meetings at the Coordination Bureau. Some of the problems faced with regard to co-financed projects can, again, be ascribed to systemic issues. Both the Coordination Bureau as well as the officer in charge of co-financed projects at headquarters feel insufficiently informed and consulted on by the other party. There are basically no effective mechanisms or policies in place to ensure a minimum level of communication and cooperation between these two actors.

Currently, there are some discussions at headquarters as to how improve the effectiveness of co-financing instruments and how to ensure a closer fit with country programming. Given that both the projects within the country programme as well as co-financed projects are funded by the same institution, the evaluation team strongly feels that ADC should have the means and thus take the necessary steps to integrate co-financed projects closer into the respective country programmes.

The Austrian Development Cooperation also assumes 70% of the costs for development aid volunteers sent to development countries. Currently, there are seven development aid volunteers deployed in different projects in Mozambique, with some of them working in Austrian projects or institutions linked to ADC. Other development aid volunteers are deployed in projects outside Sofala and/or projects unrelated to the key sectors of ADC in Mozambique. The NGO operating the development aid volunteers programme, Horizont3000, developed its own country programme for Mozambique and plans to increase the number of development aid volunteers in Mozambique in the near future. There is some coordination between the Coordination Bureau and Horizont3000 on the deployment development aid volunteers. Yet, development aid volunteers do not form part of the bilateral country programme and the Coordination Bureau has no effective means to influence deployment decisions. While Horizont3000 understands the Coordination Bureau's efforts to integrate more development aid volunteers into Austrian bilateral projects, it maintains that this is often difficult to achieve in practice.²⁰ Thus, development aid volunteers may contribute effectively to poverty reduction in their respective projects, but, at least in some cases, their deployment is detrimental to the coherence of overall Austrian aid activities in Mozambique.

Other Austrian aid components outside the country programme with Mozambique include multilateral aid and demining activities. Multilateral aid is handled by a separate department within the Ministry of Foreign Affairs, and neither the desk officer nor the Coordination Bureau have much influence on funding decisions. On the ground, there is basically no cooperation or communication between multilateral projects financed by Austria and other Austrian projects. While the Coordination Bureau feels that multilateral activities should be integrated more closely into the country programme, so far no progress has been made in this respect. Managers of multilateral projects do not participate in meetings at the Bureau, even though they have been invited to do so more than once.

Demining activities are also handled by a separate department within the Ministry of Foreign Affairs. The Coordination Bureau had been involved in setting up one of the previous demining projects and also played an active role in some aspects of its implementation. However, as substantiated by a recent evaluation (*Gloor and Heiningner* 2003), demining activities have not been an integrated part of the country programme and the Coordination Bureau has little influence in funding decisions. Some actors within ADC feel that both multilateral aid and demining activities are used as instruments of foreign

²⁰ According to Horizont3000, the recruitment and induction process for development aid volunteers usually takes up to one year. In addition, conflicts of interest may arise when development aid volunteers employed by one Austrian implementing agency work in a projects of other Austrian implementing agencies.

policy, rather than as instruments of development cooperation. Conversely, there is indication that the departments for multilateral aid and demining sometimes feel excluded from the bilateral programming processes.

Non-aid aspects of the donor-partner relationship, such as trade or cultural links, may have an influence on aid relationships. However, in the case of Mozambique, neither trade nor cultural relationships noticeably affect or complement the Austrian-Mozambican development cooperation. Some larger Austrian companies have invested in Mozambique, yet, these investments are not linked to any aid activities, nor have these companies established contacts to the Coordination Bureau. In general, ADC wants to foster private sector participation in development cooperation, for example through private-public partnerships. Yet, Sofala province, and in particular the rural areas of Sofala, where Austrian aid activities primarily take place, do not seem to offer any investment or business opportunities for Austrian small and medium companies.

As outlined in a recent DAC joint assessment of aid programmes of various donors in Mozambique (DAC 2001), the underlying challenges for donor approaches, taking into account Mozambican weaknesses in capacity, are primarily found in the requirements for time and flexibility. The assessment encourages donors to realize that there is no blueprint for development assistance in Mozambique and that they need to develop flexible approaches to deal with the reality. As far as the Austrian country programme with Mozambique is concerned, the Coordination Bureau exhibits a relatively high degree of flexibility in its approaches as well as with respect to responding to needs and challenges arising during implementation. In fact, the evaluation team believes that the deficient level of internal consistency and homogeneity of the country programme can, to some extent, be ascribed to this sort of inherent flexibility. While ADC has in the past responded quite openly to the suggestions and needs of Austrian implementing agencies, the Coordination Bureau has now shifted its focus to responding to the immediate needs and priorities of the government at provincial as well as local level.

The Coordination Bureau also responded in a very swift and flexible manner to the floods of 2000, which seriously affected some of the geographic areas ADC has been operating in. The project infrastructure of ten different Austrian projects was used to implement the relief programme of one additional million EURO. Activities were pursued in the areas of water and sanitation, food security, resettling (650 families). During the intensive phase of flood relief, the Coordination Bureau used most of its capacities to effectively coordinate and supervise these activities. In conclusion, ADC in Mozambique exhibits a relatively high degree of flexibility in country programme management. Still, the evaluators are of the opinion that the level of coherence and homogeneity of the Austrian country programme with Mozambique could be increased substantially without necessarily impacting negatively on the flexibility of country programme management.

Recommendations to ADC headquarters

- Ensure that co-financed projects, multilateral activities, demining activities as well as the deployment of development aid volunteers are more closely aligned with the country programme. This requires effective mechanisms and policies to ensure a

minimum level of communication and cooperation between in-country offices and the officers in charge of these activities. The desk officer and the Coordination Bureau should have the authority to jointly veto activities in these areas.

Recommendations to the Coordination Bureau

- Maintain focus on Sofala province regarding project activities.
- Ensure that synergies and complementarities between projects are sufficiently considered in the design of the respective projects.
- Streamline country programme by focusing on few larger projects rather than numerous smaller ones.
- Increase efforts to integrate co-financed projects, development aid volunteers, multilateral activities, and demining activities into the country programme. This should include closer cooperation on the ground as well as enhanced communication and cooperation at project manager level.

Recommendations to implementing agencies

- Horizont 3000: Increase efforts to integrate development aid workers into the Austrian country programme and Austrian projects.

7.3 Effectiveness and Impact

According to the DAC definitions of criteria for evaluating development assistance (DAC 2000), effectiveness measures the extent to which an aid programme attains its objectives, while impact identifies the positive and negative changes produced by a development intervention, directly or indirectly, intended or unintended. Impact assessment involves identifying and measuring the main impacts and effects resulting from the activity on the social, economic, environmental and other development indicators. It is widely recognised that the identification, attribution and measurement of impact is the most problematic element of country programme evaluations, in particular because aid results in change in numerous and complex ways which may be difficult to trace (Conway and Maxwell 1999b). Given the broad scope of the evaluation and the limited time available, the evaluation team was not able to measure the impact of a country programme in an accurate and meaningful way, however, the team still found it useful to make some reasoned statements about impact.²¹

Project manager rated the level of **effectiveness**, i.e. the degree to which projects have been attained their objectives as satisfactory. The evaluation team has also come to the conclusion that most Austrian funded projects have to a large extent accomplished their project objectives, with some projects even surpassing project targets and

²¹ The L&R evaluators addressed impact assessment mainly through secondary research, interviews with key informants and focus group discussions with beneficiaries.

few not meeting the targets at all. The factors responsible for less than outstanding project effectiveness include lean projects structures and weak project infrastructure, resistance to change from local leaders and administrations, slow response from beneficiaries, and the devastating effects of the 2000 and 2001 floods. Some of these factors have already been or will be discussed in more detail in other chapters of this report.

Effectiveness is closely linked to **impact**, with more effective projects usually also having higher impact on the ground. There is widespread agreement among all stakeholders to the Austrian country programme, including provincial and local government, project managers and project staff, provincial media representatives, and, most important, beneficiaries, that ADC activities have had a high impact on the ground and contributed substantially to poverty reduction in Sofala province. This impression is substantiated by the fact that projects spend an average of 42% of overall project budgets for target group activities and an additional 13% is used for capital investments that directly benefit target groups. To give some examples, ADC projects have successfully promoted the introduction of new crops and agricultural practices, which contributed to improved food security as well as an expansion in agricultural surplus production. This, in turn, as confirmed in various beneficiary focus groups, has increased household income and allowed families to send more of their children to school, including girls.

Radio Buzi, a community radio using local languages in its programmes, has received a lot of praise for its valuable work for rural communities in Buzi district. Community members use its services extensively for the transmission of messages to family members, for instance. Other development projects use the radio for awareness raising and civic education campaigns, to deliver messages to their rural target groups, or call for meetings. Radio Buzi has thus become an important means of communication as well as information for Buzi district, thus easing the lives of the rural poor. In fact, a number of local officials as well as beneficiaries believe that Buzi district would today be very different without the support granted by ADC. Austrian projects have funded the construction and rehabilitation of infrastructure, promoted civic education and community participation, contributed to improved food security and increased agricultural surplus production, funded numerous micro-projects that broadened the income base of rural families, etc.

The DEC-IN project (Integrated Rural and Urban Development) is certainly a special case with regard to effectiveness and impact. It is widely perceived as one of the forerunners of participatory community development in Mozambique. Though local authorities initially felt that the project interfered with local level politics and some aspects of the approach have been widely criticised, it has also received praise for the valuable community work carried out in Buzi and Dondo. The municipality of Dondo was in fact selected as the best performing municipality in Mozambique in 2002. Most stakeholders, including municipality officials agree that DEC-IN as well as PADM I have greatly contributed to this outstanding accomplishment.

While most Austrian projects primarily pursue micro-level objectives, i.e. improve the quality of life of the selected target communities on the ground, there are also three projects (APROS, PAARSS, PADM) that have manifold purposes and levels of inter-

vention, including policy advice and institutional capacity building. The effectiveness and impact of these projects is more complex to assess, yet, the evaluation team believes that the long-term impact of these activities may be larger than the impact of purely micro-level projects. However, projects including policy advice usually come with the need for more coordination and policy dialogue, as discussed further below. The current capacity constraints at the Coordination Bureau probably do not allow for more projects with a macro-level component.

Recommendations to the Coordination Bureau

- Maintain a balanced mix of micro-level projects and interventions incorporating macro-level components.
- Conduct a thorough long-term impact assessment study including a base-line study.
- Establish a set of simple, useful, measurable, prioritised and easily verifiable performance indicators for the country programme, aligned to the national performance measurement frameworks.

7.4 Efficiency and Sustainability

Efficiency is an economic term and stands for the use of the least costly resources to achieve maximum results. In other words, aid can get the most results for its economic contributions. Efficiency measures both qualitative and quantitative outputs in relation to inputs. This generally requires comparing alternative approaches to achieving the same outputs to see whether the most efficient process has been used. **Sustainability** can be defined as the extent to which the objectives of an aid activity will continue after the project has withdrawn and the extent to which the groups affected by the aid interventions want to and can manage to continue accomplishing the objectives. The analysis of project budgets and consultations with project managers and project staff have revealed a number of issues that have a bearing on both efficiency and sustainability:

Lean project structures: Spending on project infrastructure, as discussed above, was found to be fairly limited, with only an average of 3% of project budgets spent on capital investments for project set ups. While the Coordination Bureau maintains that a low cost approach is part of ADC's philosophy in Mozambique, the majority of the project managers expressed concerns about the limitations they face at work due to insufficient equipment or run-down project vehicles. Insufficient infrastructure has a detrimental effect on day to day project implementation in the field and restrains the necessary interaction with beneficiaries in remote rural areas. In addition, most projects have only small project teams. A number of projects, including PROMEC, PAARSS and PADM, have to sub-contract service providers for certain activities. While this practice might promote private sector development, it is probably more expensive and less effective than hiring additional project staff. Lean project structures also make the performance of the projects highly dependent on the performance and continued presence of project managers. Furthermore, salary levels of project staff are often specified in tenders, yet,

most project managers feel that the suggested salary levels are usually not sufficient for recruiting competent staff.

Limited monitoring and backstopping in current projects: The budget analysis of ongoing projects also revealed that monitoring and backstopping activities by implementing agencies absorb only around 1% of project funds, an exceptionally low level by international standards.²² This is in turn reflected in the limited presence of representatives of Austrian implementing agencies on site in Mozambique. Most project designs foresee only one to two monitoring visits per year. As described above, a massive fraud case in the Austrian funded mine action project could have possibly been avoided with closer monitoring and more backstopping from the implementing agency. The deficient level of monitoring is aggravated by the fact that most projects have not been subjected to evaluations.

Limited human resource development of project staff: Project managers have very limited opportunities to participate in capacity building activities such as trainings, workshops or conferences. At present, with a few exceptions, projects have no or limited budget provisions to finance skills enhancement and professional training courses for project managers or project staff. The Coordination Bureau views that it is not the responsibility of ADC to facilitate career development of local project managers and that “learning by doing” should suffice in terms of capacity building for project managers. Yet, by not offering an attractive working environment and little career perspectives, the Coordination Bureau risks losing its best project people. Given acute capacity shortfalls within local institutions and the human resource constraints across the country, it should be in Austria’s interest to maintain local project managers in forthcoming projects. Their continued involvement would stimulate intra-organisational learning and preserve institutional memory within the Austrian Development Cooperation.²³

Short contract durations: ADC contracts are generally awarded for rather short contract durations, mostly not exceeding two to three years at most. Short contract terms hamper the institutionalisation of projects, impose short-term thinking on project management and staff, and sometimes create beneficiaries’ expectations, which cannot be fulfilled by the project. Even if some projects have been designed for longer periods, the contracts awarded have usually not exceeded two to three years, leading to uncertainties on the part of implementing agencies and project partners with regard to the future of the project. Particularly, macro-level project interventions need a longer time perspective. PADM II, for instance, receives a grant of EUR 2.4 million and has been designed for a two years project period only. Given the reportedly low absorption capacity of local authorities in Mozambique and the considerable amount of funds available, the evaluation team believes that the project will face difficulties in carrying out all planned activities within a two years period. The Coordination Bureau agrees that pro-

²² As mentioned earlier, for some projects, monitoring and backstopping costs of implementing agencies are also included in project overhead costs.

²³ The Coordination Bureau does consider to recruit two project managers as national sector consultants. It should also be noted that ADC headquarters suspended training funds for Coordination Bureau staff, certainly not contributing to the image of a learning institution.

jects should generally have a duration in excess of two to three years and the projects currently planned by the Bureau will probably have a duration of up to six years.

Thus, efficiency and sustainability are somewhat contradictory concepts, at least in the case of ADC in Mozambique. In general, the evaluation team is of the opinion that the country programme is implemented with a relatively high level of efficiency, yet, this efficiency seems to come at the expense of sustainability. Project managers have in fact given the sustainability of their respective projects a relatively low rating as compared to other project performance criteria. Apart from the factors mentioned above, one of the principal reasons given for low sustainability is the institutional set-up of projects. Most are designed as parallel stand-alone structures, with the project structure basically scheduled to disintegrate when funding ends. While some project elements and activities of these stand alone projects may be taken over by other institutions, including provincial and/or local administrations, project managers are actually rather uncertain whether this will really happen. Government will probably have not sufficient financial capacity to integrate the extension agents of PACDIB into their services or continue to support the hundreds of DEC activists once these projects are phased out. Many of the PROMEC commercialisation groups may also disintegrate once the continued assistance from the project ends.

Sustainability has also been questioned with respect to participatory planning processes: Consultations revealed that stakeholders cast doubts on the sustainability effects of lengthy community sensitisation and mobilisation activities carried out by DEC in Buzi and Dondo, if these activities are not followed by concrete action thereafter. Though DEC received differing responses from local administration representatives with regard to its success on the ground, DEC has to be commended for its contribution towards raising the awareness amongst rural communities in Dondo and Buzi. Community awareness has, undoubtedly, been enhanced through DEC interventions, thus contributed to sustainable project outcome. Participatory planning is also a key element of PADM II. If implemented thoroughly, community participation becomes a costly and time-consuming undertaking, not only for the project team, but in particular for the local community. If a project requires continuous participation by the beneficiaries, the process must lead to concrete actions and investments. The process might also not be sustainable, if beneficiaries have not been empowered to dialogue with or pressure governmental authorities and if local level government has no obligation to pay attention to and to address community demands within its jurisdiction after the donor has withdrawn its support.

Questions about the sustainability of ADC's overall approach have also been raised with respect to the deficient level of Austrian engagement in policy dialogue. Several donor representatives believe that Austria's long experience, in particular with regard to local participatory development, is insufficiently documented and not sufficiently shared with stakeholders in Mozambique. One donor representative commented, paraphrased as follows: "If Austria's experience does not feed into the policy dialogue, then it is like having done nothing." This issue is related to the importance of donor coordination and engagement in the national policy dialogue, which will be discussed further below.

Recommendations to the Coordination Bureau

- Strengthen project structures in terms of staffing as well as infrastructure.
- Allow for more intensive project monitoring and backstopping by implementing agencies.
- Put more emphasis on human resource development of project managers, including participation in training, workshops and conferences.
- Ensure in project design that project activities do not dissolve after projects are phased out.
- Design projects with longer project cycles than two to three years.
- Feed project experiences into the national policy dialogue.

Recommendations to projects

- PADM: It is recommended that the project management team engages in a dialogue with local authorities to ensure that participatory development planning processes reach a certain degree of institutionalisation and are embedded in local structures after project funds cease. It is also paramount to ensure that participatory planning processes are followed by visible and tangible (quick win) project activities to ensure community participation throughout the lifetime of the project.

7.5 Visibility and Ownership

One of the opportunities and objectives associated with regard to packaging aid as a country programme is to strengthen the position and **visibility** vis-à-vis other donors as well as the partner country. In Mozambique, a number of donors place a high value on the visibility of their activities, while others are less concerned about this aspect.

Visibility of the Austrian Development Cooperation is perceived as being high in Sofala province, mostly due to its programme focus on Sofala and the strong Austrian presence in Beira. Austria has been one of the most important donors in Sofala province in terms of disbursement levels and activities for some time. ADC projects as well as their association with ADC are mentioned frequently in provincial newspaper and the coordinator is a well known person in the province.

Visibility is rated as fairly low at national level, mostly attributable to Austria's low level of aid to Mozambique and the deficient presence in Maputo. There is no Austrian technical staff based in the capital and Austrian participation in donor meetings and other coordination events is restricted to one or two visits per month of the coordinator to Maputo. Austria reportedly remains the smallest and most insignificant donor in the ranking list of donors in Mozambique. While, for example, rural development is one of the two key sectors of the Austrian Development Cooperation, it is not considered as an important donor in this area (*DAC 2001*). Thus, the significance of the Austrian contribution to development in Mozambique in relation to all other donors remains small. Yet, for its size, the Austrian Development Cooperation is still a fairly well known actor in the donor community, primarily for its focus on Sofala province and its reputation of

having in-depth knowledge of the reality on the ground. Yet, most donors do not know the details of the Austrian activities in Sofala. Government officials at national level are also aware and appreciate Austrian interventions, but there are no strong links between the Coordination Bureau and central level government.

Ownership is likely to be lowest where donors manage their own projects, implement isolated projects and set up parallel project structures, and highest where donors operate through sector or national budget frameworks. Austrian funded projects have mostly been designed in collaboration with Mozambican stakeholders and implemented through Austrian implementing agencies. Although there is a trend towards aligning Austrian funded project operations with government systems, Austrian projects remain outside national structures. Tenders are entirely managed by the Coordination Bureau, but most project managers are mostly Mozambican nationals. The high number of Mozambicans amongst project managers certainly works in favour of creating ownership.

The current practice of the Coordination Bureau to get involved in project management works against ownership creation. This hands-on approach to programme supervision caused some resentments amongst project managers and project staff. However, ownership is also determined by the level of collaboration with local administrations. Even though all Austrian funded projects fall in the category “isolated project” or “parallel project structures”²⁴, the evaluation team gained the impression that most representatives from local administrations felt they were the owners of most Austrian funded projects within their jurisdiction. This is exemplified by the statement of a local government representative, paraphrased as follows: “*All projects start here with us.*”. Finally, project managers rated both target group participation and target group satisfaction highly. Field visits and meetings with rural target groups have produced evidence that there is widespread knowledge about and appreciation of the work carried out by Austrian funded projects throughout Sofala province.

Yet, the above discussion demonstrates that visibility and ownership can be contradictory concepts, for example with regard to involvement of the Coordination Bureau in projects or parallel structures set up by ADC outside the government. This contradiction is exemplified by an incidence whereby a district official insisted on the district administration being mentioned on the signboard of a trading post established by a project, and not just the name of the project and ADC appearing on the signpost. Also, all Austrian funded projects are notably marked with logo stickers, in particular project vehicles and office equipment. While some donors still practice this sort of branding, it actually runs against best practices and clearly contradicts efforts to increase ownership at government and project level.

Recommendations to ADC headquarters

²⁴ With the exception of APROS, where the project manager is to some extent integrated into the provincial administration and often serves as an advisor to high-ranking provincial government officials.

- Increase ADC's aid budget for Mozambique to increase significance as well as visibility and to strengthen the ADC position.²⁵
- Reconsider policy requiring project infrastructure to be branded as ADC.

Recommendations to the Coordination Bureau

- Maintain focus on Sofala province.
- Integrate projects more closely into government structures where feasible.
- Reduce ADC branding at project level.

7.6 Donor Coordination and Policy Dialogue

According to the 2001 DAC Joint Assessment (*DAC 2001*), ten DAC donors rated Mozambique as one of their top ten partner countries. Mozambique provides in fact an interesting illustration of donor coordination and policy dialogue which is characterised by the outstanding efforts undertaken by donors towards harmonisation of donor interventions as well as close and genuine collaboration with the Mozambican government on policy issues. At present, one of the main thrusts of donor coordination is to align donor supported processes with the PARPA as an overarching policy framework of government to allow consistency between policy, planning and budgeting. Donor coordination evolves around increasing aid effectiveness through strengthening partnership arrangements between donors and government and adapting donor organisational arrangements to government systems. Donor coordination in Mozambique is therefore closely interlinked with sector wide approaches and budget support.

There is a series of donor coordination fora, of which the G14 group, acts as the lead group. The G14 group comprises three subgroups, the Heads of Mission, the Heads of Cooperation, and the Economist group meeting. The Development Partner Group holds monthly Heads of Mission meetings, chaired by UNDP or the WB. Under its auspices, a wide range of specific working groups²⁶ was formed, namely around governance, economic and sectoral-related issues in order to foster inter-organisational coordination in these areas. As stated by the DAC report, some of these groups are active, some less. Government as well as donor involvement varies across all working groups. There are also numerous sector groups working towards sector-wider approaches, namely agriculture (ProAgri), education, health, roads and water, some of which meet on a weekly basis. Yet, existing coordination mechanisms are so numerous in Mozambique that, according to the DAC assessment (2001), all donors complained about the high transaction costs involved. Donors have recognised the need for substantial country presence to engage in policy dialogue and donor coordination meetings, and many

²⁵ In this context, the evaluation team recommends to significantly reduce the number of ADC non-priority countries, which would make more resources available for priority countries.

²⁶ There are over twenty working groups in the following areas: media, police, assistance to parliament, judiciary, public administration, decentralisation, human rights, budget support, SISTAFE, tax and revenue, statistics, private sector, agriculture, education, health, drug control, roads and coastal shipping, water, demining, environment, HIV/Aids, election, gender and energy.

donors have in fact adjusted their in-country office staffing levels to cope with these demands.

Currently, the donor debate evolves around formulating a commonly agreed Performance Assessment Framework (PAF) which aims at focussing the policy dialogue underpinned by budget support on the key cross-cutting areas crucial to improving pro-poor policy making, programme implementation and expenditure. It is hoped that the PAF will replace ordinary bilateral performance monitoring in the future. As issues around budget support dominate Mozambique's development agenda, the EU Heads of Mission meeting has, according to some donors, increasingly lost importance. It was also confirmed by several donor representatives that the G14 group to a large extent eliminates the importance of other coordination fora.

At present, Austria is registered as a participant in the media, public administration, agriculture, water and demining working group and has observer status in the budget working group. In addition, the APROS project manager regularly participates in ProA-gri meetings in Maputo. Yet, the decentralised location of the Coordination Bureau makes it nearly impossible for the coordinator to actively participate in these meetings on a regular basis. Since Austria does not provide budget support, the Coordinator is also not member of the G14 group. Some donors expressed that a donor's non-participation in the budget support and SWAp donor group (G14) may lead to isolation within the donor community. Yet, most donors clearly stated that permanent participation in the G14 group comes with a price tag, i.e. participating in budget support. Due to the decreased importance of the EU group, Austria might be endangered to increasingly go off track, as expressed by one donor representative.

ADC engages in some policy dialogue with the provincial government in Sofala, with some successful experiences of ADC projects having been taken up by the provincial government. Yet, the lessons learned of these and other innovative approaches Austria has been piloting, have, so far, hardly been used as a means to contributing to sector policy dialogues at national level. Most of ADC's innovative approaches have not yet been analysed and documented systematically. Particular reference was made to Austria's experience in decentralisation, which some donors felt to be of little value if it does not nurture and stimulate the policy dialogue at national level. Active participation in policy dialogue may also lead to adjustments in some of ADC's approaches and ensure the closer fit of projects and programmes with national policies and approaches. Donor coordination also provides opportunities to explore complementarities between donor activities as well as joint-funding arrangements for certain interventions. In conclusion, while Austria does not incur a lot of transaction costs with regard to donor coordination and policy dialogue at national level, the potential benefits of participating more intensively in national coordination and dialogue might surpass these cost savings.

Recommendations to ADC headquarters

- Increase staffing level of the Coordination Bureau to allow for more intensive donor coordination and policy dialogue.²⁷

Recommendations to the Coordination Bureau

- Analyse and document innovative approaches more systematically.
- Increase efforts to contribute more effectively to sector policy dialogues at national level

²⁷ This, however, should not be taken to mean that the ADC office in Sofala should be closed. Rather, the evaluation team believes that the staffing level of the Coordination Bureau should be increased and at the same time some key staff would have to travel more frequently between the Maputo and Sofala office.

Annex I: Terms of Reference

Evaluation of the Country Programme Mozambique of the Austrian Development Cooperation

1. Background

This is the first comprehensive evaluation of a country programme of the Austrian Development Cooperation and means striking a new path in this respect. Nevertheless, based on the evaluation of the programming system in Cape Verde undertaken in 1998 and on the DAC workshop on country programme evaluation held in Vienna in 1999, there is a sound knowledge base and experience to rely on.

In the context of the genesis of the Country Programme Mozambique (CPM), the role of the Austrian NGOs needs to be given special consideration, as their commitment increased strongly and at times came into conflict with the programme-based approach and with the attempt by the Austrian Development Cooperation to focus and coordinate its activities through its local aid coordination structures. The move to the new practice of putting project implementation out for tender played a special role in this relationship and should be analysed with regard to its steering function.

The Country Programme Mozambique (CPM) of the Austrian Development Cooperation, which comprises a programmed funding volume of EUR 10 million in the current three-year cycle (2002 to 2004), is characterised by a (stronger) sectoral focus on rural development and decentralisation. Furthermore, Austria's cooperation is geographically limited to the province of Sofala, where the Austrian Coordination Office is located (there is only a liaison office in the capital Maputo).

At the time of the present evaluation of the CPM, the Austrian Development Cooperation has entered into an extensive process of organisational development aimed at outsourcing operative tasks to the Austrian Development Agency (ADA) as of January 1st, 2004. In this context, the evaluation is also expected to offer conclusions as to an optimised structure and improved processes of programme development and monitoring.

2. Subject of the evaluation

Subject of the evaluation is the country programme of the Austrian Development Cooperation in the priority country Mozambique for the period 1996 to 2004, comprising its expression on paper, the range of interventions taken at programme and project level, and its role as a steering instrument. In view of the project-based approach, which is predominant in practice, the evaluation shall be focused both on the pro-

gramme level as well as on a representative selection of projects (refer to it. 5 for procedures).

In the following, Austria's development cooperation is not only intended to mean the bilateral programme and project aid by the Foreign Ministry's Department of Development Cooperation but also multilateral contributions, food aid, and co-financed projects. Implementation is mainly assumed by NGOs, (confessional) relief organisations and private companies.

3. Relevance and purpose of the evaluation

The purpose of the evaluation is to assess the basic assumptions, the fundamental orientation, and the foreseeable results of the current (third) country programme against the background of the two preceding programme cycles as well as in the context of international cooperation and social development of the country.

Thus, towards the end of the current programme cycle, the evaluation is expected to identify any necessary adjustments and changes, which may be integrated into the new programme (2005 to 2007).

Moreover, the evaluation shall yield general conclusions for strategy and programme development of Austria's development cooperation and provide for accountability on the use of public funds.

4. Key questions:

4.1 Relevance: How relevant is Austria's country programme for the partner country and for Austria's development cooperation ?

4.1.1. To what extent and in which way is the CPM aligned to the national/regional/local needs, requirements and priorities as expressed in the pertinent development plans and programmes (e.g. PRSP)?

To what extent does the country programme address an interactive, partnership-based relationship with the relevant main actors in the development process, the respective development policy debate, and the decision-making processes at the local, regional, and national levels? How do partners perceive and judge Austria's programme and cooperation?

4.1.2 In which way does the CPM take into account, on paper and in implementation, the fundamental principles of Austrian Development Cooperation, i.e. reduction of poverty, democratic development, and conflict prevention/peace building? What is the strategic rationale behind poverty reduction interventions in particular and how was it reflected in the selection of target groups and areas (i.e. rural population/communities as growth poles)?

4.1.3 What is the significance of Austria's contribution (at 0.5% of donor flows) and how is it perceived by local/regional/national stakeholders (visibility / image / acceptance)? What is the extent of alignment with other donors?

4.1.4 How flexibly was the programme adjusted to changing general conditions in the local/regional/national context? What was the degree of flexibility in applying the programme at times of extraordinary crises (e.g. the flood disaster in 2000)?

4.1.5 To what extent do relations in general between Austria and Mozambique develop coherently? What roles do trade and economic relations or cultural exchange play ?

4.1.6 Austria's activities focus (nearly exclusively) on a decentralised programme region of specific political character (core region of opposition) and only a liaison office is being maintained in the capital. What are the effects of this decision on the promotion of decentralised administrative structures and on relevance/significance at the regional level for one thing and on policy dialogue and donor coordination (above all EU) at a central level for another. How significant are the new Mozambican laws for local bodies in this regard and to what extent is this legislation taken into account in programme development ?

4.2 Effectivity and impact: How are the effects of the CPM to be assessed in relation to the main targets and results achieved? What are the key results in the different sectors and how can effects, especially of poverty reduction measures, on the concrete living conditions of the target population be identified (segregated by target groups and gender)?

4.3 Sustainability: To what extent does the programme take into account cross-cutting themes such as gender equality, environment and other factors of sustainability such as cultural compatibility, appropriate technology, participation of the target population and economic/institutional self-reliance in planning and implementing the interventions? What is the significance of building professional and institutional capacities on the counterpart side?

4.4 Steering power: How effective and efficient is the CPM in terms of steering capacity in programme formulation and implementation, taking into account Mozambique's development process?

4.4.1 What is the specific (sectoral) profile of Austria's development cooperation, in which areas is it more or less pronounced, based on which specific capacities or interested parties in Austria?

4.4.2 What is the relation of the sectoral distribution (democratic development, decentralisation, rural development, promotion of small and medium businesses, water and sanitation) to the funding volumes made available? In light of the experience gained, should focussing on sectors be the preferred choice or rather a multisector approach?

4.4.3 To what extent is the CPM being used as a basis for project monitoring and evaluation? To what extent does the prevailing project-based approach foster or impede an integrated programme development or monitoring (including risk assessment and control)? What are the aspects that should be taken into account by an enhanced programme-based approach (e.g. SWAP)?

4.5 The actors of Austrian Development Cooperation and their inter-action:

4.5.1 What are the roles of coordination office, backstopping structures and implementing agencies of Austria's development cooperation? What is the relation of their visions and mandates to the requirements and capacities made available? What is the judgement regarding the ways and results of their cooperation?

4.5.2 What are the effects of the decentralised location and status of the Austrian Coordination Office with regard to policy dialogue, donor coordination, and coherence of Austria's development cooperation?

4.5.3 To what extent is the CPM being used in practice by project implementing agencies for orientation and implementation? What is the significance of the agreed principles and role definition processes in the cooperation with counterparts and implementing agencies for coordination and monitoring? What is the role of contracting by tender processes in the context of control and monitoring?

4.5.4 What conclusions are to be drawn regarding structure and procedures of programme development and monitoring in the context of outsourcing or ADA?

4.6 Relevance of evaluation results

4.6.1 What is the relevance of the results obtained by the most recent evaluations of the mine action programme and the water sector in the context of the CPM evaluation?

4.6.2 What is the role of evaluations and their results in project management at the level of the Austrian Coordination Office and at the level of project implementing agencies?

4.7 Pending questions: What questions were raised in the course of programme development which have not been treated or taken into account sufficiently in the CPM? How, for instance, is the challenge of HIV/AIDS being dealt with?

5. Procedures and methodology

5.1 The evaluation shall be conducted in a process-based, participative and discursive manner so that beneficiaries, actors involved in operative tasks, and political stakeholders are actively involved in the study and discussion of results at the local level.

The following stakeholders have to be involved in the process:

Population and/or beneficiaries in the respective target areas (random samples)
Local project management, counterpart organisations, experts, relevant NGOs
Relevant local and central public institutions and government bodies of the partner country
Austrian project implementing agencies and involved experts
Major sector-relevant donors
Bodies of the Austrian Development Cooperation (planning division, desk, coordination office, sector desk officers/consultants)

5.2 Programme and project level: The applied methodology shall be suitable to cover both the programme level as well as a representative sample of projects throughout the range of Austria's cooperation activities. The projects / project implementing agencies are therefore selected in accordance with the current focuses in the two priority sectors of the CPM.

These are

in the sector "decentralisation":

--> Promotion of decentralised development plans/capacities: 1695 PADM / ECOTEC (ÖNSI)

--> Capacity building for actors of decentralised government bodies: 2002 APROS / Horizont3000

--> Promotion of civil-society-based community and self-help structures: 1999 DEC / ÖNSI in the sector "rural development":

--> Capacity development for producers' associations: 1862 PACDIB / Horizont3000

--> Promotion of consultancy services / service providers: 1882 BDS / ECOTEC

--> Promotion of agro-industrial processing + marketing: 2092 PROMEC / Horizont3000

Added to these are 2003 PAARSS / ADC (comparison with water sector evaluation and poverty orientation in rural areas) and ORAM / Hilfswerk Austria (co-financing project in the area of decentralisation/rural development).

The project documentation shall be made available by project implementing agencies and the Austrian Coordination Office in a concise form, as far as possible.

5.3 Main stakeholders on counterpart side: The chosen methodology shall be based on the partnership principle and shall involve both government bodies as well as local institutions and authorities in accordance with the selected projects.

-> At the national level: MNEC Ministry for Foreign Affairs and Cooperation, MPF Ministry of Planning and Finance, Provincial Government Sofala; as well as the districts and municipalities of Buzi, Marromeu, Dondo.

- > Parastatal institutions/ consultancy services: IFAPA (training in administrative management) and CFPAS (training water/sanitation) in Beira;
- > Traditional local authorities in the district of Buzi (DEC/ORAM/PROME/C/PACDIB)
- > Organisations of civil society / private business (such as UCM / Catholic University, local NGOs) and of the target population / rural families / producers;
- > Local project implementing agencies / partners (ORAM, ASSERCO); Austrian NGOs mostly employ local project managers;
- > Other donors in the sector - PRODER/GTZ ; CEC in sector "infrastructure" (water/ZAMWAT, roads/ROCAS);
- > Furthermore, unbiased external views shall be taken into account at the local level – e.g. media representatives / trade unionists / artists / scientists;

6. Timetable

by end of August 2003	Discussion, consultations with counterpart side, writing-up ToR
September	Bidder search / tender process / negotiations
October	Contract / desk study, field studies Sofala
November	Talks in Maputo / writing-up draft report
December	Submission of draft report / discussion
January 2004	Presentation of draft report at Federal Ministry for Foreign Affairs
February	Final report / final accounting report
(March	Internal follow-up workshop (DDC/ADA)

7. Preliminary calculation of required worktime / working days

Activity	Number of international experts	Number of local experts	Number of working days (WD)
1. Visit in Vienna (Contract / start desk study / interviews)	2 x 2 WD	0	4
Preparation / desk study	2 x 3 WD	1 x 3 WD	9
Briefing + desk study in Beira	2 x 2 WD	1 x 2 WD	6

Field studies Sofala 8 projects	2 x 8 WD	1 x 8 WD	24
Interviews Beira	2 x 2 WD	1 x 2 WD	6
Debriefing workshop in Beira	2 x 1 WD	1 x 1 WD	3
Interviews Maputo	2 x 2 WD	1 x 2 WD	6
International travel	2 x 2 WD	0	4
Evaluation of results / draft report	2 x 6 WD	1 x 6 WD	18
Presentation Vienna	2 x 2 WD	0	4
Final report / final accounting	2 x 2 WD	0	4
TOTAL:			88

9. Evaluation team

The three-member evaluation team shall be composed of experts with complementary professional skills and experience of the following type: skills in programme management and programme evaluation in the area of development cooperation, sector-specific knowledge and experience in the sectors "decentralisation" and "rural development"; competence in gender issues; knowledge regarding the local and regional general conditions; good lusophone language skills;

At least one team member shall be an expert from Mozambique or the respective region and at least one member shall be a female expert.

Erik Vorhausberger – former head of the Austrian Coordination Office in Burkina Faso and coordinator of the organisational development process at the Department for Development Cooperation in the Federal Ministry for Foreign Affairs - will be available to the team in Vienna as an expert on Austrian Development Cooperation.

To ensure independence, team members must not have any economic relations with the project implementing agencies involved.

An agency or general contractor shall assume the overall responsibility for the conduct of the evaluation and shall sub-contract suitable experts. Respective CVs shall be presented to and consent be obtained from the Austrian Ministry for Foreign Affairs.

10. Reporting:

A format for reporting is attached in the Appendix. Reports shall be written in English (with separate executive summaries in German and Portuguese) and shall be submitted as 10 paper copies plus 3 electronic data diskettes.

Acceptance of the reports shall be by the Austrian Ministry for Foreign Affairs, Div. VII/6, after comments by the programme division, aid coordination office, and country desk.

11. Appendices:

Country Programme Mozambique (CPM) by Austrian Development Cooperation
Format Evaluation Report, Quality Criteria in Austrian Development Cooperation,
Further documents to be submitted after awarding of contract

Austrian Ministry for Foreign Affairs/Div. VII/6;

Mag. Peter Kuthan

29 August 2003

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Annex II: Overview of the Austrian Country Programme with Mozambique 2002-2004

Intervention	Austrian Country Programme with Mozambique 2002-2004					
Overall Objective	Reduction of absolute poverty and improvement of living conditions of rural families in Sofala province with participation of all stakeholders in a process of sustainable, democratic, economic and socio-cultural development					
Programme	↓ Decentralisation			↓ Rural Development		
Programme Objective	Safeguarding of basic rights and of the democratic process by means of : <ul style="list-style-type: none"> • Participation of different actors in <ul style="list-style-type: none"> o Planning and implementation • Implementation of integrated development plans in selected <ul style="list-style-type: none"> o district and municipalities 			Contribution to poverty reduction of families <ul style="list-style-type: none"> • in rural areas and • rural concentration areas (growth poles) by means of <ul style="list-style-type: none"> o Food security, o increased household income, and o improved access to drinking water and sanitation 		
Expected Results	Competent <u>local government and civil society representation structures</u> to participate in participatory decentralised district and municipality development	<u>Participatory processes</u> in planning, implementation, control and evaluation of <u>district and municipality development plans</u>	Broad <u>dialogue</u> on development related topics through dissemination by medias in local languages	AGRICULTURE <u>Food security</u> for smallholder families and agricultural <u>surplus</u> production for sale and processing by means of increased production and productivity	SMALL ENTERPRISE DEVELOPMENT Local small enterprises use agricultural <u>surplus</u> of smallholders to process, produce and trade, with consideration of <u>local demand</u> and growth of <u>local supply</u>	WATER & SANITATION Qualitative and quantitative improvement of supply of drinking water and sanitation, based on the <u>demand principle</u>
	Promotion of accompanying democratic and development initiatives at national level					

Annex III: Donor Support to Decentralisation in Mozambique

Donor engagement in the context of decentralisation has a long history in Mozambique. With some exceptions, recent evidence suggests that donor interventions mostly reflect government's fragmentary approach to decentralisation. The way decentralisation is designed also gives donors considerable leeway to intervene in a variety of sectors and at different levels of government. Bilateral and multilateral donors have therefore come up with widely differing approaches. Many donors continue to create parallel implementation structures to ensure quick delivery of their projects, undoubtedly jeopardizing sustainability and ownership of the decentralisation process. Others have ventured providing direct budget support. There are numerous donor funded interventions on participatory district planning through which different methodologies were tested and local capacities developed (Serrano 2002:5). In general terms, it can be argued that donor engagement has largely been reduced to the conventional approach of supporting individual districts or provinces. This territorial focus pursued by donors has partly contributed to a patchwork of district development approaches of differing nature yielding outcomes of varying success.

The most prominent donor and NGO interventions in decentralisation are as follows:

- UNCDF/UNDP, Netherlands and Norway: Support to Decentralised Planning and Financing in the Provinces of Nampula and Cabo Delgado, Phase II 2002-2005. It has three interrelated components: (a) the consolidation and deepening of the Nampula programme as an official pilot for the Government's decentralised planning and financing programme; (b) the flexible replication of the programme in the province of Cabo Delgado; (c) the provision of direct technical support to the national PPF programme as well as to broader national policy with respect to decentralisation. This project is undoubtedly the most advanced initiative of its kind in Mozambique.
- World Bank: The World Bank is currently preparing to roll out the UNCDF/UNDP experience to the four provinces Zambezia, Tete, Sofala and Manica (i.e. National Programme on Decentralised Planning and Finance, PPF), starting 2004.
- Ireland Aid: Support to Decentralised Planning and Financing in Niassa and Inhambane
- SIDA: Support to Decentralised Planning and Financing in Niassa
- GTZ: Rural Development Programme in Sofala (PRODER), Capacity Building of Public and Private Institutions in Manica (PROCIPP), Decentralisation and Municipal Development (PDDM), DESOPOL in Inhambane
- Swiss Development Cooperation: Support Programme for Decentralisation and Municipalities (PADEM)
- SNV: Local Governance Programmes (MAMM and GEREN) in Nampula province

Annex IV: Budget Support and SWAp Activities in Mozambique

The pattern of aid flows Mozambique has changed rapidly, with an increasing number of donors shifting their focus from project support to sector support and further to general budget support. Currently, about one quarter of overall development aid to Mozambique is provided via budget support, including sectoral as well as general budget support. Most of the participating donors as well as the government perceive budget support as effective and beneficial to both sides. One of the key outcomes has been an improved dialogue between donors and the government as well as between donors themselves. In addition, the process has not only organized donor involvement in the policy dialogue, but also formalized their involvement in the country's budget. For the government, budget support has made aid flows more predictable and has allowed sector ministries to push back their budget envelope.

Yet, donors agree that it is still difficult to determine whether the commitment of the government to poverty reduction, as presented in the PARPA, is actually reflected in relevant budget allocations, and whether the money actually reaches the districts.²⁸ Donors are thus acutely aware that budget support is still a very risky business. While most donors are confident that the government is on the right track, they view further improvements in public expenditure management as an absolute requirement in order to justify the continuation of the budget support program. A number of donors see direct transfers to the provinces or even to the districts and municipalities as a more effective instrument to improve service delivery to the poor, while usually agreeing that accountability at provincial level is often an even bigger problem than at the central level.

In spite of increased commitment to budget support, a large proportion of donor funding is still off-budget, not channelled through the Treasury, but allocated directly to ministries, provincial and district entities, or donor projects. The multitude of government bank accounts holding government funding is further compounded by the multitude of bilateral funding arrangements, which are not captured by the treasury. The only outlays that are fully within normal budgetary procedures are those which go as budget support. A majority of external financial outlays are executed outside the normal budgetary procedure, following donor specific disbursing channels, classifications, procurement and reporting requirements. Hence, harmonising cash flow and funding mechanisms is at the heart of the debate about budget support and sector wide approaches.

Though the views amongst donors vary greatly, there is a clear trend amongst bilateral donors, supported by the European Commission, the IMF and the World Bank, to move towards a harmonised approach of aid funding. The options range from true budget

²⁸ It is estimated that 60 to 70 percent of government resources are spent in Maputo

support, pooling of resources or sector-wide approaches (SWAPs). There are, however, also critical voices regarding the adequacy of pooling resources, pointing to inconsistencies in the Mozambican policy process. Some key actors alerted to the fact that sector programmes tend to reverse the decentralisation process, resulting in local level activities being planned and budgeted centrally (Jackson 2002). Sector programs have, to some extent, curtailed the provincial governments' discretion in allocating resources across sectors and brought the sectoral directorates under closer scrutiny of the central ministry, thus reducing their scope for autonomous action and ability to respond to unforeseen needs (Helling, 1999, Fozzard, 2002). In spite of these challenges, sector programming is clearly progressing in Mozambique and almost unanimously perceived as the way forward. Donors supporting pooling arrangements are also increasingly aware of the urgent need of reconciliation of SWAPs with the principle of decentralisation and ongoing institutional reforms.

Annex V: Project Profiles²⁹

I. PROMEC

Project Period: April 2001 – November 2003, extended to December 2003 – January 2005

Austrian Implementing Agency: H3000 Development Consult GmbH

Mozambican Project Partner: Provincial Directorate for Agriculture and Rural Development in Sofala and District Directorates for Agriculture and Rural Development in Buzi and Dondo

Budget: Total of 700.000 Euro for both phases

PROMEC supports informal groups of smallholders to identify commercialization opportunities and to establish business links. The overall goal of the project is (1) to improve food security and (2) increase agricultural surplus production and thus boost household income. The project objective is to increase agricultural production and productivity as well as the volume of trade in two districts of Sofala province, Buzi and Dondo. The main focus of PROMEC is promoting the commercialization of cash crops by creating and strengthening links between groups of farmers, usually called “business clubs”, to commercial buyers. The approach reflects the PARPA strategy of promoting rapid and broad based economic growth through private sector involvement.

Due to the lack of a clear overall strategy, the project faced some difficulties and setbacks in its initial phase. While the project tried to support the whole production cycle, including the introduction of improved farming practices and technologies, it had in fact not the capacities to do so in the entire project area. In coordination with the Austrian Cooperation Bureau in Beira, it was agreed that PROMEC should primarily focus on the commercialization of cash crops. This includes strengthening the capacity of business clubs, creating links to providers of agricultural inputs, strengthening of warehousing and food processing capacities, and the organization of agricultural trade fairs. Given the limited financial and human resource capacities of the project, the responsibility for training of farmers in improved practices and the introduction of new crops has

²⁹ The evaluation of the Austrian country programme with Mozambique did not include in-depth project appraisals. However, out of the 14 ongoing projects of the country programme, five projects were selected to be analysed more closely than the rest.

been shifted entirely to other projects of the Austrian Development Cooperation, in particular to PACDIB, and the government extension services.

The results of the project in terms of value of crops commercialized have generally exceeded expectations and project targets. However, some crops have taken off slower than anticipated, mainly due to weak response from farmers and adverse weather conditions. The focus for the remaining project period will be on strengthening the capacity of business clubs, which are generally stronger in those areas where other Austrian projects operate and synergies between these projects can be fully exploited.

Strengths:

- Strong project manager.
- High degree of flexibility within the project design.
- Effective technical backstopping from H3000 Development Consult GmbH.
- High impact on the ground.

Weaknesses:

- Small project team.
- Short project duration.
- Limited involvement of project partners at district and provincial level.

Main results

- Increased household income from the sale of cash crops, contributing to improved food security.
- Adoption of new crops and agricultural practices, including conservation agriculture.
- Increased capacity of informal smallholder groups to negotiate directly with buyers of surplus production.

Recommendations:

- Focus on a commercialization strategy through strengthening linkages between farmers and buyers.
- Strengthen project team instead of continuous sub-contracting.
- Clarify the division of responsibilities between PROMEC and other projects and/or government extension services.
- No provision of financial services to individual farmers or groups of farmers, as this would overburden the project's management capacity.

II. ORAM

Project Period: July 2001 – June 2003, extended to June 2003 – July 2005

Austrian Implementing Agency: Hilfswerk Austria

Mozambican Project Partner: ORAM

Budget: Total of 450.000 Euro for both phases, 25% own contribution of Hilfswerk Austria

The project aims at ensuring that the population of two communities in Buzi district actively participates in the sustainable management of natural resources. The first phase, which started in July 2001 and concluded in June 2003, focused on the demarcation and participatory land-titling process of two communities, Guara Guara and Guenge. The project was designed after the floods of 2000 and 2001 in order to contribute to the rehabilitation of those areas most affected by the floods, hence the name Buzi District Economy Rehabilitation Integrated Project of the first phase.

After the initial awareness building stage in the first year, which included the creation of a natural resource management committee in each community, the project experienced some setbacks, as the leaders of the communities and the population did not realize any immediate benefits from the process. The initiation of gender-sensitive microprojects, promoting various group-based economic activities, including animal husbandry, carpentry, pottery and fishery, helped the project to gain momentum again. The communities then also started to appreciate the benefits of the demarcation process, as it helped them to settle conflicts in a participatory manner within the community as well as with outsiders, such as illegal loggers or fishermen from outside the community.

While ORAM is a co-financed project and is thus not fully integrated into the Austrian Country Programme in Mozambique, the project has still accomplished to cooperate with other Austrian projects on the ground, exploiting synergies and increasing the benefits for beneficiaries. For example, PACDIB promoted the introduction of new crops such as sesame, and PROMEC helped with creating links to potential buyers of these crops. Two communities have already concluded the titling process.

The second phase, which has recently been approved, has been designed to consolidate the titling process and strengthen the communities' natural resource management capacities. This includes the development and implementation of integrated community development plans as well as the strengthening of group-based activities and enterprises. In addition, the project will continue to support by the organizational development process of ORAM, which has started in the first phase of the project.

Strengths:

- Project partner is a large and experienced national NGO.
- High degree of community participation.
- Parallel promotion of titling process and microprojects.
- Strong support from Austrian implementing agency.

Weaknesses:

- Lack of full integration into the Austrian Country Programme in Mozambique.
- Restricted outreach to only two communities.
- Deficient design of the rotating fund for microprojects.

Main results

- Increased awareness and problem-solving capacity of two communities.
- Adoption of new crops and farming practices.
- Improved organizational capacity of ORAM.

Recommendations:

- Promote stronger integration of the project into the Austrian Country Programme in Mozambique.
- Redesign rotating fund or introduce own contribution instead of rotating fund.

III. PADM II

Project Period: April 2003 – March 2005

Austrian Implementing Agency: ECOTEC (in collaboration with ÖNSI)

Mozambican Project Partner: Provincial Directorate for Planning and Finance in Sofala, Dondo and Marromeu Municipality and District Administrations of Búzi, Dondo, Marromeu, Chibabava and Machanga

Target Group: Staff members of the above mentioned provincial, municipal and district authorities and communities within these jurisdictions

Budget: Total of 2,433,500.- EURO (1,031,954.- EURO for PADM Phase I)

PADM Phase II (Programme for the Support of Districts and Municipalities) aims at strengthening the decentralisation process in Sofala province. Its main objective is to facilitate this process at different levels of local government and to test current local governance policies, legislation, participatory planning and development methodologies on the ground. This is to be achieved through institutional capacity building activities for a variety of target groups: the provincial administration, local authorities and rural communities. These capacity building activities are coupled with financing investment projects, which are selected by the rural communities themselves. Project activities have a threefold purpose: (a) the promotion of participatory planning and development, (b) capacity building and training activities to improve the overall capacity of the local administration with focus on strategic planning, and (c) financing investments and implementation of small projects for rural communities.

Its predecessor, PADM Phase I, started off in early 1999. Its overall objective was to strengthen the capacity of local authorities in the districts Buzi and Marromeu and in the municipalities of Dondo and Marromeu. Activities were then extended to the districts Cheringoma and Chibabava at a later stage. Overall, PADM I had an impact on the ground: it paved the way for participatory planning in the target areas, as it increased the acceptance of participatory planning as an essential element of decentralized development amongst all stakeholders.

The project management unit of PADM II was installed in July 2003 and moved to the premises of the Provincial Directorate for Planning and Finance in October 2003. The project is jointly administered by the international Programme Coordinator and three District Coordinators, who are based in Buzi, Dondo and Marromeu. At the time of the evaluation team's visit to Mozambique, a formal contract between the Austrian Ministry for Foreign Affairs and ECOTEC/ÖNSI was not yet in place. The absence of a contract, undoubtedly, affected project implementation, as it has not been possible to disburse funds for infrastructure development. Irrespective of these bureaucratic delays, a series of activities have been launched and the project has been introduced to most of its

counterparts at local and provincial level. Participatory planning workshops took place in most of the target areas. These events, which are based on the *Open Space* method, a participatory planning tool in which participants organise around an agenda they themselves create and manage according to their needs and priorities, have been well perceived by most of all stakeholders involved. In Buzi, for instance, this planning event resulted into the successful identification and prioritisation of investment projects to be funded under PADM II: i.e. roads improvement, the moving of the cemetery, and the rehabilitation of the slaughterhouse and children's playground.

Strengths:

- High degree of flexibility of project design.
- Focus on communities.

Weaknesses:

- Small project team.
- Short project cycle.
- Overly ambitious project approach.
- Limited access to national stakeholders.

Main results:

- At this early stage, an assessment of main result is not yet feasible.

Recommendations:

- Strengthen project structure through purchase of new vehicles and recruitment of additional staff.
- Establish stronger working relationships to other Austrian funded projects to ensure that synergies are fully exploited.
- Establish stronger relationships to other decentralisation programmes in Mozambique in order to ensure a productive exchange of experiences and the possibility to feed PADM's experience into the national policy discussion.

IV. APROS

Project Period: Phase I: April 1999 – March 2001, Phase II: December 2001 – November 2003, Phase III scheduled for January – December 2004

Austrian Implementing Agency: H3000 Development Consult GmbH (formerly IIZ Consult)

Mozambican Project Partner: Provincial Directorate of Agriculture and Rural Development

Target Group: Farmers and personnel of District Directorates of Agriculture and Rural Development of Buzi, Dondo, Chibabava and Machanga, and Provincial Directorate of Agriculture and Rural Development

Budget: Total of app. EUR 1,100,000.- (EUR 420,848 for Phase I, EUR 429,845.- for Phase II, EUR 210,000.- for Phase III)

ProAgri defined the sector wide approach (SWAp) in agriculture. The government's policy statement in 1997 initiated ProAgri comprising of the components institutional development, extension, livestock, crop production, research, forestry and wildlife, land affairs, and irrigation. It is the country's largest ongoing reform programme due to the massive financial donor support extended to the programme (EUR 202 Million). Donors agreed to channel their resources into a common central bank account in support of the ministry's five year strategic plan. The ProAgri SWAp aims to strengthen the capacity of central and decentralised institutions to manage the policy making and implementation process in favour of agricultural development and the sustainable use and management of natural resources in the country. APROS (Support Programme for ProAgri in Sofala) has been set up to support the implementation process of ProAgri policies in Sofala. The project's purpose is to facilitate the capacity building process in district and provincial institutions, as well as training and support activities in the areas financial management and planning.

In 1999, APROS I started off to facilitate the decentralisation process at lower government levels. It concentrated on strengthening the planning and financial management process in the districts Buzi and Dondo by means of training and activities for the promotion of community participation. In its second phase of implementation, APROS II intended to complete and continue with activities launched during phase I, while extending its activities to the districts Chibabawa and Machanga in response to the priorities of the project partner. This phase also extended its support to financing office rehabilitation of District Directorates for Agriculture. The project is coordinated by a Mozambican project coordinator with the assistance of two international consultants who provide technical support in a variety of areas relevant to project implementation. APROS is currently entering its third phase of implementation, which is regarded as the

transition period during which the provincial government and the Austrian Development Cooperation will have sufficient leeway to assess and agree upon future support modalities for ProAgri.

Strengths:

- High impact.
- Strong project approach.

Weakness:

- No end-of-phase I external evaluation.

Main results:

- Establishment of decentralised financial management system.
- Participatory planning introduced.

Recommendations:

- To fully align Austrian support mechanism for ProAgri with SWAp procedures after completion of transition period (true budget support instead of earmarking funds).

V. PAARSS II

Project Period: Phase I: May 1999 – September 2002, including special emergency activities in response to the floods in 2000, Phase II: April 2003 – March 2006,

Austrian Implementing Agency: ADC Projektmanagement GesmbH

Mozambican Project Partner: Provincial Directorate for Public Works and Housing

Target Group: District Directorates of Public Works and Housing and rural user groups of Buzi, Cheringoma, Chibabava and Marromeu district and municipalities of Dondo and Marromeu, and the Department of Water and Sanitation (Provincial Directorate of Public Works and Housing)

Budget: Total of EUR 2,995,677.- (PAARSS I = EUR 1,286,309.-, PAARSS II = EUR 1,418,677.-, special emergency funds = EUR 290,691.-)

In Mozambique, the rural water supply network only covers 35% of the entire territory and 53% of Sofala province. Health and the provision of basic infrastructures are therefore key areas of concern of the government's poverty reduction policy (PARPA). The Austrian Development Cooperation consequently launched a programme in support of the country's national water plan at provincial level in Sofala in May 1999. The *Programme for Rural Water Supply and Sanitation in Sofala* (PAARSS I) aimed at providing rural water supply in designated target areas of Sofala province, mainly through capacity-building activities of rural user groups by means of mobilisation and sensitisation activities, and in close collaboration with the private sector. Overall, PAARSS I succeeded in establishing a working relationship with the district administrations and gaining the acceptance of rural communities.

During the floods in 2000, Buzi River rose above normal level and inundated large parts of Buzi district, causing major hardships for the districts' rural community. Community mobilisation activities initiated under PAARSS came to a complete standstill. In an attempt to mitigate the disastrous effects of the floods, emergency activities were launched with the assistance of emergency funds disbursed by the Austrian Development Cooperation. These activities included the building of Eco latrines, community education on sanitation related issues and the installation of water and solar systems in areas most affected by the floods.

The current project phase (PAARSS II), launched in early 2003, continues with activities initiated under PAARS I. It comprises of the following components: training activities, provision of technical assistance, infrastructure development, rehabilitation and expansion of rural water networks, including the installation of water pumps and Eco-latrines, resource management and institutional strengthening measures. PAARS II will be carried out in three stages. During the first stage, the focus will be on the continuation of project activities initiated under PAARSS I. The second and transitional stage mainly entails capacity-building activities to enable the Provincial Directorate of Public

Works and Housing personnel to effectively perform its supervisory and monitoring function. This is of paramount importance for the third phase, in which the project's focus is anticipated to shift towards provision of budget support.

Strengths:

- Strong community participation.
- Strong project approach.
- Adequate length of project cycle.

Main results:

- Establishment of continuous dialogue with district administrations.
- Rural user groups mobilised and sensitised.
- Successful involvement of the private sector in project implementation activities..

Recommendations:

- Closer cooperation with other Austrian funded projects and with PADM II, in particular, to create synergies and ensure sustainability.

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Annex VII: List of Persons Consulted

Government

Mr. Lucas Simão Renzo	District Administrator	District Administration Búzi
Ms. Maria Alice Daniel	District Administrator	District Administration Dondo
Mr. Felício Pedro Zacarias	Governor	Sofala Province
Mr. Orlando J. Monteiro Chaves	Provincial Director for Planning and Finance	Ministry of Planning & Finance
Mr. Caetano Benedito	District Director for Agriculture and Rural Development	DDADR, Buzi
Mr. Rui Ribeiro	Provincial Director for Agriculture and Rural Development	DPADR, Sofala
Mr. Manuel Cambezo	President of the Municipal Council	Dondo Municipal Council
Mr. Luís Augusto Mambero	Director	IFAPA, Sofala
Mr. Tomás Ernesto	Supervisor PROMEC	District Department for Agriculture and Rural Development, DDADR, Dondo
Mr. Albert Chichava Gemos	Desk Officer Austria	Ministry for Foreign Affairs and International Cooperation, MINEC
Dr. José A.C. Chichava	Minister	Ministry of State Administration
Ms. Zauria Amisse	Deputy Director	National Directorate for Local Administration, Ministry of State Administration

Austrian Development Cooperation

Mr. Franz Breitwieser	Desk Officer Mozambique and Southern Africa
Mr. Konni Huber	East Africa Desk
Mr. Georg Lennkh	Head of Department
Ms. Gerti Perlaki	Gender Advisor
Mr. Manfred Schnitzer	Rural Development and Decentralisation Sector Consultant, Poverty Advisor
Mr. Hermann Spierik	Director - Programming

Mr. Günter Stachel	Deputy Head of Department
Mr. Erik Vorhausberger	Restructuring Advisor
Mr. Christian Zeininger	Resident Representative
Mr. Wolfgang Moser	Co-Financing Officer
Ms. Cecília de Mendonça Pedro	Consultant for Rural Development
Mr. Bento Salema de Freitas	Consultant for Rural Development
Mr. Michael Butschek	Administrator

Donor Agencies and Programmes

Mr. Nicolas Lamadé	Programme Director Sofala & Manica	GTZ
Mr. Jean Paul Vermeulen	Infrastructure & District Planning and Decentralisation Advisor	PRODER/GTZ, Sofala
Mr. Michele Santoni	Administrator	Italian Cooperation
Dr. Valério Pastori	Health Advisor	Italian Cooperation
Dr. Bernhard Weimer	Head of Governance	Swiss Agency for Development and Cooperation
Mr. Geert W. Mostert	Head of Development Cooperation,	Royal Netherlands Embassy
Ms. Grethe Dittmer	Head of Cooperation	Danish Embassy
Mr. Rudolf Baerfuss	Ambassador	Swiss Embassy
Mr. Adrian Hadorn	Head of Cooperation	Swiss Development Cooperation
Mr. Taquidir Bacar	Technical Coordinator	PPFD
Mr. Custódio Dos Mucudos	Project Coordinator	PPFD
Mr. A Luis Helling	Advisor	World Bank/School of Public and Environmental Affairs Indiana University/African Public Administration and Institutional Development

Implementing agencies

Mr. Hans Bichler	Project Manager	ADC Austria
Mr. Friedbert Ottacher	Desk Officer Mozambique	Horizont3000
Mr. Gerald Tschinkel	General Manager	H3000 Development Consult GmbH
Ms. Monika Ségur	Regional Manager	Hilfswerk

Mr. Hans Stoisser	General Manager	ECOTEC
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Project managers and staff

Ms. Eva Kohl	Resident Representative & Project Manager	IANS, Radio Mozambique
Mr. Cristiano Taimo	Project Coordinator	PROMECC
Mr. João da Costa,	Project Assistant	PROMECC, Buzi District
Ms. Estrela Enosse Mboé	Project Coordinator	ORAM, Buzi District
Mr. António Machavane	Programme Supervisor	ORAM
Mr. Erasmo Francisco Saraiva	Project Coordinator	PACDIP
Ms. Rossanu Junusso Ibraimo	Promotor	PACDIP, Buzi District
Mr. Paulo José Ferreira	Promotor	PACDIP, Buzi District
Mr. Albino Marinde	Deputy Director	Radio Comunitario, Buzi District
Mr. Bento Tiane Cuinhane	former President	APIS, Buzi
Mr. Luis Macário	Project Manager	PAARS
Mr. Cândido Júnior	Coordinator for Buzi District	DEC
Mr. Víctor Avuino	Deputy Director	Buzi District, DEC
Mr. Karsten Schenk	former ECOTEC/APIS staff member	APIS
Mr. Rui Valadares	Project Manager	ARROS
Mr. Horácio Kembo	Project Coordinator	DEC, Dondo
Mr. Mateus Miranda	Project Assistant	PROMECC, Dondo
Ms. Maria de Fatima Alfiete Francisco	Project Manager	PADM II, Dondo District
Mr. Stefan Schmid Hayashi	Project Manager	PADM II
Mr. Simeão Cachamba	Project Manager	PROMISO
Mr. Horácio Ferreira	Financial Director	ASSERCO, DEC

Others

Mr. Filipe José Couto	Rector	University Catolica de Mocambique
Mr. Bernd Weber	Change Management Consultant	Trainconsult
Mr. Gert Binder	Country Representative	Horizont 3000 & CBM
Ms. Elisabeth Roque	Director	ORAM

Focus Group Discussions

- | | | |
|------------------------------------------------------|---------|----------------------------|
| 1. Members of <i>Irmãos Unidos</i> | PROMECC | Buzi District |
| 2. Group of women | PACDIP | Buzi District |
| 3. Members of <i>Associação de Pawa</i> | PACDIP | Buzi District |
| 4. Committee for the Management of Natural Resources | ORAM | Guara Guara, Buzi District |

Participants of Project Manager's Workshop

- | | |
|-------------------------------|-------------|
| Ms. Estrela Enosse Mboé, | ORAM |
| Mr. Stefan Schmid Hayashi | PADM II |
| Mr. Horácio Fereira | DEC/ASSERCO |
| Ms. Eva Kohl | IANS |
| Mr. Rui Valadares | APROS |
| Mr. Luís Macario, | PAARS |
| Mr. Erasmo Francisco Sarai-va | PACDIP |
| Ms. Franziska Steinbruch | GIS |

Annex VIII: Bios of Evaluation Team Members

Hannes Mandorff

Hannes Mandorff, Ph.D. in Development Economics, has been working in the field of development for nearly one decade. He is a specialist in microfinance, but has also worked in other development areas. He has lived in Mozambique for three years and has ample work experience in the areas evaluation, institutional assessment, market research and impact assessment. He has been working for the Austrian Development Cooperation on various assignments, including a research on the PRSP process in Mozambique in 2002. With L&R Institute for Social Research he has worked on a number of projects, including the Evaluation of Microfinance as an Instrument of the Austrian Development Cooperation. Hannes Mandorff will act as Research Fellow and participate in all stages of the evaluation.

Walter Reiter

Walter Reiter, PhD in Political Science and Sociology, is the manager of the Viennese L&R Institute for Social Research and performed as team leader numerous research projects, including in the field of Development Cooperation, over the past 12 years. The focus of his research work lies on evaluation and monitoring. He has ample experience in evaluating programmes and in project an process management with special focus on facilitating the partnership building process. He also has comprehensive experience in design of monitoring mechanisms to evaluate the effectiveness of measures and services provided to vulnerable groups. He has a proven track record in planning, facilitation and problem-solving skills and an extensive cross-cultural experience. He will act as project manager and participate in all stages of the evaluation.

Barbara Nöst – Decentralisation Expert

Barbara Nöst has a Master's degree from the University of Vienna and is about to obtain her MSc in Public Policy and Management at CeFIMS/SOAS, London. She has 9 years of work experience in international development with focus on governance, public policy and decentralisation. She spent more than 6 years in Africa in different capacities, as researcher, programme co-ordinator and consultant. She was in charge of the Austrian funded Governance programme in Uganda from 1998 until 2001 and also acted as the Bureau's Gender Focal Point. Having worked with the Austrian Development Cooperation from 1996 until 2001, she has a sound knowledge of the organisation's current development policies and implementation practices. She has also carried out consultancy assignments in the field of decentralisation, and has an in-depth

knowledge of current local governance thinking and practice. She has worked in Mozambique and is familiar with the Mozambican decentralisation reform context.

Ester dos Santos José – Local Consultant and Rural Development Expert

Ester dos Santos José currently works in the Ministry of Agriculture and Rural Development (MADER), National Directorate of Rural Development (DNDR), heading the Department of Programming and Monitoring. She has intimate knowledge of the rural development challenges and discussions in Mozambique and participated in a number of research activities in this field. She is also familiar with the decentralisation and democratisation process in Mozambique and has recently participated in an evaluation of the socio-economic impact analysis of PRODER in Sofala for GTZ. Ester dos Santos José will act as the team's local consultant and rural development expert and participate in the participate in all stages of the country program evaluation.