

República de Moçambique



Ministério da Agricultura

**FINAL EVALUATION OF THE FIRST PHASE OF THE
NATIONAL AGRICULTURE DEVELOPMENT
PROGRAMME
PROAGRI (1999-2005)**

VOLUME I: MAIN REPORT

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PRICEWATERHOUSECOOPERS 

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ACRONYMS

ANE	Administração Nacional de Estradas National Roads Administration
CA	Comité de Acompanhamento Steering Committee to coordinate with the evaluation team
CAP	Censo Agro Perairo Agriculture and Livestock Census
CDR	Campo de Demonstracao de resultados Results Demonstration Plots
CIDA	Canadian International Development Agency
CDA	Centro de Documentação Agrária MINAG Documentation Center
CEF	Centro de Experimentação Florestal Centre for Forestry Research
CFFM	Common Flow of Funds Mechanism
CGF	Comité de Gestão Financeira Financial Management Committee (of MADER)
CIRESP	Comissão Inter-ministerial de Reforma do Sector Público Inter-ministerial Commission for Public Sector Reform
CTA	Confederação das Associações Económicas de Moçambique Confederation of Business Associations of Mozambique
CTIA	Conselho Técnico de Investigação Agrária Technical Council for Agricultural Research
DAF	Direcção da Administração e Finanças Directorate of Administration and Finances (national) Department of Administration and Finances (provinces)
DANIDA	Danish International Development Assistance
DAP	Departamento de Análise Política Department for Policy Analyses (of the DE)
DDA	Direcção Distrital de Agricultura District Directorate of Agriculture
DE	Direcção de Economia Directorate of Economics (national) Departamento de Economia (provinces)
DEP	Departamento de Estradas e Pontes Provincial Roads and Bridges Department
DfID	Department for International Development (of the UK)
DINA	Direcção Nacional de Agricultura National Directorate of Agriculture
DINAGECA	Direcção Nacional de Geografia e Cadastro National Directorate for Geography and Cadastre (of MINAG)
DINAP	Direcção Nacional de Pecuária National Directorate of Animal Husbandry
DNC	Direcção Nacional de Comércio National Directorate for Trade (of MIC)
DNER	Direcção Nacional de Extensão Rural National Directorate for Rural Extension

DNFFB	Direcção Nacional de Floresta e Fauna Bravia National Directorate for Forestry and Wildlife
DNHA	Direcção Nacional de Hidráulica Agrícola National Directorate for Irrigation
DNPE	Direcção Nacional de Património do Estado National Directorate of Public Assets (of MPF)
DNRH	Direcção Nacional de Recursos Humanos National Directorate for Human Resources
DPA	Direcção Provincial de Agricultura Provincial Directorates for Agriculture
DPICOM	Direcção Provincial de Indústria e Comércio Provincial Directorate of Industry and Commerce
DPOPH	Direcção Provincial de Obras Públicas e Habitação Provincial Directorate of Public Works and Housing
DPPF	Direcção Provincial de Plano e Finanças Provincial Directorate of Planning and Finance
DSV	Departamento de Sanidade Vegetal Department for Plant Protection
EC	European Community
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDA	Fundo de Desenvolvimento Agrário Development Fund for Agriculture
FDHA	Fundo de Desenvolvimento de Hidráulica Agrícola Development Fund for Irrigation
FFA	Fundo de Fomento Agrário Agricultural Development Fund
GPZ	Gabinete do Plano de Zambeze
GoM	Government of Mozambique
GPSCA	Gabinete de Promoção do Sector Comercial Agrário MINAG's office to promote private sector activities in agriculture
IFAD	International Fund for Agricultural Development
IIAM	Instituto de Investigação Agrária de Moçambique Institute of Agrarian Research in Mozambique
INAS	Instituto Nacional da Accao Sonal
INIA	Instituto Nacional de Investigação Agrária National Agricultural Research Institute
INIVE	Instituto Nacional de Investigação Veterinária National Institute for Veterinarian Research
IPA	Instituto de Produção Animal National Institute for Animal Production
IPM	Integrated Pest Management
ISPU	High Polytechnic and University Institute
ISNAR	International System for National Research
M&E	Monitoring and Evaluation
MADER	Ministério de Agricultura e Desenvolvimento Rural (old name) Ministry of Agriculture and Rural Development

MAE	Ministério Administração Estatal Ministry of State Administration
MAP	Ministério de Agricultura e Pesca (old name) Ministry of Agriculture and Fisheries
MF	Ministerio das Financas Ministry of Finance
MIC	Ministério de Indústria e Comércio Ministry of Industry and Commerce
MICOA	Ministerio da coordenação para Accao Ambiental Ministry for Environment Coordination
MINAG	Ministério de Agricultura Ministry of Agriculture
MINED	Ministério de Educação Ministry of Education
MIS	Management Information System
MISAU	Ministério de Saude Ministry of Health
MOPH	Ministério de Obras Públicas e Habitação Ministry of Public Works and Housing
MoU	Memorandum of Understanding
MPF	Ministério de Plano e Finanças (old name) Ministry of Planning and Finance
MPD	Ministerio da Planificacao e Desenvolvimento Ministry of Planning and Development
MSU	Michagan State University
NGO (or ONG)	Non Governmental Organisation
OGE	Orçamento Geral do Estado General State Budget
ORAM	Organizacao Rural Para Ajunda Mutua
PAAO	Plano Anual de Actividades e Orçamento Annual Activity Plan and Budget
PAEI	Política Agrária e Estratégia de Implementação Agrarian Policy and Implementation Strategy
PARPA	Programa de Redução da Pobreza Absoluta Poverty Reduction Strategy and Programme (PRSP)
PDD	Plano Distrital de Desenvolvimento District Development Plan
PFP	PROAGRI Financial Planner
PTAO	Plano Trimestal de Actividades e Orçamento Quarterly Activity Plan and Budget
SIDA	Swedish International Development Agency
SIP	Sistema de Informação do Pessoal Staff Information System
SISTAFE	Sistema de Administração Financeira do Estado State Financial Administration System
SPA	Servicos Provinciais de Agricultura Provincial Agriculture Service
SPER	Servicos Provinciais de Extensao Rural Provincial Extension Service

SPFFB	Servicos Provinciais de Florestas e Fauna Bravia Provincial Forestry and Wildlife Service
SPFS	Special Programme for Food Security
SPGC	Servicos Provincias de Geografia e Cadastro Provincial Land Mapping Service
SPP	Servicos Provinciais de Pecuaria Provincial Livestock Service
SUE	Unified Extension System
SWAp	Sector-Wide Approach
TA	Technical Assistance
TIA	Trabalho de inquerito Agricola Agricultural Works Survey
UEM	Universidade Eduardo Mondlane Eduardo Mondlane University
UNAC	União Nacional de Camponeses National Farmers Union
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
UTRAFE	Unidade Técnica de Reforma da Administração Finaceira do Estado Technical Unit for Reform of State Financial Administration
UTRESP	Unidade Técnica da Reforma do Sector Público Technical Unit for Public Sector Reform
WVI	World Vision International
ZRC	Zonal Research Centers Centro Zonal de Investigacao



Map No. 3706 Rev. 6 UNITED NATIONS
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Department of Peacekeeping Operations
 Cartographic Section

EXECUTIVE SUMMARY

PricewaterhouseCoopers was appointed by the Ministry of Agriculture (MINAG) in July 2006 to carry out a final evaluation of the first phase of PROAGRI. The evaluation process began with a detailed review of background documentation including reports of the mid-term evaluation studies. A plan of action was developed and initial drafts of survey guidelines created.

A major part of the evaluation was a stakeholder survey that obtained information on the perception of PROAGRI among the different stakeholders including ministry officials, technicians, donors, NGOs, private businessmen and producers. Field surveys were carried out at the provincial and district administrative levels, the private sector interface and the basic producer level in each province. All provinces were surveyed with at least three districts visited. Two case studies were done.

Upon completion of field activities, a draft report was developed and presented to MINAG and the Steering Committee PROAGRI CA. The report was finalised after incorporating inputs by major stakeholder groups.

PROAGRI I, as one of the first common fund programmes established in Mozambique, pioneered a number of issues that the Government of Mozambique (GoM) and the Technical Unit for Public Sector Reform (UTRESP) have started to address in recent years. UTRESP has stated that it finds the initial work done by PROAGRI in MINAG to be relevant to national needs, and uses the process as the best-practices approximation for other reform efforts.

The programme was particularly focussed on institutional processes, carrying out a detailed functional analysis and began a managed change toward improved organizational performance. In spite of the reform related challenges, PROAGRI has achieved most of the results expected in its initial documentation as can be seen on the summary matrix of achievements in Chapter 10. It has however, not been able to implement the institutional reforms specified in its functional analysis.

One of the most effective results of PROAGRI is the establishment of instruments of programme management and co-ordination. Mechanisms for co-ordination between MINAG and the donors have provided good collaboration in shared visions of agricultural sector development. The co-ordination instruments put in place have performed well, bringing greater order to investment and development activities in the agricultural sector. It has minimized the fragmentation, duplication and lack of vision previously found in the sector.

Despite the benefits of organized programme investment, project activities remain important. This is especially the case for long-term projects focusing on specific areas of impact. The smaller scale design allows very specific

inputs in crucial areas, thus enhancing potential for innovation, reform and shared learning. Projects also can have greater links to community driven development at the local level.

The donors and the Government of Mozambique (GoM) delivered the funds agreed upon over the period of PROAGRI I. Donors covered 88% (US\$162 million) and the GoM of Mozambique 12% (US\$22 million). This was expended on the relevant components of the programme according to the decisions of PROAGRI management. Table 1 shows the 1999-2005 total expenditure by component against original PROAGRI targets for expenditure. The heavy concentration on Institutional Development is clearly demonstrated by the actual expenditure compared to planned expenditure.

Table 1 Expenditure by Component

Component	1999-2005 Total Expenditure	Target Expenditure	Variance	% Difference
Institutional expenditure	66,422.46	30,006.00	-36,416.46	-121
Livestock production	4,390.20	16,600.00	12,209.80	74
Extension	7,679.50	20,410.00	12,730.50	62
Agricultural production	40,721.46	14,440.00	-26,281.46	-182
Forestry and wildlife	5,763.36	39,930.00	34,166.64	86
Land management	7,026.24	32,170.00	25,143.76	78
Research	18,041.47	25,130.00	7,088.53	28
Irrigation	2,655.38	23,520.00	20,864.62	89
Total	152,700.06	202,206.00	49,505.94	24

Source: Derived from Table 7.2, based on MINAG Financial Reports.

Institutional development

Among its other achievements, PROAGRI I successfully replaced fragmented donor-driven projects with a comprehensive agricultural development programme that allowed donors to focus their assistance behind a government vision. This helped MINAG to realign its functions, organization and approaches with the requirements of a market economy and has put MINAG at the forefront of Mozambican ministries regarding restructuring issues and provided a promising perspective for progress. However, the combination of change in organizational responsibility (MADER to MINAG) and sense of ownership of the PROAGRI process at the senior level of the Ministry has made implementation of envisioned structural reforms very difficult. Thus the Ministry remains in a limbo of partial transformation. The implications for PROAGRI II is that it may display the same pattern of slow “start and halting” progress as did PROAGRI I.

Management

Management capacity during PROAGRI I improved as a result of:

- improved working conditions and environment, that contributed to increased staff motivation;
- improved staff qualifications, mainly through recruitment and contracting of better qualified people and short-term training courses;
- significant increases in number of staff allocated to provincial level activities; and,
- better services offered by MINAG.

A major achievement of PROAGRI I has been the establishment of management procedures for planning, budgeting and financial control. This has been a cornerstone for MINAG's internal administrative and management capacity enhancement. Greater transparency and accountability has been developed within the Ministry's operational system and MINAG is to be congratulated on the amount of progress made, particularly in comparison to other Mozambican ministries.

Audits

Audit reports have consistently been delayed, for a variety of reasons. This has meant that management has been unable to provide the annual audited reports, as required, at the annual Joint Review Meetings. The Director of Administration and Finance (DAF) is showing good response to the issues raised and fewer management issues are being raised in later reports, indicating improved capacity at the technical level. Recommendations have been made to assist with the persistent lateness issue.

Procurement

The procurement system established in MINAG is of international standards and is considered a good model. Initially there was some conflict between the new MINAG system and the national guidelines, but these have been resolved. Further adjustments need to be made to make the system at local level better suited to the working environment, for example (three quotations are not always possible or financially prohibitive in some areas).

The one area not fully compliant with the Memorandum of Understanding (MoU) and guidelines for the conduct of good practices is the maintenance of a fixed asset register and carrying out of annual procurement audits. Procedures to correct this must be put in place.

Human Resources

The poor record on capacity development in human resources management has been one of PROAGRI's largest failures. Little progress has been made beyond the development of objectives. MINAG has not established a clear strategic change process, with specific achievement monitoring framework. Technical Assistance (TA) has been provided to support the system's analytical capacity, but the concepts have not been properly institutionalized. The majority of staff have no formal job descriptions. MINAG still does not have a TA tracking system. No staff needs assessments were available to justify the existing staff contracted. There is no effective tool to evaluate staff performance, or strategy in dealing with poor performance.

Although training was provided for 224 MINAG staff under PROAGRI I only 53 completed their studies. There is no staff development plan at either central or local levels. Most contracted staff when trained become eligible for higher-level responsibilities but end up returning to their old jobs with no prospects of advancement. There is a need to provide planned career development as incentives for retaining staff.

Monitoring and Evaluation (M&E)

M&E has been a problem in PROAGRI since its inception. Even as late as 2003, the Mid-term Evaluation documented a complete lack of progress. Since then work has been done to improve the *Trabalho de Inquerito Agrícola* (TIA) and standardize some benchmark criteria. Information presented in the 2005 MINAG Annual Report indicate that an M & E system has been initiated. However, this has not yet been fully expanded to local levels and much work in advocacy of the system and training is required. Further development of the system is expected: good information is an essential base for sound policy formulation.

At the local level monitoring also faces a challenge. The attitude of technicians to monitoring represents one of the major reasons for its slow development. Monitoring is seen as a means of ascertaining whether the field workers are doing their jobs adequately, rather than as a means of assisting them to improve their capability to respond to the community's problems. Little was done on advocacy and assessment of training needs for district and provincial technicians to ensure that they take ownership of the concepts, and work to support it as a useful tool.

Decentralization

PROAGRI, in developing MINAG's institutional reform, also emphasized decentralization. This has been reflected in the growing amount of financial resources directed to the provinces. Table 2 shows provincial resources increasing at an average annual rate of between 49% to 79%. This indicates effective, phased programming so that by 2004 the provinces were receiving 49% of the total MINAG budget.

Table 2 Disbursement of PROAGRI Funds to Provinces and MINAG Central

	<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>		<u>2003</u>		<u>2004</u>		<u>2005</u>		<u>Total</u>	avg ann
	US\$'000	US\$'000	%▲	US\$'000	%▲	US\$'000	%▲	US\$'000	%▲	US\$'000	%▲	US\$'000	%▲	US\$'000	%	chnng
Maputo	126,158	726,771	476%	569,217	-22%	1,086,245	91%	1,359,311	25%	1,363,924	0%	1,102,226	-19%	6,333,851	79%	
Gaza	100,945	308,323	205%	412,826	34%	1,140,505	176%	1,486,558	30%	1,470,033	-1%	1,046,425	-29%	5,965,615	59%	
Inhambane	100,945	553,658	448%	616,736	11%	1,184,912	92%	1,348,558	14%	1,591,042	18%	1,111,598	-30%	6,507,066	79%	
Manica	159,346	644,015	304%	559,771	-13%	1,499,538	168%	1,732,868	16%	1,732,852	0%	1,172,403	-32%	7,500,792	63%	
Sofala	118,138	522,271	342%	387,668	-26%	1,015,184	162%	1,973,125	94%	1,864,006	-6%	1,275,308	-32%	7,155,701	76%	
Tete	121,089	321,273	165%	545,572	70%	1,223,158	124%	1,578,589	29%	1,540,283	-2%	915,947	-41%	6,245,912	49%	
Zambezia	231,303	668,779	189%	501,443	-25%	1,471,960	194%	1,677,472	14%	1,915,570	14%	1,372,950	-28%	7,839,476	51%	
Nampula	195,433	375,328	92%	456,169	22%	1,734,000	280%	1,878,743	8%	2,042,478	9%	1,550,909	-24%	8,233,061	55%	
Cabo Delgado	105,408	427,279	305%	593,287	39%	1,014,000	71%	1,306,125	29%	1,496,612	15%	806,127	-46%	5,748,839	59%	
Niassa	104,430	507,677	386%	693,022	37%	1,157,254	67%	1,198,192	4%	1,171,044	-2%	881,847	-25%	5,713,465	67%	
Total to Provinces	1,363,194	5,055,376	271%	5,335,711	6%	12,526,754	135%	15,539,159	24%	16,187,843	4%	11,235,740	-31%	67,243,778	58%	
% of total	48%	38%		44%		46%		44%		49%		37%		44%		
MINAG Central	1,495,180	8,404,275	462%	6,854,956	-18%	14,419,713	110%	20,047,108	39%	17,017,947	-15%	19,043,337	12%	87,282,516	84%	
Total Disbursement	2,858,375	13,459,651	371%	12,190,667	-9%	26,946,467	121%	35,586,267	32%	33,205,790	-7%	30,279,078	-9%	154,526,294	71%	

Source: Derived from Table 7.1, based on MINAG Financial Reports.

Decentralization has been developed as a means of empowering smallholder farmers through local participation in the decision-making process. The expectation is more responsive and locally applicable policy decisions. Although there can be trade-offs between greater local government authority over expenditure and potential misuse of funds, financial responsibility is an important element of effective decentralization. If District Director of Agriculture (DDA) and Provincial Directorate of Agriculture (DPA) are to carry out decentralized functions effectively, they must have adequate revenues, and authority to make decisions about expenditures.

There must also be recognition of the limits of district administration activity. While DDA and DPA have a role in providing "local" public goods, there are also many "national" public goods that these will not have the technical capacity or interest to address. Directed public investment will continue to be necessary to develop the capacity of district and provincial administrations and to assist them in formulating coherent and effective strategies. This is particularly the case in provision of agricultural services where user groups may have different interests and priorities from those of the local administrators, or national planners. The degree of financial decentralisation occurring over the 1999-2005 period is shown in Table 2.

Provincial/District programme impact

Administratively, the impact of the programme has been mostly through development of planning and financial management tools, capacity enhancement, and encouraging greater local involvement in programme development. As would be expected in a mainly institutional reform programme, smallholders had limited awareness of PROAGRI: they did, however, remark on the greater accessibility of extension workers.

Decentralization of the financial responsibilities and planning process to the district and provincial levels took place, but was hampered by poor transition planning and erratic fund delivery from central government. It is recognised that these can be caused by higher level problems (programme sequencing, treasury administration, donor administration, etc) that cannot be dealt with by MINAG, but procedures can be identified and established which mitigate these problems. Appropriate management plans need to be proposed and implemented which would look at means of ameliorating these serious hindrances to field level activities and greater national productivity.

It is clear that the process of delivery of services in the field is currently undergoing change with DDAs and DPAs becoming part of a more multidimensional economic service group. This presents the opportunity of greater synergies among the programmes of the related activities that have been discussed in this report (marketing, transportation, finance, etc.) and the challenge of redefining the programme delivery and monitoring mechanisms to function in this new environment.

The surveys highlighted the need to assist smallholder farmers in Mozambique. A pressing issue is assisting the main agricultural component in Mozambique, to understand and to manage risk, thus allowing them to make longer term investment decisions and expand further into the market economy. This has been done in the past by provision of a certain level of inputs, thus insuring availability at the required time. Current policies have changed this role, but demand at the local level continues to exist. As a result current policy increases risks faced by producers in the present economic environment, without developing alternative risk reduction programmes.

Planning conflicts

The annual activity planning and budgeting tool that has been introduced by PROAGRI, PAAO, was considered to be reasonably successful by central planners and the financial managers because of its ability to provide information in the form specified by the PROAGRI supervisory requirements. However field investigation has revealed the following serious practical conflicts between central management needs and activity implementation needs:

- complaints have been made that the PAAO is not flexible enough to allow insertion of local programming concerns, thus counteracting the attempts to include local communities; and
- field managers and technical staff felt unable to assess their activities because there remains no way to link funds to activities and results of those activities. This assessment is particularly needed for the setting of priorities in a situation of limited funds.

Co-ordination with NGOs

Partnership with NGOs, though not as predictable and controlled as using the State extension services, can provide effective impacts at the community level.

Although there continues to be co-ordination problems between DPAs/DDAs and NGOs, current planning attempts show it to be greatly improved compared to earlier times. This has happened as a direct result of PROAGRI interventions, at both the Government and donor levels, with the cooperation of appropriate programmes on both sides that supported each other and worked toward more sustainable long-term goals.

There remains a need to find a method of accounting for the interventions implemented by NGOs in the agriculture sector, so that they can be fully integrated into the longer-term development plans. Many now are lost upon the withdrawal of the implementing agency.

Sustainability

As demand for services in the areas of land management, and for animal and plant health increase and the demand for forestry and wildlife resource use also rises, the need to pay close attention to the sustainability of natural resource use and service provision will become more accentuated. Enforcing regulations in the sector will need to keep pace with the demand and new developments to ensure that local communities do not lose out.

Furthermore, as indicated in the prior discussion of financial flows, the programme of agricultural support is not sustainable without an “assured” level of financial capacity. Local administrations (provincial and district) should have an established minimum budget that they can count on receiving, allowing the development of core planning over the longer-term.

Agricultural services

Investments under PROAGRI I were mainly meant to target the family sector. However, MINAG is also responsible for the development of the commercial sector and intended to create an enabling economic environment for its competitive development. While distancing itself from direct “intervention in the functions of production and marketing,” MINAG has continued to provide services related to research, extension, plant protection, seed certification and other aspects of agriculture such as the development of infrastructure.

Extension and research

The extension activities in PROAGRI I did fairly well in institutional development (unified extension system established and improved qualifications of extension agents), but did less well at actual service provision. Extension is a resource consuming service which involves a significant amount of travel, particularly on field visits and other activities carried out to disseminate messages. Unfortunately budget provisions for extension dropped drastically between 1999 and 2005, causing concern.

Research has done better on service provision, i.e. basic research, but less well on establishment of a research system with different centres of activity. PROAGRI funds to the research component have increased due to support of the sector’s restructuring and re-establishment.

The major concern is the lack of improved linkages between research and extension. Field visits identified both structural and attitudinal aspects in the constraints identified, some of which are:

- research and extension services continue to have their own agendas and priorities. The lack of effective functional linkages results from an environment where there is a fragmented approach to decision-making and implementation. Generally there are no formal structures for coordinating the interaction between research and extension, either for planning or for evaluation;

- both services have serious funding and human capital constraints. Around 65%-70% of the annual budget directly allocated to extension has been used to pay salaries; and,
- there is no clear career path that provides for training, and incentives to develop a cadre of highly committed professionals in both extension and research who are on a particular job for long enough to develop contacts and trust with professionals in other services.

Outreach capacity

The impact of extension networks at the community level was evident in the areas in which they operated. The limitations of their outreach capacity has produced various community service providers and groups that act as linkages with other community members to spread messages and share benefits in the longer term. These community members are involved in providing certain technical services and in some cases their organizations benefit members and their communities. Although the objectives are pragmatic, such outreach strategies require continued support from technicians (and donors). Once this support is lost, most groups and service providers have tended to lose their motivation and cease their activities.

Livestock development

Livestock support services, including those related to production and animal health recorded a gradual decline with PROAGRI. Most stakeholders expressed the view that interim measures for assisting in the resumption of basic functions such as dip tank service should be developed with the Government.

Land management

PROAGRI achievements in agricultural land management are positive and the programme has been successful in supporting the government land reform process. In this context, sectoral legislation was approved (law and regulations in 1999 and 2002, respectively) which creates an opportunity for the participation of communities, and serves as an instrument for sharing benefits (20% of exploration taxes) for the communities in collaboration with NGOs, to support the dissemination of the law and its regulations. As a result, 68 initiatives for community management and business plans were established and operational. In addition, 259 committees were created to oversee the exploration of forests and wildlife. The process has led to greater community involvement in land use issues and regulation of local resources.

The process of simplification of procedures in land allocation was led by PROAGRI in all provinces. This included an average reduction to 90 days for approval of land allocation requests, which has relieved local administrative frustrations at the excessively long processing times and opened a window for further local investments in response to improved land access.

Natural resource management (NRM)

Partnerships for forestry and wildlife management between local communities and the private sector are not well understood or undertaken. Many communities are unaware of the legislation concerning their rights to social and economic benefits from investors; and there are not many institutions dedicated to making the legislation public at community level. ORAM is one of the few NGOs that has widely publicized the Land Law and regulations widely. Even banks are sometimes unaware of the need for an account of a NRM committee that is due to be paid 20% of income from a developer's fees to the government. The lack of collaboration between sectors means that the regulations concerning NRM committee roles and responsibilities are not integrated with the Local State Organs Law of 2003 and its regulations approved in 2005 which identify various new structures and legal bodies at the community level that NRM committees should be integrated with.

Contracts signed with communities may not be upheld despite the legal framework, since there is little recourse for communities to find support and advice in this area. Committees cannot sustain themselves on legal space on its own either, and strategies for community development and capacity development allied with more effective tried and tested approaches to NRM committee formation and development must be developed by MINAG and its partners. Once developed this is another area that should be closely monitored to identify lessons that could be learnt. The idea of adaptive management advocated by the sub-sector with reference to conservation and development management of natural resources, needs to be reviewed and principles and procedures developed by the sector to ensure more effective monitoring, evaluation and management systems.

There is still need for policy reform to create an environment conducive to private sector investment. This should be accompanied by technology transfer to spur demand at the farm level. It is important that there is developed some basic financial system that will provide basic guarantees (by MINAG, other ministries, NGOs) that the input suppliers will receive their money from farmers (possibly by establishing a revolving fund or Land Bank).

Cross-cutting issues

HIV-AIDS

Awareness of HIV/AIDS and gender issues improved over the PROAGRI implementation period. A sample of district and provincial officers interviewed reported that they now incorporate both HIV/AIDS and gender issues into their regular work programmes. Producers responses also showed a high indication of HIV/AIDS messages arriving, although the point of receipt was not necessarily from MINAG. There are a wide range of other ministries, NGOs and church organizations involved in disseminating HIV/AIDS messages.

Gender

A Gender Unit was established in the Directorate of Economics (DE) and a network of Gender Focal Points (GRPs) were identified in the directorates at central, provincial and district levels. Funding was provided from 1999 to 2000, but this line item then lost priority. The Gender Co-ordinator continued to work on the issues but was lost without substantial institutional support. Awareness of gender as an issue exists widely at the local level, but understanding of it, beyond getting technical messages to women, is lacking.

Environment

The effective and careful management of the nation's natural resources is critical for future national welfare, especially in the context of planned rapid growth in tourism, commercial agriculture and industrial centers. Legislation including environmental assessment requirements was adopted in 1997, and PROAGRI developed detailed guidelines for technical officers. Staff at all levels were trained in Environmental Impact Assessment and Mitigation initiatives, and a handbook developed and disseminated. However, the impetus was lost over the last couple of years, with no new initiatives supporting the issue. PROAGRI I has failed to address a number of community environmental issues.

Recommendations

A number of lessons were learnt during the implementation of the PROAGRI I programme and these form the basis of some recommendations made relating particularly to both short and long term management and to general capacity building needs.

Donor actions

Donors and GoM committed to a level of support in the agricultural sector that has stressed institutional reform and capacity building at all levels. This has not developed as quickly as envisioned but is well along the process. The long-term goals and aims of the programme remain valid and the processes, with minor adjustments, can continue to provide sectoral support. The basic premise, however, is that there is adequate financial investment to make the process sustainable. Further recommendations regarding use, administration and replacement of assets depends on this investment decision.

It is recommended that the MOU for Phase II should include a donors' code of conduct.

Ministry actions

The following recommendations apply to the relevant units within the Ministry of Agriculture.

DAF -

- An independent audit committee should be set up to look into audit issues and follow up on their timely resolution.

- Interim audit reports should be compiled in order to decrease the time required to deliver the audit report.

- The internal audit reports from Inspector General within MINAG should be shared with the external auditors to promote transparency.

- The procurement section should establish an asset register and establish asset management procedures.

- Establish a change management committee to oversee the identified programme of development. Objectives should be identified, monitored and established within a timeframe.

- Budget line items for gender activities should be created for the transitional process during which gender is integrated into sub-sector activities.

Human Relations -

- Human resources policy should take into account the need to promote equal opportunities for advancement of women and their participation in the extension services.

- The Gender Unit and operational structure should be officially recognized in the Ministry organogram and competencies in order to guarantee its future expression.

- The Terms of Reference of the Gender Coordinator should be revised and an emphasis on acquisition and use of data related to women's involvement in the sector as well as impact on women be incorporated.

DE -

- The emphasis on doing better business in the agriculture sector must include a better understanding of the position of the actors in the processes of production, processing, and marketing. This can be assisted by adopting an approach that promotes gender analysis and the study of who gains and loses from agricultural policies and strategies.

- Given the new district and provincial structures established by the Planning and Development Ministry, PROAGRI should carry out a study to find means of integrating the national planning system with MINAG's PAAO so that a single system is in use. The study must be a joint exercise between the MINAG planners and the Planning and Development Ministry officials so that full collaboration and approval is obtained for the end result.
- The policy department should devise a specific MINAG policy on marketing, roads and communication issues. These policies should be part of the Ministry plan of action advocating development in these areas through inter-ministerial liaison. Synergies with donors and NGOs should be sought.
- Analysis of the impact of constraints of transport, communications and restricted capacity of the private sector either to provide services or goods to community service providers and management committees should be undertaken in order to clearly identify what strategic position the sector should take, what links must be made, and what transitional actions must be taken, in order to ensure this essential outreach capacity is not lost.
- Enforcement of regulations related to land and other natural resource management is slowly improving, however investment in transport, information and financial management systems need to be improved to support this.
- Difficulties in community groups fulfilling the legal requirements for association formation, difficulties in applying the regulations concerning the benefit from revenues from developers and the difficulties in maintaining associations operational in the face of tendencies for mismanagement of funds need to be taken into consideration in future sub-sector development plans.
- MINAG's policy to concentrate on core functions and to withdraw from "market-service" activities created a gap in service provision and access to inputs. This has created frustration among local shareholders and local technicians in their attempts to find solutions to production problems. There is a need to find a transitional implementation policy, which suits the local economic environment.

Extension

- The objective to establish a strategic seed reserve requires the definition of a clear strategy and to have the means to implement it. There should be different strategies, according to the agro-ecological conditions. Where rains are unreliable, there is need for massive and punctual distribution of short cycle and drought tolerant varieties of

seeds or vegetal planting materials. This operation initially can only be undertaken by public services, in coordination with NGOs. The objective of the operation should be to improve the production capacity of the farmers, which should lead to the availability of seed stocks. The farmers should be carefully informed that this support will not be renewed.

- Where the climatic conditions are favourable, the objective is different since access to seeds is already insured. In this case, when a new variety of seed has to be introduced, the strategy initiated in Niassa Province could be developed: teach selected farmers how to produce seeds that will be sold to other farmers.
- The issue of maintenance of seed quality should be addressed through improving the availability of seeds at reasonable prices (the production of seeds by farmers is a good solution in that respect).
- When there is problem of storage, as in the coastal areas of Cabo Delgado and Nampula Provinces, before introduction of new varieties, the first constraint to overcome is the improvement of techniques for on-farm storage. Field studies indicate that the techniques being disseminated currently are not efficient, which means that there is a need to develop new technical packages (not limited to agro-chemical, especially where these are not available). The inquiries among the farmers show that in some districts, there is no problem of conservation, even where extension did not disseminate technical messages regarding storage. Research could investigate what are the causal factors, and from that, propose techniques to be tested through in-field research. Even in districts where storage is not presently a problem, the promotion of seed production by farmers might later raise similar storage problems.

Research -

- In the research component, there is a need for researchers to work along the whole production and value chains, and to make their findings known to farmers. Researchers should promote utilization for the benefit of the country's economy in collaboration with extension, private sector and policy makers.
- Pests are still a major concern for most of the farmers and agriculture services have not developed a clear and efficient strategy to overcome this problem. The issue of pests and diseases should be addressed more systematically and seriously, by research and extension. The different categories of pests (from insect to elephant) should be considered in order to develop specific strategies. For animal pests, experiences of farmers, extension agents, NGOs, game parks or research centers from other countries should be solicited (especially taking into account the cases of cultivated areas situated in natural reserves).

- For insect pests, alternative technology packages should be developed, using knowledge acquired by NGOs, and other research institutes.

Livestock -

- Considering the importance of animal health to humans, government needs to find interim measures for assisting in the resumption of some basic functions, such as dip tank services. The process should explore means of encouraging farmers to begin paying for such services. The important issue is to ensure animal production does not collapse.

Irrigation -

- One critical issue to be addressed by the irrigation sub-sector should be the inclusion of a holistic approach that considers all aspects related to agricultural water use, such as agronomic, social, economic and environmental aspects as well as the national hydrographic river basins in the context of regional integration.
- There is a need for the establishment of concrete strategies and advocacy to implement the policy among stakeholders. Furthermore, a government strategy of increasing irrigated farming, given the identified smallholder constraints is crucial at the inception as smallholder farmers cannot do it on their own.

Forestry and Wildlife; and, Land Management -

- The committees established for NRM are not yet self sustaining; it is too early in their development. Therefore, strategies for community development and capacity development allied with tried and tested approaches to NRM committee formation and development must be developed by MINAG and its partners. Once developed, it should be closely monitored to identify key lessons to be learnt. The idea of adaptive management advocated by the sub-sector with reference to conservation and development management of natural resources, should be reviewed and principles and procedures developed by the sector to ensure more effective monitoring, evaluation and management systems.
- There is a need for better coordination between MINAG and MICTUR in order to minimize the apparent overlapping of interest in management of forestry and wildlife, especially in concession areas so as to avoid current situations where the same animals belong to MICTUR or MINAG depending on where they are located at a particular time (concession or outside concession areas). The issue of increasing the inspection capacity in these areas deserves some attention as well.
- Simple forestry extraction licenses should only be issued with basic forestry management plans to ensure the sustainability of activities.

- Criteria for compensation for the loss of property in the case of revoking land use rights should be considered in future legislation.



PART A: INTRODUCTION

1. STUDY OBJECTIVES

PricewaterhouseCoopers has been appointed by the PROAGRI Coordination Group, to provide a final evaluation of the first five-year phase of PROAGRI, the country's first Sector Wide Approach (SWAp) Programme, which supported agricultural development. All ten provinces in Mozambique were included in the program.

The objective of the evaluation mission was to assess the impact of PROAGRI I at both the institutional level and at the level of the end users of agricultural services provided by the Ministry of Agriculture. Through the objectives stated in the two main documents of the programme, the efficiency of the activities, effectiveness of the results and the sustainability of outcomes were analyzed. Acknowledgement is made of the two informative evaluations made in 2002 and 2003, the UNDP Institutional Development Evaluation and the PROAGRI Mid-term Evaluation. These detailed evaluations of the PROAGRI provided a basis for this report to look at the entire scope of PROAGRI I.

The study team was mobilised in Maputo at the end of July 2006. The core team consisted of five consultants; three locally based, and two regionally based. The team was supported by a number of short-term experts (see Appendix IV for complete list of consultants).

2. BACKGROUND

At the end of the civil war in 1992, Mozambique was one of the world's poorest countries, despite the wide range of natural resources available in the country. Eighty percent of the population live in rural areas, relying on subsistence agriculture for a living; two-thirds of this rural population live in poverty.

Agriculture including livestock and forestry accounts for about a quarter of Gross Domestic Product GDP. The agriculture sector in Mozambique is almost entirely dominated by smallholders, who comprise 99% of all rural households and provide 95% of agricultural GDP. It is a primary focus of overall economic growth and a main target for poverty alleviation in Mozambique. Between 1992 and 1997 the agricultural sector grew by 6.8% and between 1998 and 2003 slowed slightly to a growth of 4.6%, with the onset of several natural disasters (floods in 2000 and 2001, and a drought in 2003).

The early rapid growth reflected recovery from the very low base at the end of the civil war. Later growth seems to have been driven by increases in food crop yields and by expansion of cash crops such as cotton, sugar, and tobacco.

The Ministry of Agriculture, as established by the country's first post-war government, had the purpose of producing food and cash crops through the avenue of managing state managed farms. The new realities of a market driven economy required a redesign of the ministry. Capacity to do the internal evaluation, create a new structure, put it into place and manage the new system was not available, but MINAG was determined to carry out the process nonetheless as part of the national campaign against poverty.

Since most of the country's poor depend directly or indirectly on agriculture for their livelihoods, broad-based productivity increases in the sector are seen as one of the most effective ways of reducing poverty. Modernization of the sector and productivity growth raises the incomes of smallholder farmers and creates jobs in related industries (processing, marketing, inputs) that are labour intensive.



Donors also recognized the need to develop the agricultural sector. In the mid-1990s, donors funded ninety percent of all public expenditure in agriculture and natural resources. This was done through a complex web of about 350 separate projects, pooling agricultural public investment and programmes in several awkward directions. The large number of projects put even further strain on the weak managerial capacity within the Ministry.

PROAGRI was conceived as an instrument to co-ordinate activities in the agricultural sector, and at the same time assist MINAG to carry out the

changes required for it to function in its new role. The programme represents the culmination of a long period of dialogue and preparation starting around 1993 – a process that continued even throughout the programme life.

Under the framework of an Agricultural Sector Investment Programme (ASIP), PROAGRI was developed to reform MINAG, the government institution with responsibility for land, agriculture, livestock, forestry, wildlife and management of water for agriculture. Donor consensus on the process utilizing the instrument meant this programme represented one of the first Sector Wide Approach (SWAp) programmes in southern Africa.

Sector Wide Approach (SWAp)

The defining characteristics of a SWAp are that all significant funding for the sector supports a single sector policy and expenditure programme, under government leadership, adopting common approaches across the sector, and progressing toward relying on government procedures to disburse and account for all funds. A SWAp, as the name implies, is an approach rather than a blueprint for a single type of programme. The process should evolve over time, broadening support to more sources of funding and making coverage of the sector more comprehensive.

The definition used is a broad one and includes a range of different types of programmes: Sector Investment Programmes (SIPs), Sector Programmes (SPs), Agriculture Sector Investment Programmes (ASIPs) and sub sector programmes.

SWAps are more commonly used in the key development sectors of health and education, social sectors which are homogenous and represent more circumscribed areas of concern with relatively high concentration of government control of expenditure in those areas. In agriculture, on the other hand, the most significant roles of the state are not concerned with public expenditure, but with policy making and regulation. Policies on the exchange rate, interest rates, control of inflation, trade policy and market regulation, food import storage and distribution, tax and subsidies, the regulation of transport and trading activities and safety net policies in vulnerable areas are far more important to agricultural producers than the more limited role of direct expenditure by the Ministry of Agriculture. Many of these policy and regulatory functions are not even the responsibility of the Ministry of Agriculture. However, the process remains a viable option in certain circumstances, particularly in the face of a major restructuring of the functions and role of government in the sector.

The design of PROAGRI was a relatively long process. Not all the required sector preconditions for either an ASIP or a SWAp were established. These were therefore constructed during the programme preparation and

implementation process. There was a number of government policy documents on poverty issues and rural development, such as *the Strategy for Poverty Reduction in Mozambique*; *the Agricultural Policy- PAEI* (1995); *the Post-Beijing Action Plan* (1997); *the Food Security and Nutrition Strategy* (1998); *the General Lines of Rural Development* (1998); and, *the National Poverty Strategy* (1999). However, a major weakness of these documents is that they expressed general guidelines and not a detailed and coherent articulated sector policy and strategy, which was one of the basic precepts of a SWAp. Donors and government representatives attempted to “substitute” this by the development of the PROAGRI *Basic Principles* document (published in May 2000 although earlier drafts were available in English from 1999) that guided programme development, investment and institutional reform (expanding on the initially published *PROAGRI Master Document* from the programme start-up). In addition *the Interim Poverty Reduction Strategy Paper (PRSP)* was simultaneously developed in 2000. Eventually Government articulated a sector policy within its *Action Plan for the Reduction of Absolute Poverty (2001-2005) – PARPA*, but this was issued in April of 2001 and for the agricultural sector was built mainly upon the extensive internal analysis carried out through the earlier development of the PROAGRI-required position on Government’s role.

The Ministry’s principal role, defined by this new strategy document, was to establish the enabling policy and regulatory environment for broad-based and sustainable agricultural growth, especially in the smallholder sector. This was to be accomplished through:

- (i) the identification of market constraints, and advocating measures to overcome them through policy analysis and effective engagement with other sector ministries;
- (ii) provide to all citizens, the equitable access to, and security of, land and water rights;
- (iii) putting in place effective mechanisms for regulation and standardization of quality control and phyto/zoo-sanitary standards for agricultural inputs;
- (iv) facilitating and supporting market development, and providing incentives to stimulate agricultural production, including:
 - the generation and dissemination of market information;
 - private sector development; and,
 - enforcement of input market regulations.

In addition, the needs, constraints and opportunities of rural communities were to be better addressed through decentralization of key activities:

- (v) Sector planning and management; and management of natural resources.

3. METHODOLOGY

The PricewaterhouseCoopers evaluation team held its initial meeting with the Comité de Acompanhamento (CA) on 27 July in Maputo, where they were briefed on the background of PROAGRI, its activities, and the intent of the PROAGRI management and the CA in proposing the mission. The CA comprise representatives from MINAG, relevant other ministries and donors contributing to the PROAGRI SWAp (see Appendix II for complete list of CA members). The Evaluation Team took full advantage of the supervision of the CA, at all stages: adjusting the initial survey documents to include observations by the CA members, arranging for CA members to accompany the survey field activities at certain points, and conferring with the CA at an early stage of the document's development to ensure the report addressed issues of major concern to representatives of the major stakeholders.

A detailed review of current documentation and initial interviews of key MINAG departments and donors followed the initial briefing, to allow the team to develop a balanced view of PROAGRI since its onset. Using the information obtained, the team developed a work programme and drafted some initial survey guidelines and questionnaires for the various levels of information collection.

The methodologies, draft survey instruments, proposed timetable and proposed report layout were collected into a draft Inception Report and presented to the CA who met several times to discuss the issues raised in the Inception Report. The issues raised by the CA from the report were included in the revised programme of activities, by the team which then continued into fieldwork.

A major part of the evaluation process was a stakeholder survey that collected information on the perception of PROAGRI among the different stakeholders – ministry officials, technicians, donors, NGOs, private businessmen, and producers. The survey format included a mixture of both quantitative questions and qualitative interviews (see Volume III for copies of the formats used).

Field surveys were carried out at the provincial administrative level, the district administrative level, the private sector interface and the basic producer level in each province. The various survey instruments covered all stakeholders and looked at opinion and perception of PROAGRI. Qualitative surveys based on closed-answer questionnaires were followed by qualitative interviews using rapid rural assessment methodology. A full range of administrative officers at the provincial and district levels were contacted and interviewed for the survey, including both qualitative and quantitative sections. Other stakeholders (NGOs, private traders, input suppliers, micro-lending institutes, local donor offices, etc.) were included depending on availability in the areas visited, and were interviewed using the main qualitative question guidelines developed for the other survey participants. Visits with farmers were organized in each area. A wide range of types of farmers were

interviewed depending on availability at the time of the survey: individuals, associations, smallholder farmers, commercial, women's groups, youth groups, etc. These surveys concentrated on problems faced, changes in operating environment and access/impact of MINAG field operations.

Separate compilations of financial, administrative and statistical data provided an inventory of inputs as a comparison. In recognition of the prohibitive cost and logistical constraints of trying to access all the districts in the country approximately 30% of districts in each province were visited. Individual provincial reports are included as appendices to this main report (see Volume II).

At the same time, an extensive survey of central MINAG activities was carried out. PROAGRI activities and results were identified and integrated into the overall programme analysis. Financial tracking was of particular concern, especially in watching the delivery of funds to the field activities.

As well as the provincial reports identifying specific factors in each province, certain component areas were identified as focal evaluation areas and given in-depth study by part of the evaluation team. The areas identified for special study were Human Resources and Extension/Research. Each of the special case studies has its individual report included as an appendix. Data from all appendices are, of course, fully included in the main report.

As mentioned in both the audit reports and the mid-term review, data obtained, even from official sources, is not very reliable. Although data collected serves as a good broad indicator of what happened under PROAGRI, it must be viewed with critical scepticism. Generally there was a lack of systemization in the data collection, and therefore cross correlations may not always match. Backups of databases are not kept, and power failures or computer failures can delete large swaths of information. The status of field data is exemplified by a comment from a provincial DAF when specific data was requested, "*we just abstracted that data for you yesterday and sent it through Central DAF. Please get it from them, because if we abstract it again, the figure will be different than the original.*"

Continuous contact with the CA, and PROAGRI administration, was maintained throughout, including arrangements for CA members to accompany team members on portions of the provincial surveys. A draft report was made available to the CA on 20 December 2006 for comment. A wider stakeholder workshop was held 30 January 2007. Comments were incorporated into the final report, which was delivered to MINAG at the end of March 2007.

This document is Volume I of the Final Evaluation of the First Phase of the National Agricultural Development Programme (PROAGRI I), containing the Executive Summary, Main Report and related annexes.

4. PROAGRI GOALS AND OBJECTIVES

A good baseline understanding of the initial precepts of PROAGRI was required to carry out an evaluation process. Normally the baseline and conditions and vision would be reflected in a logframe in the project document. However, in the case of PROAGRI, there was no logframe with elaborate activities and indicators that could be evaluated. There was a clear statement of goals and objectives in the two main documents: the earlier *PROAGRI Master Document* and the later-published *PROAGRI Basic Principles Document*.

A detailed assessment of the two documents is available in Volume III as a programme baseline assessment; section 4.1 summarises the programme goals and objectives and gives a quick assessment.

4.1 PROAGRI Goals

PROAGRI was an ambitious programme, anticipating more complex decisions in the wider arena of the public sector. Consequently, some of its stated goals may be seen to be a pilot attempt for use in the larger debate of national public sector reform. **All the articulated goals, however, remain conceptually relevant.** The following are presented in a perceived order of priority obtained from discussions with senior government officials during the course of the evaluation:

Goal 1. Poverty reduction

Assessment of validity: The causes of poverty are multidimensional and typically interrelated. It relates to inadequate assets, lack of political power and vulnerability to shocks. The agricultural sector can have a large impact on poverty, but can only progress within the wider socio-economic environment within which it exists. Impact of activities (and therefore actual poverty reduction) is measured outside the agricultural sector and is often long in developing – much longer than the life of the programme.

Goal 2. Decentralization and empowerment of stakeholders

Assessment of validity: The move toward decentralization to the district level provides scope to permit co-ordination of investments in transport, water, market infrastructure and services, and agricultural research and extension. The process is expected to lead to more responsive and locally applicable policy decisions. Participation enhances stakeholders' influence and control over development of priorities, policy making, resource allocations and access to public goods and services. However, local stakeholders commonly focus on short term gains and can demand actions and services that run counter to long term plans for other goals (i.e. market oriented policy and environmental sustainability). This has happened during the implementation of PROAGRI and demands better phasing of development plans, advocacy and building of social awareness locally.

Goal 3. Good governance: transparency, accountability and participation

Assessment of validity: Mozambique has made perceptible progress in a wide range of good governance issues (e.g. human rights, free press, programmes of public reform, etc), but also recognizes that it has work to do in other areas. PROAGRI activities addressed greater awareness of public opinion in the rural areas, more transparency in government actions, and greater accountability of public institutions and officials. Further progress has been made, but the effort must continue as these improvements impact directly on the primary goal of poverty reduction.

Goal 4. Market-oriented policy

Assessment of validity: Initial emphasis was on Ministry policy to withdraw from market activities that would be better performed by the private sector and concentrate on core activities, creating an enabling environment for the private sector partners. This has transformed somewhat through the programme as it was recognized that the private sector was much weaker than originally thought, and its growth relied heavily on national economic and administrative sectors that were not proceeding as quickly in instituting their own sets of reforms. A plan to rephrase the changes envisioned, better interlinking it with progress in related sectors and more support for programmes at the preliminary stages of the process of change should be developed.

Goal 5. Mainstream gender and HIV/AIDS issues

Assessment of validity: Both gender and HIV/AIDS were identified as cross-cutting issues which needed to be mainstreamed into the activity programme of PROAGRI. It is recognized that both these issues are at the heart of both poverty alleviation and empowerment of stakeholders in rural areas. There must be profound changes in the system to make it more effective at dealing with both of these issues.

Goal 6. Environmental sustainability

Assessment of validity: Environmental sustainability, while at times working against perceived short-term economic needs of a community (as well as development in other sectors), has been identified as a long-term goal. It directly impacts on the issues of livelihood improvement, and is as much a part of poverty alleviation as, for instance, job creation is.

These goals are defined at the strategic level representing larger social commitments of Government. To address these goals the technical managers in the Ministry of Agriculture design activities to be carried out both immediately throughout the annual programme and over longer, planned periods. The activities of both these types of programmes will have specific objectives which lead to development of the goals stated.

4.2 PROAGRI objectives and strategies

The PROAGRI Master Document identified three priority areas for developing activities, which addressed the goals outlined for the programme. For each area of intervention, the PROAGRI document defined an immediate objective as detailed in Table 4.1:

TABLE 4.1: PROAGRI GENERAL OBJECTIVES

Intervention Area	Objectives
1. Institutional reform and modernization	Transform MINAG into a modern structure of public agricultural management focusing on activities of formulation, regulation and implementing sector policies in order to create an environment which is favourable to the development of the family sector and the consolidation of the entrepreneur sector
2. Reinforcement and development of the capacity of the public services support to agriculture, livestock production, forests and wildlife	Increase in the levels of production and productivity in agriculture, livestock, forests and wildlife, in order to increase the rural family's income and promote food security while preventing the degradation of the natural resources
3. Sustainable management of the natural resources: farming land; forests; wildlife and water	Protect, preserve, develop and insure the population access to the natural resources for the rational and sustainable utilization for the economic, social and ecological benefit of the present and the future

A fourth objective, addressing HIV issues, was added subsequently. These priority activities were to be delivered through eight basic areas of activity, which represented the components of the PROAGRI programme. These were: Institutional Development, Support to Agricultural Development, Livestock Development, Extension Services, Research, Land Management, Irrigation, and Forestry and Wildlife. Specific objectives and strategies were defined for each component of PROAGRI in the master document (see Volume III for details).

The first objective has been addressed extensively during PROAGRI and considerable progress made, however concentration on these issues has left many questions about how to address objective 2 unanswered. This has led to a divergence of opinion between central administrators who see objective 1 as first priority and local administrators who see objective 2 as first priority. At this point, there needs to be a replanning of the strategy, featuring more interleaving of activities for the two objectives and more incremental steps with greater phasing of changes envisioned.

The third and fourth objectives have been addressed, but continue to need support from outside the existing programming framework to maintain focus on the issues.

PART B: MAIN FINDINGS

5. POLICY AND STRATEGY

5.1 The context: government reform programme and district planning

5.1.1 General policy of modernization of public administration

PROAGRI I adopted a strategy based on institutional reform and modernization, in line with the National Policy on the Modernization of Public Administration, published in 1998 by the Government of Mozambique. This policy anticipated a continuation of the on-going reforms – focusing on the ‘vectors’ of human resources management, institutional reform and rationalization of administrative procedures – whilst simultaneously addressing the more fundamental concerns of the professionalisation of the civil service, changing attitudes and behaviour, strengthening policy making and implementation capacity, and improving governance and ‘dialogue’ with civil society. The reform programme got underway in mid-2000, with the creation of an inter-ministerial Commission, chaired by the Prime Minister, and a technical support unit. Most of the administrative reforms carried out in MINAG form the basis for on-going reforms in other ministries

However, reforms in the Ministry have progressed slowly due to a variety of factors (see Section 6) and the process has left the policy section grappling with development of tools (PAAO, TIA, impact assessment, etc.) instead of concentrating on assessing and implementing policy issues for the guidance of the implementers. Political shifts within the wider government context have contributed to lack of ability to focus on specific goals, as these are not clearly specified. Combined with the Ministry’s own lack of focus, there has been an obvious absence of clear policy leadership within MINAG.

5.1.2 District planning

PROAGRI I was developed and implemented in the context of progressive decentralization of the government planning and budgeting system that began in 1998 by a pilot programme of district planning in the province of Nampula. In 2002, the programme was extended to Cabo Delgado Province; in 2003 the four central provinces (Manica, Sofala, Tete and Zambezia) were included; and in 2005 the government adopted district planning in the whole country.

Decentralisation and district planning made the district government responsible for the development of the District Development Plans (5-Year Strategic Plan), as well as for annual planning and implementation of activities. District planning constitutes an attempt towards territorial planning, through the adoption of a multi-sectoral and participatory approach. In 2003 the law for



State Local Organs (LOLE) was adopted, which recognized the district as the basis for economic, social and cultural planning and establishes district governments as budgetary units. The territorial and multi-sectoral planning intended to be implemented by the district governments conflicts with the sector wide approach promoted by PROAGRI I. Although the planning system adopted by PROAGRI I was supposed to be decentralized and participatory, the annual plans (PAAO) were approved at province and national levels on the basis of a centrally pre-determined framework which details objectives, results and activities.

The district planning established by MAE further delinks field activities from central monitoring by blurring the boundaries between services. There is a need for checks and balances with central MINAG and the procedure needs to be established quickly.

5.2 Relevance of main agricultural sector policies

5.2.1 Crop production

The policy established by PROAGRI I attempted to address most of the constraints regarding agricultural production and marketing.

PROAGRI I focused on the improvement of extension services through the consolidation of the networks, strengthening of technical capacities of extension agents. It also promoted the establishment of links between research and extension and better dissemination of technical messages to farmers. In this approach research would support extension in the provision of technical packages to address farmers' constraints. In addition, the basic principles introduced a demand driven approach, where extension was to be accountable to farmers in programme design, implementation, and evaluation. The basic principles also required an extension service that would be relevant to the different technological and socioeconomic constraints of farmers, especially young farmers and women.

A marketing policy was developed whose emphasis was to:

- i) enhance the negotiation capacity of the farmers through the creation of associations;
- ii) spread information regarding agricultural markets;
- iii) promote the organization of rural fairs;
- iv) disseminate improved storage techniques; and
- v) promote the installation of mills and other processing facilities.



The policy also included the institutional improvement of capacities in technology, economy and markets. Marketing was also addressed by the

Ministry of Industry and Commerce (MIC). The Ministry developed an agricultural marketing strategy in 2000, which involved various other ministries (Agriculture, Planning and Finance, Transport and Communication, Public Works and Habitation).

The promotion of improved seed production by farmers can be seen as an attempt to improve the access of small scale farmers to good quality seeds. However, PROAGRI I did not develop a clear policy regarding the prohibitive (to smallholders) prices of agro-chemicals, mainly fertilizers, pesticides and storage products.

Although access to credit was found to be a major factor limiting expansion of production, PROAGRI I did not deal with this issue.

5.2.2 Livestock

The livestock policy developed in MINAG under PROAGRI I addressed issues of animal population, infrastructure, health services and technical assistance to the producers. Cattle numbers were to be increased through distribution of animals to smallholders, contributing to the development of animal traction. Support infrastructure (drinking points, parasite control tanks; management corridors; animal confining units; testing and diagnosis laboratories; etc.) were to be developed through the support to their rehabilitation or construction. There was also to be support to the creation of a system of markets and prices information, as well as the assistance to the family and private sector for the expansion of their activities. In order to overcome the ineffective health coverage, it was envisaged that activities carried out by the Ministry would be transferred to private agents. As a starting point, the principle of cost recovery in the provision of services was introduced by the Ministry.

5.2.3 Forestry and wildlife

Mozambique possesses extensive natural resources such as arable lands, water in adequate quantity, extensive grasslands and productive forests¹, but the way these resources were being exploited was not sustainable. The Ministry before PROAGRI did not possess appropriate regulation, monitoring systems, or licensing procedures that could prevent the poor development trends observed at the time, viz:

- the native forest was the main source of energy and supplier of construction material for the majority of rural population. Around the cities, energy supply provision was contributing to the destruction of extensive areas of forest;
- the timber industry obtained its raw materials from the native forest, as well, and reforestation was very limited in 1998. The growing unprocessed timber export opportunities stimulated the rise of an increasing number of forest operators since 1995; and

¹ Ministry of Agriculture and Fisheries. February 1998. National Programme for Agricultural Development - PROAGRI. 1999 – 2003. Volume II - Master document

- very little was known about the population, distribution and composition of Mozambican wildlife, although information available on conservation and hunting areas suggests that there was a rich resource, especially in the provinces of Sofala, Manica, Tete, Niassa, Cabo Delgado and Gaza. However, those natural reserves were showing symptoms of degradation due to poaching of game attributed to insufficient and poorly motivated staff, and weak or nonexistent involvement by neighbouring communities in the management of those resources. The lack of infrastructure limited the development of eco-tourism;

The subsequent policy developed by PROAGRI I focused on management and regulation but did not address the causes, especially the sustainable exploitation of forest for energy use.

In order to promote a sustainable use of natural resources, the policy developed by PROAGRI I was to conduct national and local inventories and to involve the users (communities and the private sector) in the sustainable management of the resources they explore on the basis of forestry management plans. Applied research was supposed to propose technical approaches of the community management of natural resources. The lack of regulation was addressed through the development of a single legal body in form of law and regulation concerning the management of the forestry and wildlife resources.

A change of the method of government intervention toward a financial and administrative autonomy was expected, but studies needed to be undertaken in order to define the models of commercial management of the areas of forestry production, coutadas, reserves and national parks.

5.2.4 Irrigation

At the time PROAGRI was developed, there were apparent large irrigation schemes (above 100 ha) with average utilization rate at 40% of the installed capacity. Underutilisation was mainly due to the lack of capacity for infrastructure maintenance. An estimation made in 1996 established that the potential for irrigation was 3 million hectares, most of which was in the central and northern parts of the country. It is apparent that this estimation now needs to be revised, considering the use of the Mozambican river flows by South Africa and Zimbabwe, as well as the fact that the main rivers from the central and southern regions are getting drier with lower water flows.



Although there was no defined irrigation policy in 1998, there were plans to shift from the large scale schemes to small scale irrigation approaches using low cost technology (gravity irrigation, and small manual and engine powered pumps). Knowledge had to be acquired from pilot activities, as well as studies

of hydrographic basins in order to prepare a national irrigation policy and develop an implementation strategy. Regarding the existing large-scale irrigation schemes, it was envisaged to restructure their management in order to create the conditions of their autonomy, transferring the management to the stakeholder or privatizing them.

5.3 Policy implementation

PROAGRI I was implemented using a new planning instrument (PAAO), the development and implementation of which was progressively decentralized. The following is an analysis of the relevance of the planning instrument, effectiveness and efficiency of the decentralization process.

5.3.1 Relevance of the planning instrument

The main guide used by GoM to develop policies and strategies is the Five-Year Government Programme, approved by the Assembly of the Republic. The instrument to implement the Government Programme is the (PES) Social and Economic Plan and State Budget (OE) developed from the contribution of each sector and approved annually by the Assembly of the Republic. As do the other ministries, MINAG submits a PES each year. In addition, PROAGRI I created a new planning instrument, the PAAO to give structure to the planning process and guide planners within the PROAGRI policy framework, thus assisting in the transformation of the lower MINAG administrative levels.

However, the fact that the PAAO is not integrated into the government planning system duplicated the task of planning. Furthermore, as it had pre-determined activities and a top-down approval procedure, the PAAO was an obstacle to the integration in the district planning process adopted by the government. Therefore, the sustainability of the institutional capacity of planning and budgeting developed during PROAGRI I is compromised. The concentration of the institutional strengthening on a new instrument contributed to neglect the improvement of the instrument in use by the government, PES.

The Planning and Development Ministry is improving the planning process, developing a participatory, decentralized and inter-sectorial approach at district level. Agriculture being the main activity of district residents, the DDAs have a major role to play in district planning. It would be advisable to strengthen the institutional capacity of MINAG to contribute to the development of the strategic and annual plans at province and district levels and their integration in the national PES.

5.3.2 Effectiveness of decentralization

PROAGRI I introduced a decentralization process, consisting of the transfer of implementation and decision making authority to province and district levels.

The transfer of decision making authority transfer is linked to the decentralization of planning, which allows the DPA to decide what activity or

investment should be included in the annual plan. The transfer of implementation authority is linked to the decentralization of budget management. The DPAs were being allocated a budget for functioning and investments and were free to decide its redivision and funding modalities among provincial services and DDAs. The differences of the DDAs' decentralization process among the provinces demonstrates the relative autonomy acquired by the DPAs.

At the province level, generally, the staff see vast improvement in the office's



capability to conceive, plan and carry out appropriate activities. However,

decentralisation remains a process that needs continual support. Staff reported ongoing resistance from central to let go of some of the identified functions. Likewise, the provincial office has its own problems moving authority to the districts. The team

estimates that the proportion of decision making was still around 60/40 between, MINAG and provincial office respectively.

5.3.3 Efficiency of decentralization at province levels and district

Planning capacity was assessed as the ability to plan activities according to foreseen results of the programme, taking into account the human, material and financial resources. The planning capacity of the DPAs was assessed by their ability to insure that the activities planned by the DDAs contribute toward the end results of the programme, as well as the ability of the DDAs to implement the planned activities.

Every year, adjustments of DDA's PAAOs were made at province level. In a decentralized planning and implementation context, the decision making process regarding the adjustment of the DDAs PAAOs is very important as it influences the motivation of the DDAs to actively contribute to the implementation of the plan. In some provinces, the decision to keep, change or add activities planned by the DDA was taken with the consensus of the DDA staff. That allowed the contribution in the decision making process of persons that better understanding the local context, insuring appropriate choices. While in other provinces, the decision was taken at DPA level without consultation. As a result, the changes made in DDAs' PAAOs were not well accepted by the DDA's staff.

Apart from the capacity to plan activities according to foreseen results of the programme, taking into account human, material and finance resources, the planning capacity of the DDAs was assessed in relation to their capacity to address the farmers' needs and concerns.

DDAs could not develop the capacity to plan activities according to foreseen results of the programme, since most of the DDAs' staff had no knowledge of the PROAGRI programme and did not contribute to its development. They were also not well informed of central directives, or of the budget ceiling at the

time they carried out their annual plan. As a result, many activities had to be removed, including the priorities defined with the farmers, and others were added, such as fish production, treadle pumps for irrigation. In the past few years of PROAGRI I, many activities could not be included in the PAAO due to the software that rejected some activities. To overcome this constraint, the projects were developed outside the established planning system for PROAGRI, undermining the overall decentralized participatory planning developed by PROAGRI I. As indicated, MPD is strengthening the district planning and the DDAs are included in the intersectorial planning process, contributing for the development of the district PES.

Basic data on prevailing situations and trends is required for any planning process. However, the data on which the DDAs based their planning activities were not reliable. For livestock, the DDAs was told to use TIA data, which does not provide data at district level. Regarding agricultural production, the DDAs based their plans on information transmitted by farmers.

DDAs should have the means (including information and the necessary staff) to do the planning based on a cross analysis (technical, based on reliable data, and participatory, based on farmers contributions) in any agricultural season. The formulation of district agricultural development strategies should be promoted, based on the analysis of limiting factors, taking into account the socio-economic context and agricultural potential.

5.3.4 Public/private services

The basic principles established that MINAG should withdraw from the provision of services or inputs and create an enabling environment for private sector development. Many attempts to promote the development of private sector services were undertaken during PROAGRI I, especially in the livestock component. In Maputo Province some services, such as dip tanks are now under private management, while in other provinces, the attempts failed because the farmers did not pay for the service. Where the sustainability is not insured, attempts were made to transfer the management of infrastructure and service provision (basic care, veterinary pharmacy) to farmers' associations. In some cases that worked, in others it did not.

For crop production, there were some attempts to involve the private sector for outsourced agricultural services, input provision, technical support, and support in marketing and processing of agricultural products. The results were that the quality, timeliness and responsiveness of services, products and actions were varied and difficult to control. Participation of the private sector thus did not always produce expected results. Reliability of the private sector players was also variable. The agriculture sector did not have sufficient quality control, supervision and coordination capacity to ensure the best results on a larger scale. Most farmers complained about the discounts made for the inputs provided on credit, the preferential treatment of tobacco (a crop not favoured by most farmers) and delays in cotton marketing by companies.

The guideline that Ministry activities should shift from services and inputs provider to the development of policy and regulations and the control of their application is difficult to implement in the field for the following reasons:

- in low productive areas, most farmers cannot afford the cost of the few agro-chemicals that are available in shops or tools other than the ones made in the villages;
- consequently, private services or inputs provision can hardly be sustainable;
- in some cases, the farmers can afford the agriculture inputs, but cannot find any. Private players rarely trade in production areas. Most merchants are in the provincial capitals; and,
- agricultural inputs and service provision by the private sector is not satisfactory. DPA/DDAs have no clear mandate to control them. Farmers highlighted problems of seeds that fail to germinate, ineffective agro-chemicals and the difficulties encountered in selecting appropriate products. When available, agro-chemicals on the local market, have no instruction on proper usage and sometimes instructions are in foreign languages which cannot be read. As of the lack of technical knowledge of the chemical dealers, they cannot give adequate advice.

This results in the inability of the farmers to overcome production limiting factors, such as pests and diseases in animals and plants. Pest and disease issues, as well, as post harvest losses have significantly constrained volumes produced. As a result of the poor yields most farmers remain unable to access any form of private services, which has in turn limited the growth of the private sector in the provinces.

The status quo could be addressed by the implementation of a two-pronged strategy:

- increasing income generation by farmers; and
- improve access to inputs in the production areas.

To increase farmers' income, specific strategies of support, for each agro-ecological region should be developed. MINAG should focus its support where the conditions are favourable in order to allow the farmers to increase their income. The nature of support should be responsive to the expressed needs in order to be efficient, since the constraints are different from one area to the other. In Niassa Province, for example, the main constraint for development is the inability to pay workers to do weeding. With credit and improved cashflows to pay those workers, many farmers could increase the area cultivated.

To increase the availability of inputs in production areas, the experiences of rural development projects working on improving local private sales of inputs should be assessed. From the lessons learnt from these experiences, a strategy of intervention should be developed (keeping in mind the aspect of quality control of services and products provided by the private sector).

5.3.5 Regulations and delivery mechanisms

It was intended that PROAGRI I, would among other objectives transform the Ministry into a modern structure for public management of agriculture focusing on the formulation, regulation and implementation of sector policies in order to create an environment favourable to the development of the family sector and the consolidation of the entrepreneur sector. The main areas in which regulation was developed and efforts made to enforce it were in land management, natural resource management, seed quality, and in animal and plant health.

One of the major new demands of the new Land Law regulations published in December 1998 was the formal inclusion of consultation with communities in the process of land use concession. In 2000 a Technical Annex providing regulatory guidelines on the process of delimitation of community lands was produced. The regulation aimed to support improved adjudication of land access and arbitration of land disputes, and to safeguard secure land use rights for women.

To facilitate the more expedient use of time and resources, the SPGCs initiated partnership with legally recognised private sector agricultural land surveyors so that more activities in the areas of plot demarcation and inspections could be carried out, and awareness-raising sessions about the law and regulations could also be expanded. In addition the SPGCs worked with NGO partners at provincial and district levels to expand their reach to raise awareness about the Land Law and the regulations.

The regulation also provided an instrument to penalize those who do not comply with exploration plans. Failure to comply results in the land being confiscated and, or given to other interested parties. One of the problem areas encountered with the regulations was that they do not establish criteria for compensation for the loss of property in the case of revoking land use rights. Along parts of the coast and other areas of high use demand, multiple claims and land use plans that are not carried out within the stipulated legal periods are common, situations in which claims should be revoked.

Regulations of the Forestry and Wildlife Law were approved in July 1999. These introduced the norms for sustainable forestry management and the various exploration licenses ranging from simple logging or cutting licenses, to the new concession licenses for access to forested areas and hunting to be managed according to approved plans in a sustainable manner. Monetary benefits to local communities were introduced for the exploration of a forestry or wildlife resource. Communities would receive 20% of income from the license. This policy was based on the pre-requisite that communities would

be organised into recognised legal associations oriented towards natural resource management and that organised communities would inspect and enforce conservation and management rules.

Sub-sector inspectors with support from the extension services in each province and district, were made responsible for raising awareness about forestry and wildlife regulations. Enforcement of regulations was carried out by the service inspectors via fixed or mobile inspection brigades, often accompanied by the police to ensure compliance. In some cases, it was supported by formally constituted community natural resource management groups, which in certain areas also provided community policing services to prevent illegal operators from using local natural resources.

Other regulations planned for enforcement during PROAGRI I include:

- the regulation and certification of seed quality and identity according to national guidelines;
- regulations on the marketing of cashewnuts that demanded registration of the transactions which could later serve as monitoring tool;
- animal and plant health regulations concerning obligatory notification of certain diseases, obligatory vaccination of animals for certain diseases, authorisation for transport and importation of stocks, the certification of pesticides for use, and the certification of produce for marketing and consumption, among others; and
- regulation of environmental impact associated with irrigation by regional entities and establishment of norms and monitoring.

The regulations listed above relate to community producers, private sector operators from traders and transporters through to import/export companies. Improved seeds produced locally by community members were supposed to be certified before being sold via rural fairs to other communities. Certification was done by the provincial plant health department. All imported seeds must be certified by the national body with this competence. The DDA's are responsible for ensuring compliance through testing batches of seeds, provided specialised support research institute Certification of agro-chemicals is undertaken in some provinces, such as Inhambane Province, where pesticides, fungicides and other chemicals used for disease and pest control are all registered by the agricultural sector in each district and at province level. All chemicals used are certified as recommended in the PROAGRI (Environmental Impact Assessment EIA). These chemicals were usually only supplied to districts covered by an extension network to further guarantee their best use. However there is no system of deterrents for violation of regulations.

In 2003, trading in cashew nuts was regulated, and all operators were obliged to obtain a trading license and report on trade flow. Over time the quality of this monitoring improved, but while there is no incentive to register transactions, and the registration implies traders should be paying taxes on

their income, serious under-reporting prevails. Compliance is not enforced, and there are no fines or other system of deterrents for violation of regulations.

Animal health regulations are enforced via the public veterinary services and only in rare instances is there private participation. Obligatory notification is publicised, as is obligatory vaccination, through all possible channels including livestock technicians, extension technicians, service providers at community level, and in some cases the public media. Compliance is not enforced, and there are no fines or other system of deterrents to discourage violation of regulations.

5.3.6 Impact of regulation and enforcement

Land management

The awareness of local communities of the regulations and the implications of their implementation have clearly improved over the PROAGRI I implementation period. In Inhambane and Tete, regional SPGC technicians were allocated specific portfolios to address the needs of the clients. This helped speed up processing, and reduced costs by being closer to the clients. With the eventual georeferencing of all claims, the system is expected to become more efficient. The new regulations strengthened some local communities' approach to land management.

The nature of land-use conflicts is a useful indicator of the impact of the regulations on local stakeholders. In Inhambane, in 2003/4 issues focused on the sale of land use rights, lack of knowledge about rights and responsibilities by community members, local disputes between Mozambican nationals and foreigners not following established procedures. By 2005, experience with the procedures had produced new sources of conflicts that reflect the evolution of use of the system and regulations. Thus conflicts were identified as being caused by local communities complaining of lack of compensation for lost property; poor property reconnaissance at the initiation of a request process, community consultation being carried out with small groups not representative of the wider community; and with people who are identified with the community leaders; lack of development and demarcation on ceded plots, and the sale of property without due attention to third party interests. Improvement of communities' involvement in land management occurred in many provinces.

Cost recovery processes were continuously improved during PROAGRI I and by 2005 the DUAT fees and land taxes were established sources of income. Although communities in particular complained that these fees were too high, the number of requests and approvals generally rose over the period. Procedures to make land users aware of their dues were devised and upgraded over time. These ranged from newspaper advertisements to doorstep delivery, which however, also raised the costs of the taxes themselves. Systematic registration of payments and organization of procedures for processing these as well as creating space for the participation

of private sector legal support for ensuring compliance were proposed in one province in 2005.

The process of simplification of procedures in compliance with the new reforms in the public sector was taken up in all provinces. The simplification included the reduction to 90 days on the time to approve any request as opposed to several years that used to be a common practice before. Prior to simplification it was necessary to wait for the dispatch of many authorities on a request, while now, only one authority is required to dispatch the process. The increased awareness and clarity of the Land Law regulations were seen to be reasons for reduction of request processing times. These instruments helped enormously as they allowed space for all stakeholders to participate with the positive effect on reduction of conflicts on land. The instruments opened a window for more investments due to the speedy processing of land allocations.

Natural resource management

Communities in most provinces are involved in the management of forestry resources through the formation of local management committees.



Community involvement in management of the Dere forest and game reserve in Zambézia and in forestry concessions in Sofala has involved community inspectors in the protection of the resources. In Zambézia community leaders work with the district forestry and wildlife services and the NGO ORAM

works with communities to raise awareness about conservation of forest and wildlife resources. In Sofala communities living around some forestry concessions are receiving their 20% share of the revenue. These funds are due to be handed over to the Dere community soon. In Penhalonga, in Manica Province, the community has already benefited from the 20% revenue raised from private developers with the construction of a health unit and a well for water supply, requested by them.

However, staff in the provinces mentioned a number of constraints that impede communities from accessing the rights due to them from the natural resources in their areas. These are mostly associated with the legal requirements for association formation, but also include the difficulties in applying the regulations concerning the benefit from revenues from developers and the difficulties in maintaining operational associations in the face of tendencies for mismanagement of funds, and the need to be financially viable.

Some natural resource management committees have been issued simple licenses by the DDA to extract resources from forests where they live, and to protect these resources from illegal encroachment. In Macate, Manica Province, the community is benefiting from simple licenses for resource extraction from a concession of 50,000ha it has for its own use. In Inhambane

no community committees have concessions, but they do request licenses for extraction of forest resources and protect these resources with the aid of local inspectors in Mabote District.

For natural resource management and enforcement of regulations transport is a key means of improving efficiency and effectiveness of cost recovery, particularly in provinces with few forestry concessions and high levels of illegal logging in the face of potentially scarce resources. Most provincial sub-sectors had little or no transport. Income derived from fines in Inhambane and paid to FFA was only received for use in 2005 to inject back into SPFFB. These funds were used to support the mobility of the inspection brigades. This resulted in a phenomenal rise in the number of arrests, made half of all fines levied between 2002 and 2005 for offences committed in 2005. The actual payment of fines has been helped by the confiscation of products until payment was made, and the participation of the PRM (police) as members of inspection brigades.

Crop and livestock production

The value of extension workers covering livestock as well as agricultural production, is seen by various provincial staff as being an important means of providing legal advice to communities about animal and plant health regulations. The majority of community members were perceived by agricultural staff as having little idea about these regulations.

Changing livestock owners' attitudes towards vaccination and pest control is a slow process. They do not see it as a means of increasing the value of their animals. This also impacts on the Ministry's attempt to shift service provision to the community itself. The service provider has a difficult time persuading people to pay for the services. Therefore the drop-out rate is high due to their economic vulnerability without continued support from the ministry.

The use of appropriate technologies such as the single application for Newcastle's Disease vaccine has greatly improved the speed of its application and extended coverage in many areas, particularly benefiting women who are responsible for small animals and chickens in the home.

In some provinces, agrochemicals are not provided to districts where there is no extension network, precisely because of the need to accompany their supply with information and a resource to answer questions about their use: although lists of approved insecticides guide animal and plant providers' purchase and sale to communities, these may still be used in a dangerous way since many of their users are illiterate and cannot read the instructions. In some cases, informal traders may sell the chemicals in smaller, more affordable quantities that have no information about usage (repackaged without any of the instructions on the original packaging), highlighting the need for supervision by qualified extension officers.

5.4 Policy summary

The main outcomes of PROAGRI I, in terms of policy and strategy are:

- initiated the process of institutional reform in MINAG, supporting the National Policy on Modernization of Public Institutions (1998);
- policy on agricultural production focussed on the improvement of extension services, particularly linking it to both research and the primary stakeholders, the farmers;
- the planning instrument established by PROAGRI in MINAG gave good support for the financial activities and support systems of the ministry but had difficulty utilizing local input and providing feedback on activities carried out. Furthermore the national Planning and Development Ministry is instituting a new national planning process at the field level; PROAGRI, therefore, will need to find means to integrate this process into its existing system;
- PROAGRI heavily supported the decentralization process in its planning strategy. Human, material and financial resources were organized to support the process. Further refinement was necessary but proposed changes from MAE (regarding administrative procedures at the provincial and district levels) will require restructuring by MINAG to integrate the current and proposed systems;
- natural Resource Management through the formation of local management committees has been a focus of PROAGRI I. The process has evolved satisfactorily but requires continued support; and
- ability to assess strategy in mid-programme to make interim adjustments has been constrained by lack of policy assessment capacity.

6. CO-ORDINATION AND COLLABORATION

Two aspects were considered by PROAGRI I in terms of co-ordination. The first was to strengthen the coordination inside the Ministry, among the different directorates and between central and local levels. The second was to promote broad based stakeholder participation in designing and monitoring the programme at central, provincial and district levels. An operational inter-ministerial coordination council was expected to be created. Finally, a primary concern was to establish mechanisms of consultation with the donors and beneficiaries.

6.1 Co-ordination at central MINAG

The coordination among the different directorates of the Ministry was promoted through bi-weekly meetings held by the consultative council members, the MINAG National Directors, directors of subordinate institutions and ministry consultants. Also included on the coordination council were the national and provincial directors. Occasionally governors and representatives of other ministries' would be invited.

Collaboration between MINAG and MPF was visible during PROAGRI I. The MINAG Inspectorate General teamed up with IGF in carrying out joint investigations in MINAG institutions. Four groups consisting of members from MINAG, MPF and donors were established in the areas of planning; institutional development; agricultural services and natural resources with the mandate of verifying PROAGRI implementation. The coordination and collaboration between MINAG, MPF and donors was effective and smoothed the process of PROAGRI implementation.

Consultation with donors was institutionalized through the PROAGRI I Working Group (PWG) chaired by the PROAGRI Coordinator. Members of the forum comprised representatives of donors, MINAG staff, MINAG technical consultants and MPF personnel with an interest in the agenda topics being discussed. The main role of the PWG was to discuss and resolve implementation issues. It also formed the platform for the review of operational matters. The PWG was effectively operational during the first phase as the forum could also form sub groups to deal with specific thematic areas and report to the main forum as and when required. The PWG operated under the jurisdiction of the Forum de Concertação.

The Forum de Concertação was chaired by the Minister or Vice Minister or at their discretion, the Permanent Secretary of MINAG. It was the principal forum for dialogue on the policy and strategic direction for PROAGRI. The forum was comprised of senior staff members of MINAG, MPF and donors.

Coordination between MINAG and cooperating partners was through the two annual joint meetings and the PROAGRI Working Group (PWG). The PROAGRI Secretariat coordinated these meetings.

The PROAGRI Secretariat, headed by the PROAGRI Coordinator, was operational throughout phase 1 of the programme. The secretariat played a pivotal role in liaising with donors as well as overseeing the PROAGRI implementation. The secretariat remained relevant throughout the first phase of the programme, as it was a recognised vehicle of communication between PROAGRI stakeholders. The secretariat also provided a supportive role in organizing documents, appointments for the mid-term and final evaluation teams for the ministries, provincial and district meetings. However, the perception by some stakeholders was that the Secretariat could have done more to improve coordination of national directorates.

Joint meetings as specified in the MoU took place in April/May and October/November of each year. At the April/May meetings, MINAG presented donors with the implementation experience of the previous year and also reported on the progress made towards achieving the agreed PROAGRI objectives. These meetings were also used as a forum to discuss the PAAOs for the next year. Therefore, the April/May meetings included managers from the provinces and districts so that they could contribute to meaningful discussions on their PAAOs. The MoU required MINAG to present an annual audit report at the April/May joint meetings. As they were not ready at that time, the external audit reports were not presented at any of the April/May joint meetings.

The October/November joint meetings provided the forum for donors and government to pledge funding commitments for the following year, based on the funding needs in the PAAOs. Despite the confirmation from the donors, the evaluation team noted that during the PROAGRI implementation some donors did not honour their commitments in time and the “downstream” effects were felt by the implementers. The reasons for late disbursements include lack of audit reports and program results. The mission’s request to be provided with a detailed breakdown of the shortfalls has not been honoured.

Donors’ co-ordination was established through the MoU. The MoU tasked the parties to agree on the procedures for donor commitment of funds, disbursements, thereof exchange of information and cooperation between them in respect of PROAGRI implementation. Although co-ordination of financial flows and general programming of activities improved by use of the general MoU agreements and joint meetings, there remained many points of contention regarding goals and direction among the several donors. This is perhaps inevitable, but must be highlighted as it affects the smooth development of PROAGRI evolution.

The evaluation team observed that MOU did not spell out a code of conduct to guide the donors on how to resolve implementation issues, disputes, if any, proposal of agenda items, quorum and the level of participation in meetings, harmonizing of donors approaches and common tactics for reviewing programme milestones. We noted that United Kingdom Department of International development (DFID), Netherlands and Australian Aid (AusAid) – Australia did not continue to the end of PROAGRI. Some donors interviewed acknowledged that some donors were more vocal than others. Pooling

resources without a clearly defined code of conduct can, in most cases, result in misunderstandings, withdrawals from the arrangement and sometimes become a source of conflict among the sponsors. We recommended that a code of conduct be established for the next phase so as to provide a sound framework for harmonizing donor interface and contributions.

6.2 Co-ordination at the local level

The coordination of the different directorates of MINAG is reflected at the local level by the activities developed by extension. Training was provided for extension agents in many areas, such as animal vaccination, animal care, improved poultry and cattle sheds, farmers associations, as well as on cross-cutting issues such as gender and HIV. In some DDA wildlife and forestry issues are also included in extension programmes, such as uncontrolled fires or community management of natural resources. Other issues were also included such as plant protection, post-harvest issues, as well as, small scale irrigation and cashew production.

Linkages between research and extension in some provinces were improved, although it was affected by budget ceilings. Activities promoting the establishment of systematic linkages between research and extension were planned but could not be fully implemented.

Before PROAGRI I, the support of PRDSA or other support programmes to extension had developed systematic linkages between research and extension, namely by conducting periodic training and technology reviews, involving extension and farmers (REPET). This was terminated due to lack of funds. In the north-east and north-west zonal research centres, when funding was available, joint research and extension field days were organised once or twice a year. These were attended by local farmers, NGO representatives and local leaders. At these field days, the research centres presented the results of experiments conducted and received suggestions from the participants.

In over half the districts surveyed, the activities that took place were on-farm research, the dissemination of adapted improved seeds and the eventually transmission to extension of techniques to overcome some of the problems encountered by the farmers.

In southern provinces, trials of new technologies were initiated and supervised by INIA. The responsibilities were subsequently transferred to the provincial extension services for greater uptake.

In most provinces, the link between research and extension remained very weak. Research, it was explained, has very little knowledge of the needs in the field, and the SPP did not convey relevant information to any research institution.

In livestock production, the link between research and application was also perceived to be weak and limited to diagnosis of diseases. There is no contribution regarding livestock production.

A mechanism to facilitate consultation was established with farmers for the development of the annual plans. At the end of the agricultural season, farmers' were consulted at district level, through meetings attended by heads of production or contact farmers, community leaders, heads of district administration and farmers associations. During these meetings



programmes for the following seasons were developed. Information on areas to be planted for each crop in the next agricultural season, the areas/number of demonstration fields and, the number of seed multiplication fields to be prepared was collected from the farmers. Others activities such as water retention infrastructure required were also be determined with the farmers. As a result, a prioritised list of production means and infrastructure was produced and included in the DDAs' PAAO.

We however noted that most of the needs and concerns expressed by the farmers were either removed at the provincial level due to the budget limitations. Some items were again removed at the implementation phase, as the resources allocated were insufficient. In the last years of PROAGRI I, it became impossible to include many activities in the PAAO because they were not part of the activities centrally pre-determined in the PAAO software, although they were strongly demanded by the stakeholders of the area.

There are also sections that have moved along their own paths to improving local input to the planning process. In the Land Management and Forestry and Wildlife sections, there has been strong community involvement. The communities were organized into associations or committees for joint planning identification of areas for tourism and livestock rearing and for better utilization of natural resources. Both the private sector and NGOs participate in the process. As well as being actively involved in the administrative decisions, communities are also receiving 20% of revenues from income earned on local resources (forestry, parks).

Although the basic principles established that *"all activities implemented by NGOs and financed by donors on project approach are progressively integrated in PROAGRI I"* that did not happen and no consultation mechanism was established with donors or NGO at local level. Projects outside PROAGRI continued to exist, but their development was often on the basis of PROAGRI goals due to shared concerns by donor agencies. Furthermore, Ministry extension officers actively sought out NGOs to develop informal linkages and means of collaboration.

In some zonal research centres the design of research programmes was made in coordination with DPA and NGOs. In addition, the field days and seminars at the end of agriculture campaign presented opportunities to determine research subjects with the stakeholders. At district level, the level of coordination between DDAs and NGOs was variable. In some cases, the

complementarities and coordination were very good. NGO projects were developed in response to identified priorities by PROAGRI I and joint planning was undertaken annually. NGOs could finance DDAs directly or through DPAs for the implementation of determined activities. The actions of NGOs were seen to complement, respond to, and augment the capacities of the government in areas such as association building, awareness-raising, provision of inputs and stocks, agro-processing and HIV/AIDS training. Some NGOs were regularly approached during annual planning and during the year to specifically cover the costs of activities underway, when funds were late in arriving or too little to cover costs. On the other hand, historical problems facing small project remain as NGOs often do not have adequate technical capacity within their staff, making low impact in improved agriculture. Furthermore, exit strategies to guide management towards the end of the project are not well defined which affects producer groups directly.

In other cases, the relationship was limited to occasional use of DDAs' technicians or simply the transmission of activities reports and there were cases where DDAs had difficulties to get information. Sometimes, the lack of coordination led to an overlapping of support or competition between DDAs and NGOs. The team observed cases where farmers associations received one pump from DDA and another from an NGO. It was noted by the district extension teams that despite coordination with NGOs, the effectiveness of the public sector extension teams is less than NGOs in terms of gaining the participation of producers. For example, if through poor coordination, a public sector extension technician and an NGO extension technician were to find themselves in the same village, the villagers would participate in the NGO's group activities. This is largely due to the additional resources which NGOs use to attract community participation such as kits, inputs, demonstration and models, which the public sector does not have.

The main outcomes of PROAGRI I, in terms of co-ordination and collaboration are:

- donor co-ordination: The institutionalization of the dialogue between MINAG and donors worked well and allowed a reasonable co-ordination of the donors' support and adjustments when necessary. It must be noted, however, that the external audit reports are not feasible in April/May of each year. This requires a feasible timeline given the experience of the first phase. In addition, there is a need to develop a code of conduct for the donors in order to harmonize the donors' behaviour and approaches to implementation.
- Inter sectoral co-ordination: The development of co-ordination among the different directorates, is reflected in the establishment of a unified extension system that allowed a coordination of the different sectors in their relation with the farmers. This co-ordination worked reasonably well, although the training of the extension agents could be strengthened.
- Community co-ordination: The participation of farmers in the development of annual plan was more frustrating than constructive for

both sides (DDAs and farmers), since most of the needs and concerns could not be addressed. The level of resource allocation was largely responsible for this outcome thus compromising the farmers' ability to contribute meaningfully to the annual planning processes and the subsequent content of the annual plans; and

- co-ordination with NGOs: Coordination with NGOs or agricultural projects was quite variable. While in practice, efforts were made by both parties to work together and coordinate inputs there was no formal collaboration framework. As a result, NGOs supported projects tended to end abruptly and there were instances of overlap and competition between the NGO's and public services projects.

7. INSTITUTIONAL DEVELOPMENT

7.1 The external administrative and financial environment

PROAGRI I, as one of the first pooled funds programs established in Mozambique pioneered a number of issues that the GoM and public sector Reform institutions in the country only started to address in recent years.

The influence of public sector reform, the decentralization process and the public sector financial management reform (SISTAFE) in the development process and the implementation of the sector programme, only started to be felt in the last years of PROAGRI I. From 2004 onwards, when the SISTAFE regulations were approved, e-SISTAFE was introduced by the Ministry of Finance (IT system that supports SISTAFE) and the new methodologies for budget planning, execution and accounting were released to the sectors.

The following is the legal framework from 1997 to 2005.

Legal Framework for Public Finance Management in Mozambique

The legal framework for PFM is governed by the following laws and regulations:

- Law n° 9/2002, of 12 February, which approves the State Financial Administration System (*Sistema de Administração Financeira do Estado*, the "SISTAFE");
- Decree n° 23/2004, of 20 August, which approves the SISTAFE Regulations;
- Law n° 5/92, of 6 May, which defines the role of the *Tribunal Administrativo*;
- Law n° 13/97, of 10 July, which establishes the regime for the audit and inspection of public expenditures by the *Tribunal Administrativo*;
- Law n° 2/97, of 18 February, which defines the role of the Municipalities;
- Law n° 11/97, of 31 May, which constitutes the legal regime for the finances and assets of the Municipalities;
- Law n° 8/2003, of 19 May, the Local Government Law (relating to districts and provinces); and
- Decree n° 13/2005, of 10 June, the Local Government Law Regulations.

The framework for the management of public finances in Mozambique that has influenced the last few years of PROAGRI I and that are expected to have a very high impact during PROAGRI II are the SISTAFE and the framework for decentralised autonomous financial management within municipalities and the local government framework of deconcentrated management within provinces and districts.

A. The SISTAFE system for the management of state finances

The approval of SISTAFE was the result of the reform of the financial administration system, in order to introduce legislation and management models appropriate to the needs of a modern public administration. SISTAFE was developed to establish and harmonize rules and procedures in relation to the programming, management, execution and control of the state public treasury, and the financial administration of state agencies and institutions. It is applicable to all state agencies and institutions, including those with financial and administrative autonomy. It is also applicable to public companies and municipalities, except in relation to the publication of accounts, which is governed by different legislation.

SISTAFE is divided into five subsystems:

- (i) the State Budget Subsystem, which governs the preparation of the State Budget, the preparation of the budget bill for submission to the National Assembly; and the evaluation of the budget submissions of state agencies and institutions;
- (ii) the Public Accounting Subsystem, which has as its object the production and the maintenance of the records of transactions carried out by State agencies and institutions, and their effects on the State's assets. Among other things, it governs the execution of the State budget and preparation of the State General Account (Conta Geral do Estado);
- (iii) the Public Treasury Subsystem which governs the process of financial programming, and the management of disbursements and payments in relation to the State Budget and the State treasury position. The subsystem also deals with the preparation of public financial statistics and the management of internal and external public debt;
- (iv) the State Patrimony Subsystem which governs the coordination and management of the State's assets, the organization of the information regarding the inventory of State assets and preparation of the respective inventory; and
- (v) the Internal Control Subsystem, which governs the inspection of the correct use of public resources, the application of accounting rules and methods, and compliance with legal norms and procedures.

The application of the SISTAFE law is regulated by the SISTAFE Regulations. These establish an integrated and harmonized system of norms and procedures for the application of SISTAFE in all state agencies and institutions. The application of these procedures is subject to and limited by the level of autonomy enjoyed by the state Institutions.

The MINAG e-SISTAFE was installed in July 2006 and DAF staff has been trained to use it. The receipt of Government funds is done through e-SISTAFE and procedures around the requisition and use of funds is now more simplified, planned and documented. Accounting for the use of those funds is also done in the system. The overwhelming response from interviewees

confirmed that e-SISTAFE was effective and facilitated a more efficient disbursement of funds.

However, MINAG still maintains a number of parallel systems. The notable ones are: e-SISTAFE which is still being developed in order to cope with all book keeping and reporting requirements; ARCO IRIS, the accounting software that MINAG was using from 2001 to date; and the manual system that is running parallel to Arco Iris as required by MoF. There is a potential that Arco Iris might be redundant and give way to e-SISTAFE.

B. The frameworks for decentralized, and deconcentrated financial management

Given the geographical expanse and cultural diversity of Mozambique, questions related to the geographical deconcentration of responsibilities and their administrative decentralization (or delegation) are very important, both politically and for the efficiency of financial management.

The Municipal Legislation (Pacote Autárquico) of 1997, created 33 urban municipalities with full financial and political autonomy. The law sets out clear criteria for determining the distribution of the two annual transfers that municipalities receive from central government, namely the Fundo de Compensação Autárquica (FCA) to cover recurrent expenditure and the Fundo de Investimento de Iniciativa Local (FIIL) for investment expenditure. Thus, the municipalities assume responsibilities for their own finances and assets which are managed autonomously. Nevertheless, they are subject to internal audit by the Inspeção Geral das Finanças and external audit by the Tribunal Administrativo.

In addition to the municipalities, there are 11 provinces and 128 districts, which operate as agencies of the central government ministries on a deconcentrated basis. They are collectively referred to as local governments and operate under the local government laws and regulations, although they also fall under the remit of the SISTAFE law. Provincial and district governments (which are appointed rather than elected) have their own budgets, which are submitted for consideration and approval through the State budget system. They are responsible for programming and managing their budget under the supervision of the relevant State agencies.

7.2 Planning and budgeting

The Common Flow of Funds Mechanism (CFFM) was a commendable way of pooling donors' resources and a turning point from project approach to a sector program approach. Among other things, the MoU provided rules and regulations under which support from donors would be channelled through the CFFM. Being the first of its kind in Mozambique, this approach has set a very solid foundation for future programs. Of particular importance to the evaluation team was the introduction and application of an acceptable planning tool.

The annual planning tool for PROAGRI has been the PAAO. When the first PAAOs were developed in 1999, the concept was relatively new to MINAG

structures. This presented an uphill task for MINAG to develop a planning tool that was going to be assessed and accepted by the PROAGRI donors.

The first PAAOs were of poor quality, as the donors could not marry the amounts in the budgets and the corresponding descriptions. Some of the PAAOs were not in line with the basic principles of PROAGRI.

While the 1999-2000 PAAOs were still of poor quality, donors and MINAG, through the annual joint meetings managed to improve the PAAO process from an Excel based worksheet to an Access database software, the PROAGRI Financial Planner.

The software application subsequently resulted in remarkable improvements in the preparation of PAAOs. The database software specifically facilitated the task of aggregating data across different categories of expenditure.

Despite the teething problems that were encountered in the early years of PROAGRI implementation, the PAAOs provided a useful assessment of financial use at the different levels. PAAOs are the recognized planning tool, widely used by donors, MINAG and MoF. While the evaluation team acknowledged the importance of the PAAOs as the annual planning tools in the first phase, it observed that the process is operational at district, province and central levels and not at the grassroots.

The annual work plans were not drawn from the big picture or from a long-term strategic plan. There is no evidence that the PAAOs were targeted against the expenditure patterns in Tables 34 and 38 in the main document of 1998. It was difficult to monitor how the US\$202 million was going to be used in the first, second and subsequent years as the PAAOs did not make reference to the overall program. In addition the MoU could have guided the PAAO process to follow the yearly expenditure pattern defined in Tables 34 and 38 in the master document. The lack of specific budgets or targets derived from a 5-year strategic plan or framework from which the PAAOs could be drawn weakened the whole process of monitoring and evaluation during program implementation.

The main objective of the MoU was to define and clarify the roles and responsibilities of the parties in accomplishing the mutual activities comprising the PROAGRI program. The MoU was clear that the financing of eligible expenditures by any one of the signatories was in all cases, governed by the terms of the bilateral agreement(s) between the signatory and the government. This meant that the MoU was not a legally binding document to the PROAGRI parties. In practice, bilateral agreements continued to take precedence over the PROAGRI MoU. Based on this arrangement, the team observed that MINAG could not force donors to disburse funds committed under ProAgri. The absence of an enforceable tool that MINAG would apply resulted in funding gaps, disbursement delays and generally disrupted planning and implementation. As a result Quarter 1 disbursements were generally late as they were effected in March/April of each year. The reasons for the delays were that;

- both MINAG and MoF had to close their books of accounts before the funds committed under PROAGRI would be released;
- MoF had to mobilize enough resources to match the donor contributions, and also consider the expectations of institutions like the International Monetary Fund (IMF) to control public expenditure; and
- reluctance by MoF to expedite disbursements to MINAG or the provinces as the Ministry of Finance appeared to be under the impression that the agricultural sector had more resources compared to other sectors and hence the need to disburse resources fairly.

The MoU spelt out that the review of the budget performance lay with the Financial Management Committee (FMC). In our opinion, this body was necessary to do all the things spelt out in the MoU for the first 18 months. Afterwards the FMC was supposed to delegate the operational issues to the Director of DAF and focus on the big picture and strategic issues. The FMC could have facilitated capacity development of DAF and provided written instructions on how to monitor financial operational issues. The FMC was also supposed to empower the DAF Director to take stringent action should there be cases of non-compliance and this did not happen. Examples of strategic focus that the FMC could focus on are:

- the development a of 5-year strategic plan to be followed by PAOs;
- the evaluation of milestones;
- the resolution of internal and external audit issues;
- refining performance indicators; and
- strategies for the retention of key staff.

7.3 Monitoring and evaluation (M&E)

Monitoring and evaluation has been a problem in PROAGRI since its inception. Even as late as 2003, the mid-term evaluation documented a complete lack of progress. Since then work has been done to improve the TIA and standardize some benchmark criteria. Information presented in the 2005 MINAG Annual Report indicate that the beginning of a system is beginning to take shape. However, this has not yet been fully expanded to local levels and much work in advocacy and training is required. Further development of the system is expected given that good information is an essential base for sound policy formulation.

At the local level monitoring also faces a challenge. The attitude of technicians to monitoring represents one of the major reasons for its slow development. Monitoring is seen as a means of ascertaining whether the field workers are doing their job adequately, not as a means of assisting them to improve their capability to respond to the community's problems. A great deal

more advocacy and local training needs to be carried out with district and provincial technicians to ensure that they take ownership of the concepts, and work to support it as a useful tool.

7.4 Financial management

MINAG's financial resources and assets are generated from two basic sources, the State Budget and the funding from various international agencies.

The State Budget is divided into operational costs and investment, with each having its own mechanism of preparation, execution and accounting. The responsibility for preparing, executing and accounting falls under the Administration and Finance Department (DAF) in relation to the budget for operational costs and under the Directorate of Economics (DE) for the investment budget.

The management of resources delivered by the other funding agencies varies according to rules and procedures of each agency/organization. As a result of this, the Ministry has been facing severe problems in setting up an effective control on the application of funds in the different projects and from different funding sources.

Table 7.1 shows that 56% was managed by MINAG Central while the provinces managed 44% of the disbursements under PROAGRI 1. Overall, the decentralization was effective. There was a slow start of disbursement in 1999 and then there was an upward trend to 2004 before the trend declined in 2005 as the program was coming to an end. During PROAGRI 1 the total disbursements handled by the provinces ranged from 37% to 49% per year. The evaluation team noted that the central level is responsible for bulk procurement on behalf of all provinces in order to enjoy discounts from foreign suppliers. The current practice appears to be working well for both the centre and lower levels.

There was an insignificant difference between provinces, as 5 of the 10 provinces received between 10% and 12% of the total funds disbursed while the remaining provinces received 8 to 9%.

PROAGRI, in developing MINAG's institutional reform, also emphasized decentralization. This has been reflected in the growing amount of financial resources directed to the provinces as shown in Table 7.1.

Table 7.2 shows that MINAG funding arrangements consistently followed the components in Table 34 of the master document. The evaluation team, however, observed that the production of beans, sugar, cotton and cashewnuts at a cost of US\$31.6 million were reported under the "Other" component. The evaluation team analysed this amount under the agricultural production component. The analysis revealed that the institutional development component was overspent by US\$36.4 million, 121% of the budget allocation. The explanation given by MINAG was that all capital goods

procured to strengthen the institutions were reported under this component. The inclusion of other crops under agricultural production has resulted in a deficit of US\$26.3 million (182%) for this component. The team noted that the irrigation component spent only 11% of its target because the Africa Development Bank funded some projects outside the PROAGRI program. The overall position was that livestock production, extension, forestry, land management and irrigation did not spend 40% of their original budgets.

The expenditure by category in Table 7.3 was compared with Table 38 in the master document. The analysis revealed that MINAG did not fully consider the categories as was initially agreed with the cooperating partners. The description of civil works, vehicles, equipment, training, workshops and salaries were consistently reported during the PROAGRI while technical assistance was reported as services. The master document did not have a "goods" category but MINAG reported expenditure that included the running costs of vehicles under this category. Table 7.3 shows that a total expenditure of US\$28.9 million was incurred for this "goods" category. The "services" category had a deficit of 122% while only US\$8.4 million was reported as spent on civil works and US\$3 million on training and workshops. The categories of vehicles and equipment and salaries appeared to be the ones with reasonable balances compared to the master document. For the major components, the expenditure analysis showed that 97% of the target was achieved. The categories in the master document should have been followed to facilitate ease of monitoring and evaluation.

The analysis of Table 7.4 shows that the donors' outturn was 88% (US\$162 million) while government contributed 12% (US\$22 million). A total of US\$18.9 million was provided for direct project funding by IFAD (US\$5.5 million); The World Bank (US\$8.5 million); UNDP (US\$1.7 million); and FAO (US\$3.2 million).

If the amount was added to the CFFM, the total contribution would have been 99% of what was expected. The analysis of Table 7.1 revealed that the CFFM was a sustainable window for donors to pool their resources in implementing PROAGRI. The table also shows that EU and USAID contributed 26% and 21%, respectively. The World Bank contributed 11% excluding the direct project contributions while the rest of the donors contributed between 1 - 9%. It must be noted that the funds disbursed in Table 7.4 are different from the expenditure in Table 7.1 because the funds not utilized in a given financial year were returned to MoF. The cumulative disbursed to MINAG and expenditure represents the cumulative total that was returned to MoF over the first phase of PROAGRI 1.



Ministry of Agriculture, Maputo

TABLE 7.1 - DISBURSEMENT OF PROAGRI FUNDS TO PROVINCES AND MINAG CENTRAL

	1999		2000		2001		2002		2003		2004		2005		Total	avg ann chng
	US\$'000	%▲	US\$'000	%▲	US\$'000	%▲	US\$'000	%▲	US\$'000	%▲	US\$'000	%▲	US\$'000	%▲	US\$'000	%
Maputo	126,158	476%	726,771	-22%	569,217	91%	1,086,245	25%	1,359,311	0%	1,363,924	-19%	1,102,226	6,333,851	79%	
Gaza	100,945	205%	308,323	34%	412,826	176%	1,140,505	30%	1,486,558	-1%	1,470,033	-29%	1,046,425	5,965,615	59%	
Inhambane	100,945	448%	553,658	11%	616,736	92%	1,184,912	14%	1,348,558	18%	1,591,042	-30%	1,111,598	6,507,066	79%	
Manica	159,346	304%	644,015	-13%	559,771	168%	1,499,538	16%	1,732,868	0%	1,732,852	-32%	1,172,403	7,500,792	63%	
Sofala	118,138	342%	522,271	-26%	387,668	162%	1,015,184	94%	1,973,125	-6%	1,864,006	-32%	1,275,308	7,155,701	76%	
Tete	121,089	165%	321,273	70%	545,572	124%	1,223,158	29%	1,578,589	-2%	1,540,283	-41%	915,947	6,245,912	49%	
Zambezia	231,303	189%	668,779	22%	501,443	280%	1,471,960	14%	1,677,472	14%	1,915,570	-28%	1,372,950	7,839,476	51%	
Nampula	195,433	92%	375,328	39%	456,169	71%	1,734,000	8%	1,878,743	9%	2,042,478	-24%	1,550,909	8,233,061	55%	
Cabo Delgado	105,408	305%	427,279	37%	593,287	67%	1,014,000	29%	1,306,125	15%	1,496,612	-46%	806,127	5,748,839	59%	
Niassa	104,430	386%	507,677	67%	693,022	4%	1,157,254	4%	1,198,192	-2%	1,171,044	-25%	881,847	5,713,465	67%	
Total to Provinces	1,363,194	271%	5,055,376	6%	5,335,711	135%	12,526,754	24%	15,539,159	4%	16,187,843	-31%	11,235,740	67,243,778	58%	
% of total	48%		38%		44%		46%		44%		49%		37%	44%		
MINAG Central	1,495,180	462%	8,404,275	-18%	6,854,956	110%	14,419,713	39%	20,047,108	-15%	17,017,947	12%	19,043,337	87,282,516	84%	
Total Disbursement	2,858,375	371%	13,459,651	-9%	12,190,667	121%	26,946,467	32%	35,586,267	-7%	33,205,790	-9%	30,279,078	154,526,294	71%	

Total per year in MT'000	36,301,360	203,415,710	255,321,326	632,164,117	826,135,195	618,955,927	662,627,333	3,234,920,968
Average Exchange Rate	12,700.0	15,113.0	20,944.0	23,460.0	23,215.0	18,640.0	21,883.9	

Source: MINAG Financial Reports

TABLE 7.2 - EXPENDITURE PER COMPONENT

Actual Expenditure per Year(US\$000)											
Component Year	1999	2000	2001	2002	2003	2004	2005	TOTAL	PROAGRI Target	Variance	% Variance
Institutional Expenditure	2,794.84	4,316.91	5,650.56	17,352.43	24,869.58	5,772.69	5,665.44	66,422.46	30,006.00	-36,416.46	-1.21
Livestock Production	824.35	369.48	465.00	994.84	1,073.55	323.15	339.81	4,390.20	16,600.00	12,209.80	0.74
Extension	1,078.85	1,309.34	615.74	2,052.84	1,477.39	712.73	432.62	7,679.50	20,410.00	12,730.50	0.62
Agricultural Production	530.93	421.09	1,853.98	2,317.43	2,689.65	20,508.65	12,399.73	40,721.46	14,440.00	-26,281.46	-1.82
Forestry and Wildlife	1,801.06	734.93	915.92	687.92	734.46	475.69	413.39	5,763.36	39,930.00	34,166.64	0.86
Land Management	283.94	1,010.39	1,080.31	1,523.95	1,427.60	914.57	785.47	7,026.24	32,170.00	25,143.76	0.78
Research	169.65	1,048.10	1,336.52	1,478.72	2,448.80	3,805.55	7,754.14	18,041.47	25,130.00	7,088.53	0.28
Irrigation	0.00	648.12	322.62	501.13	592.02	361.14	230.35	2,655.38	23,520.00	20,864.62	0.89
Total per Component	7,483.62	9,858.36	12,240.65	26,909.26	35,313.06	32,874.17	28,020.94	152,700.06	202,206.00	49,505.94	0.24

Source: MINAG Financial Reports

TABLE 7.3 - EXPENDITURE BY CATEGORY

Actual Expenditure per Annual (US\$000)											
Account Year	1999	2000	2001	2002	2003	2004	2005	Actual	PROAGRI Target	Variance	% of Variance
A. Investment											
Civil Works	261.26	289.77	1,043.86	1,587.39	2,253.24	2,248.46	739.40	8,423.39	23,300.00	14,876.61	64%
Vehicles & Equipments	1,123.89	2,950.35	4,112.03	8,538.37	7,795.31	4,699.52	2,294.52	31,513.99	48,310.00	16,796.01	35%
Training & Workshop	571.56	131.84	205.17	401.07	424.79	472.83	938.09	3,145.35	26,620.00	23,474.65	88%
Goods*	2,031.19	1,562.62	1,484.88	4,073.27	6,282.18	7,092.20	6,430.86	28,957.20	0.00	-28,957.20	100%
Services* (TA)	1,969.49	2,980.63	3,543.65	7,806.44	12,983.52	12,279.39	12,492.77	54,055.89	24,380.00	-29,675.89	-122%
B. Recurrent Expenditure											
Salaries & Per diems	1,586.23	1,943.15	1,848.17	4,502.88	5,574.39	6,081.95	5,125.18	26,661.95	35,270.00	8,608.05	24%
Total	7,483.62	9,858.36	12,237.76	26,909.41	35,313.43	32,874.35	28,020.83	152,697.76	157,880.00	5,182.24	3%
* Items not included in the Table 34 of the Master Document of February 1998											
Average Exchange Rate	12,700.0	15,113.0	20,944.0	23,460.0	23,215.0	18,640.0	21,883.9				

Source: MINAG Financial Reports

TABLE 7.4 – DONORS FLOW OF FUNDS

Actual Disbursement (US\$)									
Donors Years	1999	2000	2001	2002	2003	2004	2005	Total	% of Total
USAID		6,107,011.70	11,013,829.20	6,608,774.00	6,600,000.00		4,400,000.00	34,729,614.90	21%
EC		5,321,035.00	598,623.70	10,459,734.00	6,365,954.00	12,005,636.00	8,002,413.00	42,753,395.70	26%
DANIDA		1,050,955.00	3,550,000.00	2,130,000.00	5,470,000.00	1,500,000.00	1,500,173.00	15,201,128.00	9%
SIDA - Sweden		0.00	1,080,736.00	1,200,755.40	1,592,099.00	2,000,000.00	2,000,000.00	7,873,590.40	5%
DFID - UK		674,344.00	1,189,371.00	1,039,996.80				2,903,711.80	2%
Nederland	338,095.20	715,620.00	1,000,000.00	2,500,000.00	1,500,000.00	1,999,980.00		8,053,695.20	5%
Ireland	390,000.00	616,860.00	1,300,000.00	2,000,000.00	3,216,077.00	2,795,575.00	2,478,143.00	12,796,655.00	8%
AUSAID - Austráalia	4,205,500.20							4,205,500.20	3%
Italy					1,170,565.00		2,365,000.00	3,535,565.00	2%
IFAD*				750,000.00	1,000,000.00	1,000,000.00	750,000.00	3,500,000.00	2%
IDA - World Bank*				2,569,924.00	3,909,435.00	3,909,391.00	6,656,679.00	17,045,429.00	11%
UNDP*									0%
FAO*									0%
Finland							2,365,000.00	2,365,000.00	1%
Canadá						1,843,081.00	5,500,599.00	7,343,680.00	5%
Austria									0%
Total	4,933,595.40	14,485,825.70	19,732,559.90	29,259,184.20	30,824,130.00	27,053,663.00	36,018,007.00	162,306,965.20	88%
GOM Contribution	2,831,000.00	1,743,000.00	3,263,000.00	2,382,000.00	3,263,000.00	4,364,000.00	4,209,000.00	22,055,000.00	
Total ProAgri disbmts	7,764,595.00	16,228,826.00	22,995,560.00	31,641,184.00	34,087,130.00	31,417,663.00	40,227,007.00	184,361,965.00	
% of GOM contribution	36%	11%	14%	8%	10%	14%	10%	12%	

Source: MINAG Financial Reports

7.4.1 Arco-Iris

At the beginning of the program in 1999 the PROAGRI partners identified the need to develop the financial management capacity and provide the MINAG with adequate tools, namely accounting and reporting software.

The EU financed a team within DAF to develop accounting software called Arco Iris. The first phase of this assignment was worth US\$1.3 million. The main objective of this system was to consolidate the financial statements of MINAG. The intention was for the software to be able to provide reporting to all levels such as districts, provinces and the centre. In 1999 and 2000 the team collected data for assessing the financial status of the program. The team designed a simple tool called “Quadro Unico” to collect basic information related to the program expenditures.

While the idea of developing software that would help the different levels to improve decision-making was a noble one, the process was donor-driven and was not owned initially by MINAG. There was limited consultation with the MoF in the development of this software. “At the very start, MADER and D.E. were more observers than actors, while donors were instead more actors than observers.”²

The MINAG initially felt that introduction of the software was just a technical assistance provided by donors thus did not appreciate its value as a useful strategic tool. While the actual implementation of the software started in January 2001, the MINAG fully embraced the new software in 2003.

The task of developing the Arco Iris software has not been easy as evidenced by the number of modifications that had to be made to suit the reporting expectations of donors and MoF. From 2001 to 2005 the software has been changed from version D1 to version 4.20. To demonstrate the complexity of the task, the software witnessed 46 modifications during the same period. Table 7.5 shows the number of changes that took place in each of the years from 2001 to 2005.

Despite the different versions that have been introduced since the inception of this software, the reports generated by Arco Iris only became reliable from end of 2004. The donors and external auditors only started relying on the system’s reports from 2004. Although the software now produces reliable information, it must be noted that the software was not designed to capture assets and inventory. The software captured the expenditure for the acquired goods but did not account for the same assets.

² MINAG Acro Iris Report, 2004.

TABLE 7.5 - ARCO IRIS VERSIONS AND TECHNICAL MODIFICATIONS

Year	Version	Number of modifications	Reasons for modification	% of modification per year
2001	V D1.00	2	needed better version	4
2002	V D2.00 ³	4	answering growing needs version 1	9
2003	V 3.01	7	tracking 100% of PROAGRI funds	15
2004	V 4.00 ⁴	21	budget related demand	46
2005	V4.20	12	fixing bugs	26
Total		46		100

Source: MINAG Arco Iris Report, 2004

While the software now generates accurate reports, the MINAG staff are still running a parallel manual system. Although it is a requirement from MoF that the manual records be kept, the process is time consuming and frustrating those who are involved in the process on a monthly basis. In Manica Province only three districts have Arco Iris installed on their computers. However, these districts are not using the software because the existing hardware are not compatible to the demands of the software such as the requirement for the UPS to provide power for not less than 8 hours. Although all the districts under PROAGRI are using the software through their provinces, none is capturing data at source. Demand for IT skills in the country is very high and there is a risk that the finance staff at district levels might leave for better job prospects in the financial and other sectors. MINAG will need to invest in continuous training and other staff replacement.

The Arco Iris version 4 is now compatible with the MoF current codification system and this should give the MINAG comparative advantage at the time of converting to e-SISTAFE. Among the key questions that the evaluation team raised with most of interviewees was whether or not Arco Iris was useful software to MINAG. The overwhelming response from all stakeholders was that in the Mozambique public sector that MINAG is the only ministry with modern operational accounting software.

It would appear that the MINAG did not have a clear exit strategy for the consultant working on this Arco Iris assignment. The consultant who was engaged in 1999 is still working on the second phase of the contract up to end of September/December 2007. The cost for the second phase is US\$0.8 million. There is a potential risk that all the gains achieved up to end of Phase 1 might be eroded once the consultant leaves this assignment. The DAF member of staff who joined and was trained by the team of Arco Iris consultants in 2003 resigned in June 2006. At the time of this evaluation

³ The number includes modification for version 3.01 and 3.02 carried out in November and December, 2002.

⁴ The number includes one modification for version 3.07e carried out in May 2004.

there was no replacement, although it was the mission's understanding that a replacement was going to be engaged during the first quarter of 2007.

The mission proposes that MINAG requests MoF or any other source to provide additional resources in order to hire and retain Arco-Iris staff. This will ensure that the software is sustainable.

7.4.2 Procurement

The procurement department of MINAG was established in 1999 to comply with preconditions set by the agencies for PROAGRI implementation. DAF supervised both the Procurement Management Unit (PMU) and the finance section. DAF was restructured in 2006, into the three main sections of preconditions set by the: finance, administration and patrimony. Patrimony covers procurement and asset inventory.

The major objective of the PMU was to ensure that the procurement activities would be decentralized into the provinces. Failure to achieve this objective was going to impact negatively on the future funding of activities under PROAGRI.

The external procurement specialists trained the MINAG staff in PMU and provincial offices. The training included the use of a procurement manual, the thresholds to be handled by the provinces, tender processing, evaluation and the no objection approval processes. Through this training, the provincial offices managed to identify the contracts for goods, works and services that could be packaged under International Competitive Bidding (ICB), Local Competitive Bidding (LCB) and National Competitive Bidding (NCB).

By 2003 the provincial offices handled the NCB bids and sought no objection from the central level. All the provinces visited during the evaluation exercise demonstrated their ability to articulate the different thresholds for goods, works and services that they can handle. While it was clear that the provinces knew how to evaluate the bids, it was evident to the team that the procurement evaluation committee members did not always declare instances of conflict of interest nor did they recuse themselves.

There was adequate capacity to handle procurement activities and related issues at both the central and provincial levels between 2001 and 2004. In 2005, that capacity was eroded as those who were trained either were transferred from the provinces to the centre or resigned from the public sector.

Procurement in each province was the responsibility of a procurement officer or technician. Of those technician trained under PROAGRI there has been considerable staff movement leading to the requirement for additional training for new staff in some of the Provinces.

Table 7.6 provides the scenarios of the capacities in each of the provinces. The table shows that only 10 – 30% of the provinces still have solid

procurement arrangements. There will be a requirement for further training and investment in procurement during the second phase of the Program.

TABLE 7.6 - CAPACITY OF PROVINCES TO HANDLE PROCUREMENT ACTIVITIES

Province		Procurement capacity as at end of June 30, 2006 ⁵
1	Maputo	Has difficulties, the technician left and the team is new
2	Gaza	The technician has been transferred to MINAG central
3	Sofala	Is the most organized and properly functioning
4	Inhambane	Is still fairly stable
5	Manica	Has some problems, needs training
6	Tete	Has some problems, needs training
7	Nampula	Is still fairly stable
8	Zambezia	Has some problems
9	Cabo Delgado	Has some problems
10	Niassa	Has some problems

Source: MINAG PMU, 2006

In December 2005, a new set of national procurement regulations came into effect. This had no impact on ProAgri I as the program ended in December 2005.

PMU is fully compliant with the requirement to meet minimum donor procurement procedures requirements. Once no objection statements/approvals have been received from the donor, and the PMU notifies the department to procure, the procurement is made from the approved suppliers. There is no evidence that proper and complete asset records are maintained at both the receipting unit and the centre. The respective departments or provinces did not inform the staff in charge of inventory for them to track when the goods arrive and record them in the registers. While the procurement system is effective up to the approval level, the system does not properly record and account for capital goods. This practice weakened the process of managing MINAG assets. As all assets are written off on purchase there is a need for accurate and up to date fixed assets registers to be maintained up to date.

The MoU specified that MINAG would manage donor financed vehicles and equipment. It was envisaged that a new asset management system and transport policy would be introduced, implemented and operational by 2003. Unfortunately this objective was not achieved.

In 2002 the MoF was supposed to install inventory management software in MINAG but this did not materialize. At the time of the evaluation, MINAG was following MoF's instructions of preparing the assets records (Fichas) sending the assets records to MoF. There was no separate asset management records retained by MINAG who are under the impression that it is the responsibility of the MoF. There would be no harm in the MINAG keeping the

⁵ The date is outside the evaluation period of 1999 to 2005

same copies of the records sent to MoF. During the evaluation exercise, MINAG was going around the provinces and districts trying to come up with a national fixed assets register. As mentioned in most of the external auditor's reports, there are no reliable fixed assets registers at the centre, provinces or district levels. At those sites where registers were maintained, they were invariably incomplete and not updated. There are no regular inventory checks by MINAG central level of the registers maintained by the provinces. The central level lacks capacity to carry out inventory checks in every province and district on a yearly basis.

In 2005 the MINAG did not carry out visits to any of the lower levels. However, the inspectors from MoF (Inspeção Geral de Finanças) who have the mandate to manage national assets carry out at all levels at least an inventory check once a year. It would, however, appear that the inspections by MoF are not performed in a planned manner as they seem to be inspired by tip offs and suspicions and hence tend to be investigative. MINAG is hoping that Cadastro Inventario do Patrimonio do Estado will be provided under SISTAFE as soon as it is feasible.

There was no effective fleet management policy during PROAGRI. The fleet management policy was supposed to be one of the yearly milestones according to the Donor Coordination Principles. Lack of such a transport policy could lead to abuse, increase in maintenance costs and reduction of the economic life span of vehicles. Log books are available but they are not widely used and no control mechanism is in place for verification.

For Public Works programs no policy or guidelines have been approved. Depending on the level of management capacity of the provinces and availability of staff, control visits are made to district to see how the construction sites are developing. Problems related to lack of qualifications of contractors, failure to complete works, among others are still frequent and are time and resources consuming.

Table 7.7 is an attempt to take stock of the capital goods that were acquired under PROAGRI. The table shows different number of assets compared to those numbers that were reported in mid-term evaluation report. There are no records of fixed assets including buildings that were constructed or renovated.

TABLE 7.7 PROAGRI EQUIPMENT ALL COUNTRY BY PROVINCE

		PURCHASED AND DELIVERED (1999 to 2004)										
No	Province	Bus	Trucks	Tractor	Mini Bus	D.Cabin Trucks	S. Cabin Trucks	Motor cycles	Bicycles	Computer/ Accessories	Buildings	Offices
1	Central level (MINAG)	1	2	3	8	76	46	4	37	314	0	0
2	Maputo	0	1	2	2	24	48	6	20	205	0	0
3	Gaza	0	0	1	1	12	22	7	20	110	0	0
4	Inhambane	0	0	2	1	15	7	6	20	77	80	19
5	Sofala	0	0	0	1	12	10	10	32	70	0	0
6	Manica	0	0	0	1	8	11	11	56	60	0	0
7	Zambézia	0	0	0	1	6	16	14	40	55	0	0
8	Nampula	0	0	0	1	4	14	16	57	68	0	0
9	Tete	0	0	0	1	1	1	15	40	70	0	0
10	C.Delgado	0	0	0	1		12	11	78	70	0	0
11	Niassa	0	0	0	1	3	5	2	0	55	0	0
	Total	1	3	8	19	161	192	102	400	1154	80	19

**Source: MINAG PMU Reports

The mission could not verify the fixed assets as the records at the provinces and central level could not tally. In some provinces, the fleet management was partially implemented. Attempts to implement an effective vehicle control and management system based on log books proved unpopular with staff and was abandoned. Staff felt demotivated and the process was counter-productive. As discussed under the Human Resources section, without an effective change management strategy, it was always going to be difficult to implement some of the less popular initiatives proposed under the Program. The budget for fleet maintenance was also not enough to effectively manage the policy.

Given the state of the asset records, it may be useful to commission an independent review of the assets registers for all programme and other Ministry assets with a view to establishing an accurate record.

7.4.3 Audit and inspection

7.4.3.1 Internal audit

An internal audit is an independent objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The effect of the internal audit should be continual improvements and refinements to the internal control system as a contribution to proper, economic, efficient and effective use of government resources.

From 1997 to 2000 the MINAG Internal Audit Unit had only one person. The unit is still at its infancy but has grown steadily from 4 people in 2001 to 8 people in 2005. Table 7.8 shows the MINAG'S Internal Audit unit's evolution.

The internal audit unit is weak with no qualified and experienced Internal Auditors, in the team. The unit is thinly spread, considering the number of provinces and districts to be covered. The Internal auditors do not have the capacity to visit every province and district annually. They can only visit a province or district more than once in a year if there is an investigation. Internal audit operated more as an investigations unit. In the event of an investigation, the MINAG Internal auditors team up with the MoF's inspectors.

Given the geographical spread of the country, coupled with the recognised need to decentralize, it would be reasonable to seriously consider a decentralised internal audit structure for MINAG.

TABLE 7.8 - INTERNAL AUDIT/INSPECTORATE UNIT FROM 2001 TO 2005

Year	Number	Titles	Qualification
2001	4	<ul style="list-style-type: none"> ▪ Veterinary, Inspector Geral ▪ Economist, Deputy Inspector ▪ Lawyer ▪ Economist 	<ul style="list-style-type: none"> ▪ Degree ▪ Degree ▪ Degree ▪ Degree + Public Administration Diploma
2002	4	<ul style="list-style-type: none"> ▪ Veterinary, Inspector Geral ▪ Economist, Deputy Inspector ▪ Lawyer ▪ Economist 	<ul style="list-style-type: none"> ▪ Degree ▪ Degree ▪ Degree ▪ Degree + Public Administration Diploma
2003	6	<ul style="list-style-type: none"> ▪ Veterinary, Inspector Geral ▪ Economist, Deputy Inspector ▪ Veterinarian ▪ Agronomist ▪ 2 x Accountants 	<ul style="list-style-type: none"> ▪ Degree ▪ Degree ▪ Degree ▪ Degree ▪ Degree + Public Administration Diploma
2004	8	<ul style="list-style-type: none"> ▪ Veterinary, Inspector Geral ▪ Economist, Deputy Inspector ▪ 2 x Veterinarians ▪ Agronomist ▪ Accountant ▪ Public Administration 	<ul style="list-style-type: none"> ▪ Degree ▪ Degree ▪ Degree ▪ Degree ▪ Degree + Public Administration Diploma ▪ Diploma
2005	8*	<ul style="list-style-type: none"> ▪ Veterinary, Inspector Geral ▪ Economist, Deputy Inspector ▪ Lawyer ▪ Agronomist + 2 Veterinarians ▪ Accountant ▪ Public Administration 	<ul style="list-style-type: none"> ▪ Degree ▪ Degree ▪ Degree ▪ Degree + Public Administration Diploma ▪ Diploma ▪ Diploma

*At the time of the evaluation in November, two staff members were transferred to other departments within MINAG

Source: MINAG, Department of Internal Inspectorate, 2006

The MINAG Internal Auditors' reports are submitted to the Minister and copied to Vice-Minister and Permanent Secretary. It was not evident during the evaluation exercise that these reports are subsequently shared with the other heads of departments and that the reports are availed to the external auditors.

Best practice in internal audit involves the establishment of an independent but effective internal audit function. Independence, in this regard, is established by ensuring that the internal auditor reports to a level that is sufficiently independent of the day to day operations of the entity being

audited. However, there is a recognition that the level being reported to should be adequately equipped to put the information provided by internal audit to good use and to effectively act on the recommendations.

In the case of Proagri, the arrangement whereby the internal auditor reports to the Minister is sound in so far as the Minister is sufficiently divorced from the day to day operations being audited and thus the potential of conflict of interest is minimal. The Minister is, however, not technically equipped nor would we have enough time to address the detailed issues raised and the accounting principles addressed in internal audit reports.

It is therefore recommended that the system be strengthened by insisting that all internal audit reports be copied to the Principal Secretary, the Director of Finance and the Inspector General's office.

This arrangement will minimise the chances of important issues raised by internal audit being ignored or not being adequately addressed.

At the time of our review, there were 6 auditors in post covering the whole Ministry. Given that Mozambique is a large country with ten provinces, this number is not adequate for the effective delivery of internal audit services. In addition, decentralisation was one of the important cornerstones of the ProAgri programme.

We therefore recommend that the internal audit function be reviewed with the object of establishing adequate numbers for the function and assessing the potential for decentralising the function.

7.4.3.2 External audits

Two international auditing firms have carried out PROAGRI audits. Deloitte were the auditors in 1999 and 2005 while KPMG audited from 2000 through to 2004.

The 1999 audit was completed 12 months after the year-end. Table 7.9 shows the statistics relating to the completion of PROAGRI 1 audits.

TABLE 7.9 – AUDIT REPORT STATISTICS

Name of Auditing Firm	Year End	Audit finalized on	Number of Months Audit Delayed
Deloitte & Touche	1999	December 4, 2000	12
KPMG	2000	May 8, 2002	17
KPMG	2001	May 28, 2003	17
KPMG	2002	November 7, 2003	11
KPMG	2003	June 30, 2004	6
KPMG	2004	June 30, 2005	6
Deloitte & Touche	2005	Not yet finalized	12 (was not completed by 13/12/06)

Source: MINAG, Audited Accounts and Reports

The main reasons given for the audit reports were:

- | ☐- MINAG did not have adequate qualified and experienced staff to keep the books of accounts up to date at provincial and districts levels;
- lack of interim audits prolonged the final year-end audits;
- | ☐- the Arco Iris accounting software was not fully operational and the auditors could not rely on it;
- | ☐- it took a while for new auditors to understand the MINAG system and PROAGRI components during early days of the assignment; and
- | ☐- the auditing firms sent in very young and inexperienced auditors to carry out the assignment.

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In 2000, the MINAG auditors issued a disclaimer and did not express an audit opinion because of the poor quality of the books of amounts which were presented to them. It took 17 months for the disclaimer to be issued. Bank reconciliations were in arrears, supporting documentation for expenditure was not adequate and fixed assets could not be verified. The auditor issued a management letter to MINAG. Detailed proposals for rectifying and addressing the financial management issues was highlighted in the management letter and where necessary examples of how to implement them were provided. The auditors worked very closely with DAF to address the weaknesses that were identified in the management letters. DAF improved the system by hiring contracted professional accountants who went out to the provinces to train staff on how to rectify the financial management issues.

The audit report for 2001 was also finalized 17 months after the year-end. The report was qualified with respect to wrong opening bank balances, funds received by provinces were not reflected as receipts, inadequate supporting documentation for expenditures, wrong cut off procedures and non existence of fixed assets registers. In 2002 there were fewer management issues raised in the report. This reflected a willingness on the part of DAF to bring the audit reports up to date and thereby fulfil the expectations of donors.

The situation improved immensely in 2003 and 2004 when the audit reports were produced in June, six months after the year-end. The close working relationship between the auditors and DAF produced the results that the donors expected to see. However, it must be noted that MINAG changed auditors for the financial-year ended 2005 and at the time of the evaluation in November 2006 the audit report was not yet available.

Despite the problems that were initially encountered by DAF, significant progress has been achieved in the establishment of a reliable financial management system. While significant gains were made in the operations of DAF, at the end of the PROAGRI, progress in the areas of internal controls, supporting documentation, record keeping and management of assets were still insufficient.

The evaluation team observed that the delays in audit reports could be reduced in the next phase if MINAG establishes an audit committee that

looks into audit issues and follows up on their timely resolution. The composition of this audit committee could include but not limited to Permanent Secretaries of MINAG, MoF, MPD, and other relevant ministries. The set up of an independent audit committee would enhance transparency, good governance and encourage the sponsors of PROAGRI to contribute more to the program.

During the next phase, MINAG should seriously consider the issue of having interim audits. In 2000, KPMG carried out an interim audit and strongly felt that this could be one way of informing the donors of how the programme has performed over the previous six months. The report could be produced within three months after that period. The advantage of this approach could be a reduction of volume of documentation to be reviewed at annual audit. It must be noted that the cost of the interim audit may be high in the first year, but will become lower in subsequent years. In addition to these proposals, the internal audit reports from Inspectorate General within MINAG and IGF should be shared with the external auditors to promote transparency.

The MoU/Procurement manual specified that MINAG should have annual procurement audits for the first phase. This expectation was not fully fulfilled and these audits were not carried out after each fiscal year-end. The procurement audit for 2001 was completed 36 months after the year-end. The auditors presented the procurement audit assignment for 2001 to 2003 in December 2004 and July 2006 for the 2004 to 2005 period. The timing of the procurement audit was not compliant with the MoU and was not sustainable considering the risks that were highlighted in the Deloitte reports. Both audit reports highlighted the following major problem areas:

- high value purchases which could be planned but were not included in the PAAOs;
- acquisitions at provincial level without proper approval from the central department of procurement;
- acquisition packages spilt into several requisitions in order to fit into the provincial threshold and avoid central level's no objection; and
- the near impossible task of physically inspecting and verifying the procured goods in terms of their location and serious numbers.

The MoU provided for the limited audit reviews by external auditors of the PROAGRI. The reviews were carried out in one year and the cooperating partners and MINAG agreed to abandon them since the reviews are time consuming and costly. The evaluation team agreed with the position taken by the PWG.

7.4.4 Inspeção Geral de Finanças (IGF)

The IGF carried out the inspections during the PROAGRI program. It has been acknowledged by the provinces and districts that the visits by IGF were in most cases carried out once a year unless a special investigation was

requested as an additional assignment being carried out. It was also acknowledged by IGF that it was not possible to visit the whole public sector in Mozambique with a limited number of inspectors.

7.4.5 Administrative Court

The *Tribunal Administrativo*, the “Administrative Court” is charged with the overall jurisdiction and oversight of public expenditures. This jurisdiction is carried out both through the audit of public accounts and through the *Tribunal’s prerogative* of pre-auditing public expenditures, by the granting or withholding of clearance (*‘visto’*) to engage in actions, contracts or other legal processes which generate public spending commitments.

All state agencies and public institutions at central, provincial and local levels are subject to audit and pre-audit by the Administrative Court, including financially and administratively autonomous entities, and the municipalities.

The *Tribunal Administrativo* is therefore the supreme public audit institution, in Mozambique for the control of the legality of administrative acts and the oversight of public expenditure - an autonomous body whose president is nominated by the President of the Republic and approved by the National Assembly.

The Administrative Court is directly responsible for auditing the individual accounts of government entities as well as the overall *Conta Geral do Estado*. In addition to the audit function, it also has a judicial status, acting as the *Tribunal de Contas* in reviewing and reaching final decisions over the audits of individual departments, as well as imposing fines and/ or initiating criminal investigations, where relevant. Only the audit of the *CGE* and the related audit opinion (*parecer*) of the Tribunal Administrativo (TA) is submitted to the *Assembleia da República*, where it serves as a basis for the assessment and approval of the public accounts (*CGE*).

Since the *CGE* is a consolidated financial statement for the whole of central government, the TA’s audit of this account cannot address detailed management questions on the use of funds and on procurement processes. Rather it considers its correctness and completeness of a set of consolidated accounts. The more detailed audit of transactions and of the functioning of internal control and procurement systems should be undertaken through the ministry by ministry’s internal auditors.

The Administrative Court also exercises two major pre-audit functions as it reviews and approves/rejects a) proposals for recruitments into the civil service, and b) large-scale tender decisions. Without limitation, all concession, loan, procurement and public works contracts, which generate public expenditure and are executed by the State, are subject to pre-audit.

7.5 Human resources management

The PROAGRI I human resources subcomponent of PROAGRI I was based on the following principles:

- long term commitment to capacity building at central and provincial levels based upon an assessment of human resources needs;
- agricultural education pursued through coordination between MINAG and MINED in order to gradually reduce the dependence on long-term institutional technical assistance and improve employment levels;
- employment incentives compatible with the on going civil service reform processes; and
- efficient and effective management of MINAG resources based on a work force duly motivated (incentives, remuneration, career advancement, responsibility, mobility, and hiring based on merit).

The human resources subcomponent aimed to focus on capacity building and improvement of management capacity at both central and provincial levels to provide MINAG with a well-documented organization structure with specified numbers of staff that would fulfill the PROAGRI I objectives.

A detailed case study of MINAG Human Resources, as mentioned in Part A of this report, is detailed in Volume 2-C.

The immediate objectives, results and performance indicators established for the human resources and training sub-component are as follows:

Immediate objectives	Results	Indicators
1. SIP installed at MINAG	1.1. Organized individual files, staff data registered in the SIP 1.2. Routine updating and safety of data established and implemented 1.3. Capacity to supply information of MINAG	- 100% of MINAG staff with individual files - SIP units installed at central levels and in main centres - Management annual report
2. Efficient management of the human resources	2.1. Capacity of human resources management installed 2.2. Work force characterized according to the MINAG's needs 2.3. MINAG's staff integrated responsibilities defined, working conditions improved 2.4. Additional necessary staff recruited 2.5. Proposed specific legislation and norms disseminated	- Staff departments organized and staffed with skilled people - The staff establishment harmonized with the needs - Job description for all MINAG staff - Skilled people hired - Regulations approved
3. Development of human resources	3.1. Staff professional training defined and implemented 3.2. Re-established the relationship with the institutions providing training to the MINAG	- Training plan approved - Agreements with institutions providing training

Source: PROAGRI Master Document (1998).

While the immediate objectives for this component were clearly defined, the MINAG did not establish a clear strategic change management plan and process. There was no change management committee to oversee the new strategic direction of MINAG's human resources development. The absence of an independent overseer weakened the implementation of the specific objectives. In addition, there was no timeframe for each objective to be achieved, monitored and with corrective action being taken.

SIP implanted at MINAG. SIP created by the Ministry of State Administration (MAE) has been in use during PROAGRI I and is installed at both central and provincial and district levels. It is periodically updated according to the changes within MINAG. Some of the interviewees pointed out that SIP does not have the capability of providing the staff working history. The information produced by SIP is not reliable because the staff who input data on the forms were not properly trained at district level.

Since 2004 MINAG used PROAGRI funds to improve SIP functions and this resulted in the development of the Human Resource Information System (SIRH) that would be in use by 2007. The system should be capable of providing the staff work history, as well as other kinds of data not currently available through SIP (for example, a formal and informal training history of MINAG staff). Despite the problems associated with SIP data, MINAG continued to produce human resources annual reports. It is believed that the functioning or implementation of SIRH will facilitate the process of staff professionalisation and progression within MINAG.

Individual files for staff are kept at both central and provincial levels. The files are, however, partially completed as the SIRH is still being improved.

Efficient management of human resources. The leadership under this objective was weak. The majority of staff members have no formal job descriptions. We observed that most job descriptions are generic and were compiled by Ministry of State Administration. MINAG did not develop tailor-made job descriptions for the respective levels and positions. The contract staff hired under PROAGRI 1 were largely confirmed as permanent staff in 2006. The team did not get evidence that the staff in MINAG were hired according to needs of the ministry as there was no needs assessment.

Our observation was that MINAG did not have a clear strategy to deal with staff performance. The evaluation exercise revealed that MINAG were not in a position to develop a proper performance management tool to evaluate staff performance. The current performance appraisal system is weak as it does not provide opportunities to identify capacity gaps.

However, to strengthen MINAG's human resources management capabilities, a project funded through PROAGRI, staffed and technically supported by the Food and Agriculture Organization – (FAO), of the United Nations was launched in August 2003. The main objective of the project was to assist

MINAG in developing a set of actions aimed at strengthening the capacity of its Human Resources Directorate (HRD). The support includes:

- the preparation and implementation of the final version of the Human Resources Training and Development Programme (HRTDP) for the staff of MINAG Headquarters, provincial and district directorates and subordinate institutions;
- the design and implementation of a Performance Evaluation System (PES) for MINAG staff;
- the design and implementation of the Human Resources Training Information System (HURTIS), to allow for the HRD to monitor all training activities carried out under the HRTDP;
- the preparation of job descriptions for all existing positions in the recently approved MINAG's structure, at Headquarters, provincial and district level, as well as in the subordinate institutions. FAO support will include technical assistance (advice, training, monitoring and evaluation) for the implementation of the project; and
- the third objective was later expanded to to include the design and implementation of an overall Human Resources Information System (SIRH).

Development of human resources. MINAG did not design a staff development plan for PROAGRI. A consultant who was hired in 2002 is working on the development plan that would be implemented in 2007. The consultant could not complete the development of the plan as the human resources records were not reliable. The organogram that was in place in 1999 was not updated until September 2005 and will be operational in 2007. Despite the absence of a staff development plan, MINAG sponsored the enrolment of 188 members of staff for further training under PROAGRI.

Although 188 staff members were enrolled, only 26.5% had completed their education by end of 2005. The details of the level of training is provided in Table 7.10. Most of the interviewees confirmed that the training selection process was not above board as the staff at districts and provincial offices could not understand the criteria that was used. In addition proper records of who was studying what and to what level are not readily available as MINAG do not have a strong tracking and data retention system.

In order to ensure the "Licenciatura" level training for MINAG staff was implemented a memorandum of understanding with the Catholic University in Cuamba was signed and enhanced collaboration between the two entities.

Of the 68 members of staff trained at the central level between 1999 and 2005, only 13 (19%) completed their studies. Of the total for the central level, only 12 members (18%) were enrolled for bachelors, masters and PhD level studies, while the rest were for undergraduate studies and high school.

At the provincial level only 120 staff were registered for training, and 27 (14%) completed their studies by December 2005. Four of the 120 were enrolled for a bachelor's degree, while the rest were high school and undergraduate. As a result, only 21% of the total number of trainees had completed their programs by end of Phase I. One staff member completed a Master's degree, 9 completed Licenciature and 3 completed high school at the central level. At provincial level, 9 completed Licenciature, 16 high school and 2 secondary level. As we were unable to establish the original targets, we cannot comment on the effectiveness of the capacity building intervention.

TABLE 7.10 – HUMAN RESOURCES TRAINING FIGURES, 1999 - 2005

Central level	Staff trained from 1999 to 2005 (Long Term Training)							
	1999	2000	2001	2002	2003	2004	2005	Total
PhD	0	0	0	0	1	0	1	2
Masters	0	0	0	0	2	3	4	9
Bachelors	0	0	0	0	0	0	1	1
Licenciature	3	10	8	7	4	3	8	43
High School	0	1	1	1	1	1	8	13
Secondary	0	0	0	0	0	0	0	0
Elementary	0	0	0	0	0	0	0	0
Total	3	11	9	8	8	7	22	68
	1999	2000	2001	2002	2003	2004	2005	Total
PhD	0	0	0	0	0	0	0	0
Masters	0	0	0	0	0	0	0	0
Bachelors	0	0	0	2	0	2	0	4
Licenciature	2	22	4	19	10	7	2	66
High School	0	7	4	19	6	6	6	48
Secondary	0	1	0	1	0	0	0	2
Elementary	0	0	0	0	0	0	0	0
Total	2	30	8	41	16	15	8	120

Of the total staff trained (188): 40 individuals have concluded their studies

Source: MINAG DRH, 2006

While we were unable to establish on an individual by individual basis the reasons for their failure to complete courses, there are some general reasons for this state of affairs which include the following:

- for the 4 to 5 year degree courses, where an employee enrolled in 2002/3 the courses were still in progress at the end of PROAGRI I; and
- some members of staff were unsuccessful in their studies leading to delayed completion.

Table 7.11 shows the number of staff that were recruited between 2001 and 2005. The table categorizes the staff into the number of permanent and contracted staff. The analysis reveals that 20% of staff in 2001 were on

contract and in 2005, 62% were permanent staff while 38% were still on contract.

While there is no specific target for staff retention or recruitment over the PROAGRI I period, the number of permanent staff declined consistently from 5,297 staff in 2001 to 3,922 in 2005, a 26% decrease. On the other hand, contract staff numbers increased by 87% from 1 303 in 2001 to 2 433 in 2005. However, while the objective to increase permanent staff was not achieved, the overall PROAGRI decentralization objective was met as on average, 70% of the staff were employed by the provinces.

TABLE 7.11 – HUMAN RESOURCES FIGURES, 2001 - 2005

Permanent Staff	2001 Number	2001 %	2002 Number	2002 %	2003 Number	2003 %	2004 Number	2004 %	2005 Number	2005 %
Central Level	644	12	608	12	550	12	611	14	438	11
Provincial Level	3,646	69	3,745	73	3,180	72	3,298	75	2,708	69
Subordinated Institutions	1,007	19	756	15	686	16	467	11	776	20
Total	5,297	100	5,109	100	4,416	100	4,376	100	3,922	100

Hired Staff	2001 Number	2001 %	2002 Number	2002 %	2003 Number	2003 %	2004 Number	2004 %	2005 Number	2005 %
Central Level	189	15	173	10	288	12	214	10	234	10
Provincial Level	738	57	1,383	78	1,824	77	1,686	78	1,832	75
Subordinated Institutions	376	29	207	12	259	11	248	12	367	15
Total	1,303	100	1,763	100	2,371	100	2,148	100	2,433	100

TOTAL STAFF	2001 Number	2001 %	2002 Number	2002 %	2003 Number	2003 %	2004 Number	2004 %	2005 Number	2005 %
Central Level	833	13	781	11	838	12	825	13	672	11
Provincial Level	4,384	66	5,128	75	5,004	74	4,984	76	4,540	71
Subordinated Institutions	1,383	21	963	14	945	14	715	11	1,143	18
Total	6,600	100	6,872	100	6,787	100	6,524	100	6,355	100

Source: MINAG DRH, 2006

MINAG carried out a exercise in 2003 and 2005 where 1,074 staff were retired at a total cost of €794,000. The retrenchment policy affected those were due for retirement as these were retired on due date while others opted for early retirement. The European Commission (EC) has provided €3,000,000 for the retrenchment programme. Out of a target of 1,551, a balance of 477 will be retrenchment in 2006/07. MINAG did not have and could not provide information pertaining to the retrenchment that was funded by GTZ in Manica Province. Table 7.12 shows the composition of the retrenchment staff.

TABLE 7.12 – RETRENCHMENT FIGURES, 2001 - 2005

Level Staff Numbers	2003				2005				TOTAL
	Total	Normal Retirement	Early Retirement	Amount (MTs)	Total	Normal Retirement	Early Retirement	Amount (MTs)	
Central Level	40	40	0	720,000,000	41	38	3	976,745,733	81
Provincial Level	632	615	18	10,817,663,253	215	184	31	6,562,932,862	847
Subordinated Institutions	64	64	0	1,152,000,000	82	60	22	3,587,425,948	146
Total	736	719	18	12,689,663,253	338	282	56	11,127,104,543	1,074
Control Line (Totals in USD)				546,614.83 USD				508,458.44 USD	
Exchange Rate MTs \ USD				23,215.00 USD				21,884.00 USD	

Source: MINAG DRH, 2006

Technical Assistance

Among the key issues that the evaluation team raised with the interviewees was whether or not the technical assistance provided by PROAGRI achieved what was originally envisaged. The overwhelming response from all stakeholders was that the TA was useful and improved the working environment. However, there was no structured TA monitoring and evaluation plan for PROAGRI. The evaluation team requested for a copy of the TA plan, a breakdown of the TA provided at all levels, the cost and duration of the technical assistance provided. The departments of human resources, DAF and PMU did not have the system to track the TA that was provided under PROAGRI I. The monitoring system of MINAG in this respect is judged as very weak and needs improvement.

It is difficult to assess the impact of the TA interventions as there were no specific performance targets set at the beginning of the program. This is also, one area where the MINAG did not drive the process as individual development partners could invest in specific projects such as Acro-Iris

Although MINAG's monitoring system is weak in all departments, we noted that management capacity improved during PROAGRI as a result of:

- improved working conditions and environment, that contributed to increased motivation of staff in conducting their activities;
- improved staff qualifications, mainly through the recruitment of better qualified individuals and through short term training courses;
- significant increase in staff allocated to the provincial level; and
- increase of better services offered by MINAG.

Overall impressions

The main outcomes of PROAGRI I include the following:

- while the program operated with an approved operational organogram, MINAG did not develop and approve job descriptions for its staff, there is no approved staff development plan and it continues to produce a

Human Resources Information Bulletin (BIP) since 2001; the DRH was weakened as a champion of the reform process within MINAG as the structure was continuously revised during the first phase. The approved 2005 structure will only be operational in 2007. Capacity building interventions during the first phase have been fully taken on board by the MINAG management team who now fully appreciate the need to plan activities monitor and to take corrective measures during implementation. The capacity enhanced in the first phase should be useful in PROAGRI II. It is recommended that there should be a Human Resources committee that will oversee implementation of the reform program in the next phase;

- the issue of asset management has not improved from where it was during the mid-term evaluation. A separate physical inspection and verification is needed for all MINAG assets; there were delays of disbursements by MoF and donors for different reasons. There was a widely shared perception by the interviewees that the MoF viewed MINAG as having access to a lot of funds from donors and therefore needed to disburse the United resources available to the national government to other ministries and thereby affecting PROAGRI activities. The donors on the other hand wanted audit reports and program results before releasing tranches of funds;
- all levels of MINAG structure received technical assistance support to improve their working environment. The technical assistance included skills transfer, procurement of vehicles, office equipment and scholarship. The assistance provided in the first phase improved the capacity of key staff to fulfil managerial and technical function. There is a need for MINAG to have a tracking system on the technical assistance provided by the program. At the end of first phase it was not possible to take stock of the level of support that was provided. A monitoring system should be designed for the next phase;
- on financial management, the MINAG now, has an operational accounting software that produces accurate reports; although the financial audits are generally received after 6 months, the audit issues raised are getting fewer and less systems related. There is a need to establish an audit committee that deals with audit issue. The internal audit department needs more staff and that function should be decentralised to the provinces; and the procurement capacity was eroded at provincial level due to staff rotation. There is a need to train the new incumbents.

8. AGRICULTURAL SERVICE PROVISION

8.1 Stakeholders

PROAGRI has made a commitment to involve stakeholders and rural agricultural service users in its decision making process. Progress has occurred in this, but it has been slow. Involving farmers, and in particular the poor, smallholders farmers, has not been easy because of a variety of inherent problems:

- farmers are a very mixed group with widely divergent interests. There are large-scale private sector investors, smallholder subsistence farmers, and a range of intermediate sized producers. These all have varying, and at times conflicting, interest;
- agricultural producers are poorly organized. No organization represented smallholder farmers nationally (although the National Union of Peasant Farmer, (UNAC), appears to be attempting to build this following);
- Smallholders had no incentive to demand better agricultural services, particularly if these entail incurring additional expenses. With the exception of pest and disease control, the district surveys found little evidence of farmers demanding additional services. Producers have little or no experience of the benefits that high quality research and extension could bring them, so rarely asked for them. PROAGRI outputs were not the farmers most urgent concern. Instead farmers indicated better markets, transport and access to finance as the priority needs. Most of these fell outside the mandate established for PROAGRI;
- stakeholder consultation normally depended on the goodwill of MINAG staff, rather than any genuine local control over the PROAGRI decision-making process. Decentralization has devolved the process, to the provincial (and sometimes even district) level, but even these have strict guidelines, as the PAAO debate over local content shows.

Furthermore, there were also questions about what issues were really appropriate for stakeholder consultation; or what level of consultation should be considered. Agricultural policy is complex and controversial: many smallholder farmers would like to see a continuation of government subsidized agricultural inputs, but agricultural economists argue that this does immense long-term damage to the country's development in the agricultural sector. There is also the issue of smallholder farmer and government interests being in conflict, for example, with cost recovery/user fees.

There was no clarity as to who PROAGRI should consult, on what issues, and what the expected benefits to those consulted will be. This is required for the future, with the understanding that participation and consultation are associated with additional costs for the smallholder farmers. These costs need to be offset by clear gains from improvements in policies and services.

Investments under PROAGRI I were meant to benefit mainly the family sector. However, MINAG sought to ensure that the commercial sector was not neglected, by attempting to create an enabling economic environment for its competitive development. While distancing itself from direct “intervention in the functions of production and marketing,” MINAG continued to provide services related to research, extension, plant protection, seed certification, and other aspects of agriculture such as the development of infrastructure.

8.1.1 Public/private services

A move from a centrally planned system to a market-based system has created an organizational vacuum in Mozambique. Until 1996, the government was responsible for importing fertilizers and other inputs. With the privatisation of dysfunctional state owned enterprises (SOEs) and lack of capital, there are no formal and reputable organizations to perform import and distribution functions. Private players and organisations will only be capable of doing it if they can see an adequate market for their products at prices that can allow adequate profits to the enterprise unfortunately: these do not seem to have developed yet.

The underlying philosophy of the structural adjustment programmes and economic reform programmes started in 1987 was that, once the government and SOEs have pulled out of the input business the private sector would step in. PROAGRI continued support for this organizational plan by assisting the Ministry to look at its core functions and reform its activities for future work. This included starting the move away from physical support of market activities. However, because of the government monopoly, in the past the private sector lacks the necessary skills and capital to develop the market networks. These factors have delayed the replacement of the public distribution system by the private one, and created an organizational vacuum with the departure of government assistance. It appears that government plans are moving faster than the socio-economic capacity for change in the rural areas. This needs to be considered in the normal process of adjustment of developmental plans.

8.1.2 Capacity

Administrative management. The introduction of common planning, budgeting and implementation mechanisms was key to the development of administrative capacity and management within MINAG to meet its institutional development goal as indicated in the basic principles of transparent management of financial, patrimonial and procurement using donors and government funds. However, most interviewees during the field survey, considered the Software utilized during PROAGRI I (Arco Iris) as not effective in terms of flexibility and did not allow the inclusion of field activities. This conflict needs to be managed, particularly in light of the nationally driven changes occurring in Provincial and District administration, so that locally originated planning can take place.

8.2 Impact and efficiency of activity

8.2.1 Institutional development

Reorganization of MINAG. As a consequence of functional analysis in 2001, it was proposed that MINAG should be restructured in order to substitute current technical components with others with fewer directorates. The new structure would be based on policy, regulation, inspection and service provision. However, this has not happened during the course of PROAGRI I due to lack of consensus within MINAG/government to make effective changes. Proposals from senior managers for restructuring, in general, have been superficial and are unlikely to bring about any significant changes. Therefore, the implementation of this decision can be judged as not effective during the course of PROAGRI I.

Decentralization. PROAGRI I increased the capacity of DPAs and DDAs in terms of local planning and execution to meet its mandate of institutional development. However, this decentralization was perceived to be only partial given that all procedures were determined at central level including the financial ceilings. The definition of budgets at central level failed to consider sectoral and local priorities. The distribution of budgets at provincial level was also too concentrated in hands of the Provincial Director. Therefore, some districts continued with no capacity to undertake their own procurement. To some extent, this was largely due to the lack of related services (input markets, equipment, office supplies and banks). Even though, the introduction of the planning and budgeting model (MPFP) for PAAOs, is a good example of PROAGRI I success.

8.2.2 Support to agricultural development

As mentioned before, PROAGRI I interventions were targeted at institutional development, sustainable management of natural resources, and development of agricultural services and related investments meant to be directed mainly to the family sector through the provision of services related to research, extension, plant protection, seed certification, and other aspects of agriculture such as the development of infrastructure. The area and production of maize has increased during the period under analysis but the yield per unit area has remained steady as indicated in Table 8.1. It is however, difficult to establish a direct linkage of these results to the investments made on institutional development.

TABLE 8.1 CHANGES IN SMALLHODLER MAIZE PRODUCTION AREAS (HA)

Province/ Season	Production area by season in ha					
	99/00	00/01	01/02	02/03	03/04	04/05
C. Delgado	76.303	82.710	82.980	83.957	87.323	89.162
Gaza	110.799	136.444	109.818	69.655	137.594	75.641
Inhambane	106.377	108.635	101.911	86.400	115.541	86.736
Manica	156.240	190.821	195.050	202.144	207.497	217.393
Maputo	58.868	69.143	52.560	32.557	57.322	49.391
Nampula	109.220	112.620	113.177	115.995	118.691	122.829
Niassa	114.941	131.420	134.874	138.375	142.243	146.880
Sofala	72.726	85.919	79.309	81.497	89.721	83.076
Tete	141.914	161.258	164.996	168.924	175.208	181.453
Zambézia	18.74	205.175	207.965	213.318	218.624	222.920
Total	1.135.262	1.284.144	1.232.824	1.147.708	1.349.765	1.219.592

Source: National Early Warning System For Food security; MADER - DINA

The objective of increased production was achieved to some extent (8% increase from base year to average year for maize) for most of crops grown in the country. For the analysis of agricultural production, maize is used as a reference crop, being one of the major staple food crops grown by the majority of farmers and identified as a strategic cereal crop under the national agricultural policies.

TABLE 8.2 CHANGES IN SMALLHOLDER MAIZE PRODUCTION QUANTITIES (TONS)

Province/season	Production quantities by season in tons					
	99/00	00/01	01/02	02/03	03/04	04/05
C. Delgado	46.832	65.436	100.457	127.547	129.308	133.197
Gaza	45.36	25.979	41.711	20.032	72.519	25.979
Inhambane	82.913	75.810	39.932	28.087	42.455	37.529
Manica	184.696	198.661	200,859	169,688	233,554	207,223
Maputo	25.349	54.425	27.660	8.507	21.077	20.696
Nampula	103.801	104.766	108.669	131.947	132.243	144.955
Niassa	120.090	132.710	176.982	197.886	203.156	237.286
Sofala	69.374	72.348	65.074	72.865	78.361	59.771
Tete	138.790	148.731	175,171	178,890	184,946	187,312
Zambézia	164.574	192.080	257,137	262,354	273,547	259,084
Total	981.856	1.070.946	1.193.652	1.197.803	1.371.165	1.313.031

Source: National Early Warning System For Food security; MINAG - DINA

The increase in area and production in the period 1999 to 2004 was not accompanied by increases in yield per area (Table 8.3). In fact, the yields per unit area remained steady for the period under analysis. This result is evidence that the objective of increased productivity (efficiency) was not

attained and the increase in area and production can be attributed to other factors, like return of refugees due to advent of peace, good climatic conditions, etc.

TABLE 8.3. CHANGES IN SMALLHOLDER MAIZE YIELDS (TON/HA)

Province/Year	Maize yields by season in tons/ha					
	99/00	00/01	01/02	02/03	03/04	04/05
C. Delgado	0,69	0,79	1,21	1,52	1,49	1,49
Gaza	0,56	0,34	0,38	0,29	0,56	0,34
Inhambane	0,81	0,70	0,39	0,33	0,47	0,43
Manica	1,30	1,07	1,06	1,00	1,23	1,20
Maputo	0,75	0,79	0,53	0,26	0,57	0,42
Nampula	0,95	0,93	0,96	1,14	1,13	1,45
Niassa	1,04	1,01	1,31	1,43	1,43	1,62
Sofala	1,12	0,97	0,82	0,89	0,95	0,72
Tete	0,98	0,94	1,09	1,14	1,07	1,08
Zambézia	0,88	0,96	1,24	1,23	1,25	1,18
Average	0,91	0,96	0,97	1,04	1,08	1,08

Source: National Early Warning System For Food security; MINAG - DINA

8.2.3 Livestock development

The provincial surveys indicated that after the management implementation of the decision to decentralise dip tanks to farmer associations and the private sector, the provision of animal health services has deteriorated. Although DPA staff were able to visit more locations using PROAGRI I money, this technical assistance was not translated into better performance as farmers had no resources to implement the recommendations provided. The recommended therapies were not followed due to the non-availability of appropriate medication. The veterinary pharmacies did not develop in any significant fashion.

The team assessment is that, government failed to develop an appropriate exit strategy to move from providing direct assistance to farmers as a result: Farmers Associations were not prepared to take over these tasks, nor was the private sector in a position to do so. The mode of subsistence production did not change, and the farmers were not encouraged to enter commercial activity. Some provincial technical staff suggest the need to consider the mode of production that was in place during the pre independence era, “nothing for free”. It seems that government needs to revisit its strategy of intervention, so as to ensure animal production does not collapse. Table 8.4 shows a steady increase in numbers of cattle during the period from 1999 to 2004, but there is no evidence to indicate that this was a result of PROAGRI I intervention. In fact, most interviewees at both the provincial and central levels claimed that technical assistance declined with the “abandonment” of basic services like animal treatment. The incidence of most diseases increased, especially tick-borne diseases, and brucellosis.

TABLE 8.4. CHANGES IN CATTLE PRODUCTION (NUMBER)

Province/Year	Cattle numbers by season					
	1999	2000	2001	2002	2003	2004
Maputo	52,893	61,470	61,470	73,017	68,146	64,942
Gaza	148,142	135,093	135,093	153,152	294,796	323,827
Inhambane	65,383	74,695	75,695	84,325	69,094	89,958
Sofala	15,284	17,099	17,099	19,653	17,783	21,530
Manica	51,581	58,059	56,059	64,371	116,959	137,257
Tete	108,131	129,158	129,158	164,706	278,768	374,694
Zambezia	16,175	17,206	17,206	14,303	14,908	12,821
Nampula	12,395	14,302	14,302	17,105	19,889	20,066
Cabo Delgado	7,555	8,077	8,077	8,122	8,350	7,975
Niassa	3,336	4,619	4,619	4,946	6,086	6,537
Total	480,876	519,778	518,778	603,700	894,779	1,059,607

Source: Annual Report 1999, 2000, 2001, 2002, 2003, 2004, DINAP

For mortality rates, we were only able to find generic data for 2003 which indicates, that DINAP did not regularly collect information on animal health and mortality. Although livestock health mortality rates are important and required in annual reports, the provinces have not yet initiated implementation of any data collection processes. No concrete conclusions could be drawn from the information on mortality rates available. There is no evidence to show that the increase in numbers of cattle can be attributed to any improved management as a result of PROAGRI I intervention.

According to the work done by LRV⁶ in Chimoio, recommendations to the “delegados distritais” and for the “encarregados de tanque” and for the private sector have been provided as a way of preparing them to identify certain diseases with emphasis on those that require emergency treatment and to be able to properly inform the SPP staff in Manica. The same report indicates that, trypanosomes, babesia and anaplasma constituted a serious threat to the cattle production in the family sector in recent years in the central region of the country. The problem was more pronounced in the later years of PROAGRI due to lack of dipping drugs, the privatization of dip tanks, and, the refusal by farmers to pay for the health services. The reluctance to pay for services by livestock producers in the family sector, could partly be due to the fact that they have had a free service for a long period and cannot understand why they should pay now.

The LRV report indicated that the maximum average percentage of trypanosomes was 23.9% in Manica Province from 1993 to 2005, 30.0% in Tete for the period 2002 to 2005 in family sector. For Manica Province it is interesting to note that despite the increase in the number of cattle, the incidence of the three most important diseases (trypanosomes, babesia and anaplasma) also increased. This is perhaps not surprising however, given the

⁶ Elisabeth Specht. 2006. P.P. presentation for the meeting with SPP (unpublished)

fact that PROAGRI I (other than the livestock restocking programme⁷) did not allocate sufficient resources to transform production into a more commercial mode.

Given the importance of animal health to communities, government must consider intervening and perhaps find a phased solution to the privatisation programme.

8.2.4 Extension services

As a result of PROAGRI I interventions, DNER in collaboration with projects such as SG 2000 and PAN, was able to triple the yields of major crops such as maize in project intervention zones. However, this yield increase represents only half of the genetic potential of varieties under dissemination (5-6 tons/ha) against the current (1.0 ton/ha) yields attained by farmers in their traditional mode of production. On the other hand, the number of farmers currently covered by public extension services is still small. It should be emphasized, however, that if these average yields (3.5 tons/ha in maize) obtained in more than 10,000 demonstration plots (Table 8.5) could be replicated to most of Mozambican farmers, the country would have achieved self-sufficiency in this cereal even if the current cropping areas are maintained.

TABLE 8.5 EVOLUTION OF TECHNOLOGY ADOPTION WITH MODERN INPUTS

Season	Number of Farmers Assisted	Improved technology	Yield Range (t/ha)	Traditional Yields (t/ha)
1998/99	1.666	3.2	0.9 – 6.7	0.8
1999/00	1.505	3.5	1.0 – 4.9	0.9
2000/01	1.425	3.3	S/I	0.9
2001/02	2.653	3.0	0.3-12.3	1.0
2002/03	1.571	4.0	0.8-12.3	0.8
2003/04	2.660	2.9	0.5-8.2	0.7

Source: DNER/SG 2000 Project – Internal Review, February, 2002 –S/I = No Information

The results indicated on Table 8.5 show that with a correct application of technology packages, it is possible to attain yields of 4 to 7 times higher than the current average yields attained in farmers fields using traditional production methods. The lower minimum yields obtain when farmers failed to acquire the inputs necessary for the correct application of recommended technology packages and when technical assistance provided by some extension agents was inadequate.



⁷ The livestock restocking program was not financed by PROAGRI I

The gap (between minimum and maximum yields) suggests the need for the reinforcement of the extension service intervention. Changes in method of operation taking into account the fact that the farmers are not a uniform group are required, different regions may require specific inputs and technologies. The PROAGRI supported DNER crop intensification programme produced a long list of practical lessons, which can be applied to the process of developing extension activities (see Vol. III-C, Research/Extension Case Study, for details).

8.2.5 Research

PROAGRI was designed to reinforce the agricultural research institutions, enhancing their capacities and improving co-ordination with other sectors in research and extension actions. The research component incorporated the activities of the four research institutes of MINAG (INIA, INIVE, IPA and CEF), and the specific objectives defined in the master document were:

- the use of production methodologies and systems associated with the social and economic analysis;
- the establishment of research priorities in co-ordination with the other research partners and the producers; and
- the utilization of participatory development technologies, methods of technology transference and connection with the extension services; and, creation of internal capacity within the research institutes.

The main target group defined was the family sector and research priorities were focussed on crops such as maize, cassava, rice, beans (for the food crops) and cashew nuts and cotton for the cash crops. The strategy defined in the master document was:

- development of mechanisms for the co-ordination among the extension services, producers and other organizations involved in the production and transfer of technology at the national, regional and international level;
- provision of adequate infrastructure and equipment for the better positioning of research in the main agro-ecological regions; and
- establishment of an agricultural research council with the end result of developing a coherent research system acting as the basis for joint co-ordination and planning of the common activities and those individual activities of each institute.

The objective of promoting a sustainable use of natural resources, as well as the link between research and extension are aspects which were considered by both the Master Document and the Basic Principles. The Basic Principles document mentions Zonal Research Centers (ZRCs) also referred to as regional research centers referred to in the Master Document. Instead of the co-ordination of the 4 existing research institutes indicated in the master

document, the Basic Principles document established the need to have only a single research institute. Under PROAGRI a National Research Council (NARC), was constituted together with the Zonal Research Council where stakeholders would be represented, particularly the farmers.



Another aspect introduced was the specific concern for women's needs in the research orientation, as well as the rational use of scarce resources.

The research system has produced a number of technologies in all the four sub components (Crop management - INIA, Animal husbandry – IPA and INIVE and Management of Forestry Resources -CEF) as indicated in the case study for research and extension (Volume II-C, Sidumo A, and Ribeiro Carlos M.). It is clear however within the research component that there is lack of a holistic approach to the results generated. From our interviews, most of researchers feel that their role terminates once they produce a report on their research findings and the rest is the responsibility of extension agents and producers. In Mozambique where most farmers are not aware of research activities and the usefulness of its outcome, it is crucial that researchers “care” about the promotion, utilization and the contribution technologies bring to the country's economy. The critical issue is that researchers need to move beyond the confines of their research stations and laboratories and look into downstream aspects of marketing and consumption on a value chain approach in collaboration with extension, private sector and policy makers.

8.2.6 Land management

The National Land Policy encompasses all major land uses namely: agriculture, urban, mining, tourism, production and social infrastructure and takes into account the environmental protection.⁸ Issues. According to the Land Policy, the Land Law should promote the creation of a favourable environment for the growth and development of rural communities, and promotes investment through involvement of the commercial sector. The objective of this component of PROAGRI, in line with the Land Policy and PROAGRI's own goals, was to ensure land use tenure security and improve land management for the development of agricultural activities for food security and sustainable use of natural resources. Land tenure security is improved for all those who have registered titles. However, achievement of land management improvement seems modest. The level of awareness about opportunities for using land as collateral is limited and hence benefits of possessing title deeds rights are not fully exploited.

In terms of service provision, at central level, capacity was to be developed with operating methods and procedures for DINAGECA / DNT / CENACARTA (map production and land registration & planning, monitoring and evaluation systems), INIA (land utilization and categorization), and the Land Registration

⁸ BR n° 28/2/96. Política Nacional de Terras e as Estratégias de Implementação

office (legal registration); development of information systems for land and natural resources management; qualified staff and adequate modern equipment for map production and marketing to encourage cost recovery from this source. This was achieved, with procedures developed at Conacarta and capacity development carried out at provincial level to train people in the use of procedures. Land registration maps and satellite images are now being sold on a cost recovery basis.

At provincial and local levels the component aimed to support improved adjudication of land access and arbitration of land disputes, and to safeguard land use rights for women. The land use information was to have been effectively decentralized and the land adjudication and licensing system simplified. Cost recovery mechanisms should have been established and operational, the geodesic network expanded, high precision levelling completed, and inter-sectoral collaboration monitored and evaluated.

The Land Law was adopted before PROAGRI I, with the appropriate regulation was defined during PROAGRI I. Among the principles that justified the development of the Land Law, is the recognition of the right of the communities over their territory, which can be officially registered. In the case of land acquisition by a private individual or organizations, the Law specifies consultation with the communities which establishes the conditions of the provisional licence to use the land.

One of the routine activities of the DDAs during PROAGRI I was the dissemination of the Land Law among the communities in order to encourage them to officially register their land holdings. However, without support, the communities were not prepared to undertake the registration process. On the other hand, the pressure for land has progressively grown as a result of an increasing demand for land by the private sector, particularly for wood exploration. DDAs are represented in the commission in charge of community consultation in the process of land concession and conflict resolution. According to DDA staff the new legal framework promoted a decrease of land conflicts according to DDA staff. The community consultation process has also shown potential to work effectively as a safeguard for community rights, and is a valuable tool for this reason. The increase of communities awareness is illustrated by the changes in the reasons cited for cases of conflicts over PROAGRI I period. For example, in Inhambane Province, conflicts over land were the main reasons cited for conflicts in 2003/4 included the sale of land use rights; lack of knowledge about rights and responsibilities by community members; local disputes between Mozambican nationals and foreigners; and not following established procedures. It was estimated at that time that better awareness, coordination of stakeholders, knowledge of the areas being approved, closer attention to the District Administrations for guidance, use of local community leadership and creation of National Resource Management Committees should all be methods of reducing conflicts. By 2005, experience with the procedures had produced new sources of conflicts that reflect the change of use of the system and regulations. New types of conflicts were reported. These included complaints of lack of compensation for lost property, poor property

reconnaissance at the initiation of a request process, poor representation in the community consultation process, (not reflective of the wider community) lack of development and demarcation on ceded plots, and the sale of property without due attention to third party interests.

8.2.7 Irrigation

The main objectives of the National Policy on Irrigation (DNHA-2000) were to promote intensification and diversification of agriculture; to increase productivity through the development of small scale irrigation schemes with the participation of stakeholders in the planning and management of water resources; and, the establishment of regulatory framework and proposals. The State was supposed to be responsible for mobilisation of financial resources, training and providing technical assistance to farmers and water user associations and marketing of farmers' outputs. The policy addressed the support to private sector through provision of incentives on investments. Currently, it is estimated that only 35,000ha of 120,000ha with installed irrigation infrastructure are under irrigation, most of this area (68%) is south of Save River. According to DNHA-2000, the main reasons for this low performance are:

- the abandonment of irrigation schemes after independence and the lack of skills among the current users particularly with respect to operation and maintenance;
- lack of public funds for the irrigation sub-sector;
- lack of inputs and TA which led to low water use efficiency and low productivity per unit area;
- a weak regulatory framework which allows the unwilling farmers to get away without paying irrigation taxes making the whole system dysfunctional and unsustainable;
- the change caused by floods in 2000 resulted in about 90% of irrigated areas being unsuitable for crop production in Gaza and Maputo Provinces;
- the absence of support services at local level posing serious problems in terms of policy implementation and field operations. Even the Projecto de Irrigação de Pequena Escala lacks proper follow up from provinces to guarantee sustainability. PAAOs on the other hand do not include the irrigation component; and
- most of the financial resources for irrigation were allocated to sugar cane schemes to protect the national sugar industry. Other crops that do not have such protection mechanisms have practically had no major financial injections (with some small exceptions on vegetable production in areas close to Maputo).

Considering the fact that Mozambique is a country which frequently experiences droughts, the lack of appropriate instruments to mitigate this phenomenon and lack of an appropriate strategy under the irrigation component can be judged as a serious shortfall in PROAGRI I.

A major weakness identified is that irrigation has been viewed and considered as an isolated exercise for water provision, and not broadly to include (agronomic, social, economic and environmental aspects). This is a serious limitation that needs to be addressed in PROAGRI II.

8.2.8 Forestry and wildlife

The objective defined for this component in the master document was to contribute towards the sustainable management of the forestry resources and wildlife in order to ensure the conservation of biodiversity, the soils and the rehabilitation of the degraded forestry areas and wildlife through the intervention of government, the rural communities, the private sector and NGOs.

The Forestry and Wildlife Law (1999) and Land Management Law (1997) and corresponding by-laws emphasized and transferred the management of natural resources to communities. Under PROAGRI I, the areas of intervention covered the support to community for the management of natural resources, awareness-raising concerning dangers of uncontrolled fires and in some places implementation of reforestation or resolution of animal/man conflict programmes. In some provinces, community management units were established to coordinate the related activities implemented by the DDAs and NGOs.

Community management was reported to be guided and supported by forestry inspectors in some districts. They were charged with training the communities to improve their knowledge and management techniques for charcoal burning for example (knowledge of species, and choosing which are best, how best to invest the income from their activities, the benefits of organizing into groups and associations). Community leaders were mobilised for the control of illegal hunting or uncontrolled fires. Natural resource management committees were created and trained in order to manage local natural resources (fuel wood, natural building material.) and curb their illegal use.

In some districts, PROAGRI funds supported the reactivation or establishment of nurseries. In Inhambane Province the responsibility for nurseries was passed to private sector operators with SPPFB responsible for monitoring and supervision, this experience was not successful. After failing to meet the objectives and the non-payment of nursery workers, the SPPFB took back in 2004 direct responsibility for operation through the DDAs and of subsequent reforestation activities through to the end of 2005.

In some provinces, the engagement of the communities increased further the capacity to control natural resources. As a result, bush fire and uncontrolled hunting were significantly reduced. People are generally aware of what they are or are not supposed to do and why, however, uncontrolled bush fires are still devastating large areas in a few provinces.

A problem encountered in dealing with natural resource issues was that major environmental issues are addressed by several different ministries: MINAG, Environment (MICOA) and Mineral Resources Energy (MIREME). Inter-ministerial committees were formed, such as that for the bush burning strategy, these have had variable success rates. Sustainable Development Centres of the Ministry of Environment and the Mozambican Agricultural Research Institute (IIAM) of MINAG provide policy, strategic and technical support for NRM matters. The development of integrated district plans provides an opportunity for mainstreaming NRM priorities into the provision of agricultural extension services.

8.3 Sustainability of developed activities

In general during the first phase, PROAGRI concentrated its attention on the creation of the legal and institutional framework for the implementation of activities with the participation of communities and private sector. The implementation was hampered by a number of constraints the most important of which were the lack of synchronization between the PAAOs and disbursements, budget cuts that did not respect the plans and lack of qualified staff at district level. Nonetheless, the coordination between institutions interested in the management and administration of land has been improved.

According to our field interviews, the most important impact of PROAGRI I is the MINAG institutional development and capacity support (human resources, vehicles, computers, and office equipment and supplies). This improved the moral for the employees as they knew there was money to implement their activities without depending on traditional treasury disbursements.

The second impact of PROAGRI I was on field activities (CDR's, water reservoirs, treadle pumps) that stimulated field activities. However, PROAGRI did not consider local initiatives like micro projects. If this component was incorporated the impact of PROAGRI would have been even greater.

A number of senior government officials are of the view that PROAGRI did not make any considerable impact in terms of assisting farmers to increase production and productivity. This they argued was due to the lack of direct focus on farming activities.

The institutional capacity created in MINAG should also have been accompanied by building the capacity of other institutions like agricultural service providers in terms of credit for inputs and marketing. Internal capacity created in MINAG in terms of improved mobility, per diems and housing for DDAs was not complemented by a commensurate investment at farmer level as farmers were not provided with necessary working tools. Therefore, the capacity created by MINAG although it can be commendable it remains questionable because it did not go beyond its institutional building and meet expected increase in production and productivity at farmers level.

A significant number of the survey respondents in the field were very keen to discuss the training component. Training was seen as a key component of

PROAGRI I. Although some training was carried out, it was considered very small as a percentage of the total programme by most field officers interviewed. A wide range of training needs were identified for those field staff dealing directly with the clients of the Ministry's services (i.e. the farmers).

8.3.1 Institutional development

Developing the input market in Mozambique will be a challenging task. The major challenge lies in developing a system that is efficient, market driven, and responsive to farmer's needs. Building such a system will require a holistic approach to address several critical components of the system concurrently. It should focus on creating a conducive policy environment, improving import mechanisms, building dealer networks, developing information on input recommendations and transferring this information to farmers, cultivating demand for cash and food crops at smallholder level, developing a credit system responsive to the needs of fertilizer dealers and farmers, managing donor-funded fertilizers, and improving market transparency. It is important to emphasize that the proposed interventions should occur concurrently, rather than in a rank order of priority like what happened with PROAGRI I resulting in spending all the first phase funding allocation for institutional development.

The decision of MINAG limiting its actions to the provision of goods and public services, where it has a comparative advantage has to be taken with necessary precautions on a progressive manner as the private and small-scale farmers develop their own capacities to substitute the government.

Monitoring and evaluation (M&E) was viewed as weak being more administrative (to collect receipts on expenses incurred) rather than on impact activities. This view was very strongly expressed and influenced by a lack of understanding that PROAGRI I was more focussed on institutional development. It is the team's view that the whole PROAGRI programme was not well explained and poorly understood, even by some of the active players.

There was a significant amount of training but people were not given the tools to implement what they have learned. The perception was that PROAGRI I was only concerned with creating conditions to work in PROAGRI II although it is not yet clear how PROAGRI II will look like.

8.3.2 Support to agricultural development

Production system

The predominant cropping system continues to be rainfed. Only 20% of interviewees mentioned they have some type of irrigation facilities but there was lack of technical assistance for better use of irrigation schemes and no policy for development of further irrigation. However, the irrigation technology to produce good results needs to be complemented by other related interventions such as the use of improved varieties, fertilizers and pesticides.

Agricultural inputs

The proposed input regulations allow leeway for the private sector. The regulations must be implemented and problems resolved as they occur. The private sector, however fear that the regulations will not necessarily be managed in the spirit intended. For the time being, certain collusion is absolutely necessary to lower the free-on-board (fob) price of products by increasing the volumes ordered on a communal basis. This happens all the time. As volumes increase this collusion will automatically disappear and competition continue and increase. Private sector success is not only a function of pricing but more specifically service to the client.

Considering that in Mozambique both input and output markets are underdeveloped, to enter open-developed markets means more unknown risks. Therefore, the way to success will depend on private-public sector partnership to share risk and capital investment in developing wholesaling and retailing networks. The NGO community also, in collaboration with public-private sector, contribute capital and management to the development of input/output market. For these to be effective under small scale farming conditions, the role of Farmer Associations will be crucial.

What is needed is for GoM and NGOs to develop some form of financial system that will provide guarantees that the input suppliers will receive their money from farmers. This can be by establishing a revolving fund or a Land Bank. Presently, all the risk is with the private sector input suppliers. They even experience problems with GoM not paying debts incurred by them, and then also refusing to pay interest on outstanding debt which is indicative of lack of Government commitment. The current outstanding debt of the private sector input suppliers is slowly forcing them into insolvency and preventing growth. Small scale farmers alone will never succeed. There must be encouragement for them to develop into larger commercial farmers. This is viable and should be encouraged (IFDC, 2003).

Policy reform is essential to create an environment conducive to private sector investment; technology transfer must occur simultaneously to spur demand at the farm level; and technical assistance to dealers is needed to procure and market good-quality input products. Credit system development must also occur from the initial stages in Mozambique where, just as in many other countries, bankers have had no experience in providing loans to agri-input suppliers; the banking community should be involved and should include input-related loans in their portfolios. Improving market transparency has been critical to project success in other countries like Albania and Bangladesh, wherein increasing public awareness of market opportunities is essential to spur investment. Finally, proper management of donor-funded supplies is necessary to ensure that such supplies do not conflict with market forces.

Post harvest

Most of our interviewees declared they were exposed to technologies of conservation but none referred to processing of agricultural products. Under these circumstances, the high losses in the farmer output continues to be a serious constraint to availability of food during the year, leading to food insecurity. Marketing assistance is not really available, being limited to occasional information on recent produce prices to the farmer when the extension officer happens to pass by.

8.3.3 Irrigation

With the decentralization of management of irrigation schemes to small scale farmers and water user associations envisaged in the irrigation policy and strategy, sustainability in the irrigation sub-sector presents a serious problem. The equipment has all been given to the associations and groups with no clear outline of future responsibilities. Most of these groups cannot afford to maintain and replace the now aging equipment, and expect government to provide spares and maintenance. This has been clearly indicated as against the new concepts of core service provision, but no explanation has been given to farmers. This is creating an attitude among producers that MINAG is not concerned with the needs of farmers.



The irrigation strategy (DNHA, 2000) envisages the sustainable use of water and land resources in two ways: a) the development of small scale irrigation schemes as a focus for rural development to cope with recurrent droughts as the state responsibility at the inception stage in aspects such as funding and technical assistance to beneficiaries; and b) the private sector as another development focus to foster entrepreneurial commercial farming.

The strategy also includes the water harvest and storage for agricultural use as well as fiscal incentives to encourage investments in equipment and irrigation infrastructures. The strategy envisages the exemption of rural/agricultural tariff and taxes for electricity used for agricultural activities. It further proposes the utilization of current Fondos de Fomento Agrícola and Fondo de Hidráulica Agrícola as guarantee funds for credit provided to farmers. However, the credit, per se, would be managed by commercial banks or other financial institutions. These would be achieved through the establishment and legalization of water use associations.

However, most of strategies described were poorly implemented in PROAGRI I. This coupled with weak representation of hydro institutions at the local level and the research and extension services basically oriented toward rainfed agriculture poses serious concerns for the implementation of the policy.

Out of the 3,400ha identified for rehabilitation or construction, only 50% were rehabilitated. This is an indication of a slow process. The total potential of

irrigable land in the country is estimated at 3.3 million ha. On the other hand, considering the 85,000ha (65,000ha existing in the pre independence era plus the additional 20,000ha built after independence), the 3,400ha rehabilitated during PROAGRI I, represents about 4% the maximum achieved which is modest performance. According to the evaluation report by the (National Directorate for Land and Forestry) Direccção Nacional de Terras e Florestas, (2004), the low performance was caused by difficulties in the provision of service and irrigation materials. Therefore, the main conclusion to be drawn for the irrigation sub-sector is the weak implementation of related policy and strategy.

8.3.4 Livestock development

The most topical issue related to livestock was animal health. The abandonment of dip tanks with no alternative arrangement is seen to have resulted in a general increase in disease incidence. Although the staff from DPA had more mobility through the allocation of PROAGRI I resources, support to farmers was still poor as no resources were available or provided to implement the recommendations given. It is apparent that both the farmers and private sector were not prepared and adequately resourced to takeover the task at hand. Our conclusion is that the government did not develop alternative strategies to assist after withdrawal. It is apparent that both the farmers and private sector were not prepared and adequately resourced to takeover the tasks left by Government.

8.3.5 Extension services

In 1999 the extension network was staffed only by elementary and certificate level technicians. With introduction of PROAGRI I, only Diploma level were accepted. Some certificate level technicians were funded by PROAGR II to pursue Diploma, and some holders of diplomas to pursue University degrees. With the recruitment of new staff the coverage was increased. PROAGR I also provided more transport means, computers and uniform for extension agents. PROAGRI I also deployed University degreed officers to the districts. However there was a general shortage of suitable houses for the higher level officers. There were also complaints that PROGAR I did not do much to improve working conditions for farmers in terms of inputs. The attempt of introducing treadle pumps was not successful in some areas probably due to the lack of appropriate technical assistance for their utilization and farmers did not find them acceptable because they required too much energy to manage. On the other hand, farmers did not have access to improved working tools and therefore continued with the hoe as basic technology for subsistence as opposed to their transformation into market oriented as intended in the design of PROAGRI I.

The number of extension agents increased in both networks and extension lines. All newly recruited technicians are now in the process of being integrated as civil servants (Aparelho do Estado).

In the past PROAGRI I technology packages were defined at central level by DNER. From 2002/03 the technology packages were designed locally as there were qualified staff to adapt the messages to local conditions. Because of this available capacity a modified Training and Visit System (T&V) was introduced as the new programme of extension delivery.

Despite the achievements indicated above, without a programmed allocation of resources from projects/programmes in course or in pipeline, based on joint planning with the involvement of partners extension alone will never be able to continue and sustain these results. Furthermore, the high rotation of staff under this component is jeopardizing in a significant manner the sustainability of activities. One important step at this stage is to create a commitment that the technology dissemination must be a reality in the rural areas within the households through the harmonization of yet fragmented and dispersed partners. Otherwise, they will never be able to perform their role and the value chain approach will remain broken. In this context, DNER should find ways in collaboration with partners to allocate resources and harmonize joint programmes so that the process is cohesive.

8.3.6 Research

PROAGRI I supported the Zonal Research Centre (ZRC) with vehicles in research funds; resources for rehabilitation of infrastructure and recruitment of extra qualified staff.

The perception of staff from ZRC based in Sussundenga was that the conception of PROAGRI I was centralized until the cropping season 2002/03 when they started to be involved with planning of PAAOs and the three monthly plans (PTAOs). After that season, funds in support of research were decentralised only up to the level of DPA and in most years disbursements were late. Some times money arrived in November to be used up by December. The money that was allocated had no direct link with development activities at field level. The planning of financial support remains unsustainable as a system.

Most researchers have little extension experience and responsibilities beyond producing a research report. Experience shows that farmers are unlikely to adopt research results because they remain unaware of research activities and the usefulness of its outcomes. This weak research-extension link is unsustainable, there is a need for research scientists to also prioritise the promotion of utilization of their research. The potential contribution of the research results and technologies to the country's economy and social welfare of the communities is very high. It is our view, that researchers need to move beyond the confines of their research stations and laboratories and look into downstream aspects of market and consumption on a value chain approach in collaboration with extension, private sector and policy makers.

8.3.7 Land management

PROAGRI has been successful in supporting the land reform programme. It provided intensive technical support on the drafting of the land law, and afterwards collaborated with NGOs to support application and dissemination of the land law and its regulation, particularly among communities and smallholder farmers. Another achievement has been the streamlining of the land use application process, with a mandatory ninety day limit to complete the processing of an application. The processing of the huge backlog of land use requests was accelerated through support from the programme. Assisting in the development of Community Land Use Committees has started the concepts of community involvement and further encouraged decentralized activities.

In this context, sectoral legislation was approved (law and regulations in 1999 and 2002, respectively) which creates an opportunity for the participation of communities, and serves as an instrument for sharing benefits (20% of exploration taxes) for the communities in collaboration with NGOs, in support to the dissemination of the law and its regulations. As a result, 68 initiatives for community management and business plans were established and operational. A total 259 committees were created to oversee the exploration of forests and wildlife, and plan use of the 20% community income. The process has led to greater community involvement in land use issues and regulation of local resources, conflict resolution and regulation of local resources.

The legal and regulatory work indicated are fully sustainable activities as they are rooted in law and the involvement of communities. However, the sociological aspects of including communities and supporting the Land Use Committees are only sustainable if continued support is given.

8.3.8 Forestry and wildlife

Under this component, the legal framework caused some problems with respect to carrying out inspection tasks. MICTUR was not equipped to undertake the task in terms of personnel and transport. Agricultural services had to continue with interventions to fill this gap in the concession and conservation areas. As a result there was lack of clarity as to which agency was responsible for example: "When the animals are in a protected area, they are under MICTUR auspices; but when they move out, they are the responsibility of MINAG". This situation needs a serious review.

Partnerships for forestry and wildlife management between local communities and the private sector has been one of major achievements. There are many institutions dedicated to making the legislation public at community level (ORAM, Forum de Terra, GTZ, FAO, NDF, RADEZA ACODEMAZA and ADEL) are some of NGOs that have publicized the Land Law and regulations widely.

Private sector

At the beginning, the majority permits issued to operators were English translation “licença simples”. Now the applicants are encouraged to use “concessions”. The situation has evolved from one concession issued in 2004 to four in 2005 and there are more applications which have been received. There is an increasing trend. This system, based on the decree 93/05, looks reasonable and is well received by communities. The problem is that the money collected and sent to FFA was never returned to reinvest in the sector. FFA started sending this money only from 2006, but it is still retained at DPA and the mechanism of disbursing it to the communities is a very complicated process. Most of community members do not have an official identity document. They do not have any bank account and the concerned associations do not have legal status. The alternative used to simplify the system is to allow three members of the community to open a bank account, but this could be a potential source of conflict in the future if proper monitoring of the situation is not put into place.

Inspection

Ninety percent of the sectoral budget is allocated to inspection, mainly for per diems and transfers. The number of stations and mobile brigades throughout the provinces with large forest lands (particularly Manica and Zambezia) have significantly increased under PROAGRI. This is important because most operators are considered to be dishonest and therefore require supervision.

Legislation

At the beginning there was some misunderstanding between MINAG, MICOA and MICTUR about boundaries of responsibility. Now there is more understanding and coordination in the management of natural resources, as is apparent in the areas Tchuma Tchato Programme in Magoe and Changara Districts.

The legislation governing the prevention of exports of raw timber; the reduction of “licença simples” and encouragement of concessions; and, the increased demand for creation of related agro processing of forestry resources associated with concessions was a major achievement for the sustainable exploration of forestry resources.

Community Management

For natural resource management there are inspectors in all districts who are responsible for education on the law in aspects including prevention of bush fire, hunting and wildlife management and organisation of local management committees. The engagement of the communities has increased the capacity to control the utilisation of natural resources in the province. As a result, bush fire and uncontrolled hunting were significantly reduced. At least people know what they are or are not supposed to do and why. These activities have been implemented in collaboration with the Ford Foundation.

The licensing process has also improved with the involvement of the communities. After the identification of resources there is a process of community consultation followed by field demarcation and approval by the

provincial governor. Although there were no changes in contracting procedures during PROAGRI I except that from two years previously all payments were made at DPA in cash, while now the applicants deposit the money into a DPA account.

Impact

Progress achieved can be judged by the reduction of exploration activity, which allows regeneration to take place. Now there is more respect on the 50,000 m³ plan per year. The reinforcement of inspection increased control. Licenses now are provided only in areas where there is capacity to control.

The major weakness in this sector is a lack of national strategy for regeneration of forestry resources. There are no guidelines to support the activity. Therefore, the concessionaries sometimes refuse to carry out regeneration activity, saving costs on their side. There is no legal instrument to oblige them to do so: it is a big gap in the system and makes current resource use unsustainable.

Despite the achievements in this component, it faces an array of poor practices which will prove unsustainable and hurt the sector. These include:

- land clearing practices for agricultural expansion. Extensive agriculture, as opposed to intensification, not only creates environmental degradation by mining the soils and making it prone to erosion, it also erodes the human capital by demanding too much effort of working on additional land with low yields. The use of modern technology (improved seed, fertilizers) means that farmers would require less land and physical effort to attain more and better products, and saving land for other uses or as reserves for future generations;
- deforestation due to the increased demand for charcoal and fuel wood for consumption in urban areas and for specific production enterprises, such as tobacco growing.
- indiscriminate bush clearing for hunting or grazing purposes, or because of out-of control slash and burn practices;
- as well as poor farming practices, physical and chemical soil erosion, due to poor crop cover and exploitative use of steep sloping land; and
- The underlying conclusion that must be taken into account is that agriculture, as with any other economic activity, requires deliberate capital investment to develop and be sustainable.

The main outcome of PROAGRI I, in terms of agricultural service provision are:

- agricultural research institutions were reinforced and restructured. Better links with local stakeholders (farmers, associations and small-scale private entrepreneurs) were emphasized;
- extension links to research were developed, and the field agent's ability to develop plans in support of local conditions was stressed as a goal of the programme;

- irrigation did not receive priority during the programme; and
- the reforms instituted by PROAGRI I and established in the programme activities are not yet sustainable without continued support from donors, both for financial flows and for maintenance of vision.

9. CROSS-CUTTING ISSUES

9.1 HIV/AIDS

By 2003, Mozambique was ranked among the 15 most HIV/AIDS affected countries in the world with an average HIV prevalence of 15%, and rates were known to be increasing. The Food and Agricultural Organization of the United Nations predicted that between 1985 and 2020 Mozambique will lose over 20% of its agricultural labour force to HIV/AIDS and that the demographic profile will alter radically as the 15-49 year old age group is worst affected and average life expectancy declines. Nearly 57% of Mozambican adults between the ages of 15-49 who are living with HIV/AIDS are women. The gender disparity is most striking in the 20-24 year age group, where women with HIV outnumber men by four to one (UNFPA 2002)⁹.

PROAGRI and HIV

Ministry level

The Mid-term Evaluation of PROAGRI (June 2003) noted that while information on HIV/AIDS had been integrated in extension services, there was no evidence that the Ministry had assessed the future consequence of the disease on its institutional capacity and human resources strategy. This was rectified through various actions culminating in 2004/5 with an important study on the potential impact of HIV and AIDS on the public sector staff.

Collaboration of MSU funded technical assistance to the DAP/DE initiated analysis of TIA results, particularly in the areas required for policy development to deal with the effects of HIV / AIDS on rural families. In 2003, analysis of the TIA 2002, and agricultural census data, revealed that estimates of rural adult death and chronic illness was a useful proxy for HIV/AIDS and a valuable research strategy, especially when used with other household level income and agricultural data.

The TIA data provides gender disaggregated data concerning the characteristics of households with prime age adult deaths and the agricultural coping strategies based on recall from 1999 - 2002. Analysis noted that the most significant impacts may be in households where adult men die due to the higher dependency rates (number of children, elderly and ill per active adult) created in the households, and the better ability of households replace labour and retain assets with a female death than a male death. In addition, lower income households were found to be more likely to sell assets during chronic illness, whereas higher income households tended to wait until after death, (esp. with male illness and death).

Through to 2005 the Ministry took a multisectoral approach to vulnerability, including SETSAN Early Warning systems, food security and nutrition among

⁹ Observations drawn from: The impact of HIV/AIDS on seed security in southern Mozambique, Carlos Dominguez, Richard Jones and Rachel Waterhouse, The International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), 2003.

others, aiming to address various natural, social, political, economic and biological threats. Agricultural research programs focused on conservation technologies, small scale processing for income generation and sweet potato development among others in the context of provincial programmes to promote crops for improving nutrition, community training programmes, etc.

A small fund was available through PROAGRI prior to 2004 and sporadic training of personnel on HIV / AIDS was carried out with and by the focal points in each of the national directorates and subordinate institutions. Many focal points changed through the various restructuring and management changes, and although initially many were selected rather arbitrarily, they are now thought to be knowledgeable and useful people for training and awareness raising etc.

In terms of policy the TIA findings fed into Ministry actions which focused on carrying out a Danida financed assessment of impact of HIV/AIDS on its human resources in 2004/5¹⁰. In 2005 the Ministry was exhorted by the donors to implement the recommendations drawn from it. The study presented dramatic data that was so compellingly negative that Ministry personnel were easily stimulated into action. This included findings that the mortality rate among MINAG staff would rise from 3% in 2003 to 5% in 2010 if no action is taken, and of these deaths between 73% and 84% are likely to be due to HIV/AIDS. The effects of this enormous loss, aside from the high economic and social costs will be a major slowing down of MINAG activities and a down sliding morale if treatment is difficult or impossible to access.

A MINAG HIV strategy for the period 2006 – 2010 was produced in 2006, elaborated by its focal points and a technical adviser to the Human Resources Directorate with technical support from CNCS and Danida. Now this clear and comprehensive document is concluded, in order to take up the strategic lines recommended, the Ministry and the national agricultural programme must make institutional and operational changes. Presently MINAG is developing policies on HIV in the workplace to complement strategy implementation.

Provincial and district levels

HIV / AIDS issues were addressed in all provinces during PROAGRI I. Focal points were established and trained in all DPAs and DDAs. Between 63% and 100% of provincial and district staff interviewed during the present evaluation said they incorporated HIV/AIDS related issues into their work. Most extension technicians were involved in transmitting HIV prevention messages and promoting technologies to support families living with AIDS (except for Niassa which appeared to be very weak in this area). The DPAs led message development for extension networks in collaboration with the health sector and the provincial CNCS delegations. Information dissemination activities began in earnest in 2004.

In almost all provinces community and local radio stations were involved in transmission of agricultural messages which included messages about HIV

¹⁰ Verde Azul Consult Lda. Abril de 2005

and AIDS. Some programmes were specifically about HIV and AIDS and agriculture and these were emitted by Radio Paz in Zambézia, Radio Moçambique in most provinces, Radio PAX in Sofala, and community radio in Tete, Gaza, Zambézia and Inhambane among others.

The extension services were the main agency for dissemination of messages, and technicians were trained by provincial health staff, NGOs, and provincial CNCS delegations. The provinces which laid emphases on HIV / AIDS issues were Sofala and Manica. In Sofala, the districts most affected by the pandemic are those along the Beira Corridor including the cities of Beira and Dondo and the districts of Dondo and Nhamatanda. In Manica, the District of Manica has developed its HIV/AIDS training and awareness raising, including the traditional uses of local plants for treatment in its repertoire. Areas bordering Malawi also have high prevalence rates.

In Sofala the number of deaths, particularly from HIV/AIDS related illnesses during the period (13 in 2001, 13 in 2002, 22 in 2003 - of which 20 were confirmed HIV/AIDS cases, 26 in 2004 of which 20 were confirmed HIV/AIDS cases and 17 in 2005 of which 6 were confirmed HIV/AIDS cases) clearly represents a major loss in terms of human resources.

Effects of HIV/AIDS on Human Resources in Sofala

	Tested	Nº infected <i>(not accumulated)</i>	Nº deaths
2003	40	20	12
2004	81	35	20
2005	33	21	6
2006 (1st quarter)	25	20	6
Total	179	96	34

The introduction and dissemination of new technologies (conservation agriculture to reduce labour, water and fertilizer usage, and improved granaries etc.) have helped farmers to increase their income and improve food security, thereby mitigating some of the impacts of HIV/AIDS.

Agriculture technicians represent one of the groups most at risk from HIV/AIDS, living and working far from their families. People most at risk include inspectors (hunting, forestry and fisheries), drivers and extension workers.

DPA Sofala's focal point is dedicated full-time to the issue, and with non-PROAGRI funding developed an awareness raising and treatment campaign for employees and farmers and their families. This included capacity building of extension technicians, awareness raising workshops, pamphlet distribution, condom distribution to DPA and DDA personnel, individual contact and counselling for DPA and DDA staff, ensuring day hospital and home treatment for ill people and antiretroviral treatment for staff. Information was also disseminated about the benefits of domestic gardens in the districts.

Important successes were achieved in directing counselling to suspected cases of HIV/AIDS and the integration of affected employees into treatment schemes. A number of members of staff are now on antiretroviral treatment. However the department has sustained heavy losses of trained human resources and as a result, loss of institutional knowledge threatens developments achieved, and necessitates substantial new investment in recruitment and training.

In Inhambane it was reported that the sector managed to raise the amount of the pension payment following death of a staff member in recognition of the impacts of HIV/AIDS on personnel.

DPA collaboration in all provinces with various partners provides support in different activities such as distributing condoms and financing training on HIV/AIDS issues.

Extension workers have been trained in most provinces in the sensitive delivery of messages about prevention of HIV/AIDS and the risks associated with the disease. However refresher training is rare, and in some districts extension workers have stopped repeating the same message that they have already repeated many times before.

Between 95% and 100% of small and private farmers interviewed were aware of HIV and AIDS and had been part of training activities, albeit rarely provided by the agriculture sector. They claimed to have received the knowledge from health sector awareness raising and from the radio.

Resources for HIV/AIDS prevention and management appear to have been mainly obtained from outside of PROAGRI during the period under evaluation, despite the evident appreciation by the sector of the risks to continuation of effective delivery of services.

9.2 Gender

Prior to PROAGRI awareness about the role of women was well identified in terms of their major contribution to feeding their families, but based on control of fewer resources than men (land, labour, inputs, access to credit, formal education etc.). In 1996 the MPF identified that more than 90% of women in Mozambique had no off-farm income source and one year prior to this only 42% of women had any income from their agricultural work.

PROAGRI I was, after a weak start with almost no mention of gender sensitive objectives or results, adapted to include mainstreaming, as the international best practice at the time, in its basic principles. Prior to PROAGRI the Land Law had been developed by the agricultural sector in through a widely consultative process, and this laid the basis for the empowerment of women through their securing rights to land use. Although the government's five-year plan immediately preceding PROAGRI included the specific objective of

ensuring that women were integrated into agricultural activities through training programmes, extension activities, and rural projects targeted at women, the original PROAGRI logframe lost any specific objectives related to women's predominant involvement in agriculture. The absence was well documented in a donor funded study, and resulted in an annex to the Master Document that recommended that a formal Gender Unit, led by a Gender Coordinator, within the Directorate of Economy (DE) be established to manage coordinated capacity development actions to ensure gender sensitivity in policy, planning and implementation through a network of Gender Focal Points (GFPs) in the Ministry directorates and departments at all levels.

Based on this starting point the issue of gender began to be felt as the Gender Unit was established and GFPs identified in each directorate at central level and in each provincial directorate. From 1999 a budget line for 'gender integration' was made available through to 2000. However once the Gender Unit was established in the Economics Directorate, gender lost priority and was provided with few funds.

By the 2000 PROAGRI joint review gender issues were still poorly taken up even by the Economics Directorate responsible for policy analysis and monitoring and evaluation where the Gender Unit was established. Even after the incorporation of a Gender Advisor to support activity development of the Gender Unit from 2001 to 2004, the unit was never formally recognized in the institutional organization of the Ministry through to the end of PROAGRI I.

The recognition of the importance of social issues, particularly gender in the design of policies and strategies was slow to emerge. Although endorsed at the highest government and Ministry levels, the reality of considering the roles of social actors in the traditionally technical training and outputs of the agriculture and rural development sectors, as in many other technical sectors in the country was impeded by long ingrained professional attitudes and cultural values.

Unfortunately the Gender Unit never acquired more staff, and throughout PROAGRI I the Coordinator with assistance of a national Advisor for three years, remained on her own to initiate and follow through all centrally originated actions. The Gender Unit maintained a low level of buy-in from directorates and departments at central level throughout PROAGRI I. It was never formally included in the Ministry organigram or attributed formal competencies. The Gender Coordinator and GFPs had no sanctioned basis for operation aside from PROAGRI principles, and their success depended largely on the space and resources provided by individuals in leadership positions. The participation of the Gender Coordinator in decision-making fora was not a fixed mandate as the position was not officially recognized. This meant that it was susceptible to being interpreted differently by different leaderships which could provide more or less space for action as perceived to be relevant at the time.

Gender network establishment via the Gender Unit to central and provincial level directorates through the GFPs remained weak throughout the first phase

of PROAGRI. The poor institutional support (particularly from some sub-sector leaders at central level, and some of the planners at provincial level in the early years of PAAO development) for compliance with gender aware recommendations promoted by focal points in training sessions undermined the small gains made in realizing the training and awareness-raising. By not having any budgets for gender promotion activities in their directorates, the GFPs carried out little beyond training within their immediate directorate.

In reality, the budget allocation for gender integration was limited to the central level. In the expectation that gender issues would be integrated in certain activities at provincial and district levels, no provision was made for the cross-cutting activities. This curtailed GFPs activities, and in the provinces gender training and awareness was limited to DPA staff, and some community groups depending on the professional allocation of the technician: in some provinces groups formed as part of the extension services benefited, in others not – depending on whether the GFP was an extension technician or not. Lack of budget for specific gender promotion activities at provincial level meant that some initiatives taken by the Gender Coordinator with community groups in the provinces, were not followed up by the GFPs. Group activities then either stopped or, since no follow-up field visits were made, were unknown.

During the period of PROAGRI much work was carried out by the Operative Group for Advancement of Women (GOAM) which by 2004 had become the National Council for the Advancement of Women and had produced a National Gender Policy. This set the context for most of the government ministries to develop their sector gender policies including those with sector wide approaches such as education, health and agriculture.

Institutionally no human resource policies were formally made to promote gender equity in the agricultural sector during PROAGRI I. Based on a comprehensive gender analysis the sector Gender Strategy was produced in 2005. Its Action Plan outlines the main areas to improve gender equity in the sector. Although the strategy and Action Plan now provide a basis for mainstreaming gender into Ministry policies and actions, and it is evident that the Gender Unit actively participated in the formulation of PROAGRI II, the challenge remains to identify appropriate leverage to actually operationalise these plans. Building on the basis of PROAGRI I's small institutional gains in this area, and working towards specific measurable changes at institutional and outreach levels outlined for PROAGRI II appear to be good starting points.

At field level practical constraints were identified during PROAGRI I such as observations from staff at district and provincial levels which noted that women were difficult to incorporate in the services. Teams of men could share housing and facilities, but when a woman was transferred, she would need separate housing, which was not always available. In districts where women are the most numerous of an extension technician's contacts it was felt by personnel in the sector that women extension officers would be most appropriate.

Although the managers (District Directors and Provincial Service and Department heads) ensured that gender aspects were included in the planning process, objectives and activities, the only actions with impacts at producer level were the extension technicians' encouragement of women to participate as members of groups, and within these to take up decision-making positions where possible.

If the Gender Unit continues to remain an informal entity within the Ministry it is likely to continue to operate at a small scale, have limited and fragmented reach depending solely on the goodwill and interest levels of senior management staff in the sector at each level. This precarious basis is not conducive to establishing a firm basis on which men and women can be sure of equal opportunities for participation in all sector activities.

The advantageous position of the Gender Unit in the Economics Department is not best used. Unless the advantages of gender planning, monitoring and evaluation are recognized and the parties work together, the impact of the Gender Unit will remain very difficult to perceive. Gender sensitive policy development is an obvious influence on subsequent implementation, but managing information about the participation of women in activities, the direct and indirect benefits accrued to them or lost by them and how strategic actions result in changes can only be made visible through the direct charting of monitoring data on the subjects. The Gender Unit should be working with the Economics Directorate to analyse and use this information for publicity and to gain buy-in. This information is concrete data that would make gender promotion tools much more persuasive when used by sub-sector GFPs at various levels.

The quality of reporting by the Gender Unit is not very high, and with support from the Economics Directorate the reporting and analysis of gender statistics could significantly enhance this.

Although mainstreaming of gender is optimally considered to be practiced through integrating gender aspects into sub-sector plans, activities and monitoring and evaluation, resources are still required to reach this point. Operationalisation of the Agriculture Sector Gender Strategy will require resources at all levels to facilitate this take up. GFPs cannot effectively carry out gender promotional activities as well as their own specialist activities without incurring some additional costs. If these are not recognized in the budgets, workplans and decisions of management staff, then there will be little chance of gender being fully taken up by the sector.

Human resource policy development should promote consideration of equal opportunities for men and women to enter and advance in their careers, and for some key positions such as extension technicians and forestry inspectors, emphasis on recruitment of women should be stressed in order to enhance the impact of the sub-sector's work.

10. SUMMARY EVALUATION OF PROAGRI ACHIEVEMENTS (1999-2005)











This summary of analysis of achievements is presented in a matrix analysis format. It has been developed from the baseline data abstracted from the PROAGRI *Master Document* and *Basic Principles* (see Vol. III)

SUMMARY EVALUATION OF PROAGRI ACHIEVEMENTS 1999 - 2005












Legend: ☉ indicates no progress observed; sources are - FES=Final evaluation survey; FE= Final evaluation; PES=Economic and Social Plan; TIA=Agricultural Work Survey;













Institutional Development Component






General Organization and Co-ordination Sub-component





Expected Results	Indicators	% achievement		Source	Comments
		100%	0%		
Institutional reform carried out based on functional analysis	analysis completed, new structure established			FE	Restructuring was not operational
New organic structure for provincial and district agricultural directorates	official structures established			FE	
Decision-making and implementation authority allocated to provinces and district in accordance with functional analysis	decision-making deconcentrated			FES	
Core functions determined on basis of functional analysis	analysis completed, core functions identified			FE	
Autonomy of cashew nuts, cotton and sugar institutes	work carried out independently			PES	
Coordination unit operational in coordination council	coordination unit exists			PES	
Coordination unit leads effective donor & NGO coordination and as needed with other ministries	forum for coordination of NGO activity exists, links to NGOs established			FE	
Coordination unit member of consultative council				PES	
Mechanism of consultation with the donors and beneficiaries established and functioning	regular meetings of PWG, FC and Joint Review fora			FE	PWG & monitoring visits to provinces
All activities implemented by NGO and financed by donors on project approach are progressively integrated in PROAGRI	numbers of provincial based, donor-funded projects decrease			FES	Activities incorporated, but donors pluralistic

Policy Analysis and Planning Sub-component

Expected Results	Indicators	% achievement		Source	Comments
		100%	0%		
Monitoring of PAEI implementation & of other sector policies influencing agricultural production	indicators established, analytical reports available			FES	
Measures and policy proposals articulated with other sectors of the economy	MINAG policy stance established in relevant area, representation on inter-ministerial groups			FES	A major weakness despite concerns
Guideline for resource allocation among provinces based on agreed criteria	documentation of resource allocation available			FES	
Priorities and budget ceilings defined and PAAO prepared and approved at central and province levels	documentation on budget ceilings and PAAOs available			FES	
Policy analysis capacity exists in MINAG and has contributed to the analysis and formulation of specific policies and programmes	policy documents and regulatory guidelines exist			FES	Regulation developed for all directorates except irrigation
Agrarian surveys developed	TIA institutionalised			DE	
Information, monitoring and evaluation system adopted	documentation on process available, training for implementation carried out			DE	Information not systematised
Achievement of the targets established for PROAGRI impact on agricultural production and productivity and contribution to rural household income	means of measuring established, data contained in annual reports			DE / TIA	Data cannot measure impact of PROAGRI, no targets
Indicators for PROAGRI's contribution to food security are systematically used to monitor food security situation	Systematic SETSAN monitoring			SETSAN	
PAAOs incorporate environmental objectives, results, activities, indicators and costs	environment related activities included in district PAAOs			DE	Costs not discriminated & inadequate environmental objectives, activities
Environmental impact of PROAGRI monitored and mitigation measures routinely implemented	monitoring reports available, activities included in annual reports			DE	Pamphlets & forest concessions, but no monitoring

		% achievement		Source	Comments
Expected Results	Indicators	100%	0%		
Individual files organized; staff data registered in SIP	files available for inspection, data entered			FE	
Routine up-dating and safety of data established and implemented	procedures established, responsibility for implementation assigned			FE	
HR management capacity installed	training carried out, TA available			FE	
TA decreased	annual report shows less TA			FE	
Workforce characterized according to MINAG's needs	workforce matches functional analysis restructuring			FE	MAE designs qualifications
MINAG staff integrated, responsibilities defined, working conditions improved.	contract workers integrated, staff ToR available			FE	
Additional necessary staff recruited.	new staff hired (contract & quadro)			FE	
Agreement with MoF on incentives, reached and implemented	incentives available to staff			FE	
Specific legislation and norms disseminated	HR documentation available			FE	
HR assessment done and a development plan designed	report available			FE	No training plan
Staff professional training defined and implemented	report available			FE	
Coordination mechanism established and functioning	analysis carried out, report available			FE	

		% achievement		Source	Comments
Expected Results	Indicators	100%	0%		
Norms for acquisition & registration of property established and implemented	implement norms			FES	Poor registration & inventory
Common system adopted for the acquisition of goods and services	implement common procurement system			FES	Not well established in districts
Timely allocation of the financial and material resources	quarterly funds & procured material arrive on time			FES	
Internationally acceptable financial management system adopted at all levels of agricultural sector	international FMS operating at all levels			FES	Not well established in districts
Procurement management system established and being implemented	implement effective procurement system			FES	Too bureaucratic














		% achievement		Source	Comments
Expected Results	Indicators	100%	0%		
System of regular mail delivery linking the central, provincial and district units in place	regular mail to all levels			FES	
Computer network operating	email & internet links to all provinces			FES	
Functional and updated document and information services	documentation centers exist at Provincial/District levels			FES	
Regular access to agrarian information on research by MINAG staff & others, and processing of relevant agrarian information	documented system of collaboration between research & extension,			FES	Only accessible informally, no system of access & process not functional














Rural Extension Component		% achievement		Source	Comments
Expected Results - Service provision	Indicators	100%	0%		
Producers knowledge strengthened	% agricultural plots using extension services	██████████	██████████	TIA	
	# using improved techniques	██████████	██████████	PES	
Communities able to manage natural resources.	# community management of NRM initiatives	██████████	██████████	PES	
Established and consolidated producers organizations	% agricultural plot with an association member	██████████	██████████	TIA	
Dissemination of information maximized, using the media.	radio and tv broadcasts carried out	██████████	██████████	FES	
Market - oriented extension	% agricultural plots with information about market prices	██████████	██████████	TIA	
	market-oriented assistance	██████████	██████████	FES	Messages were not relevant
Decentralized extension system in place where producers are fully engaged in the design, implementation and evaluation of the services	extension plans originate from district, evaluation reports indicat producer participation	██████████	██████████	FES	Not evaluation
Farming system team in place and functioning around all zonal centres	Appropriate farming system team	██████████	██████████	FES	Only Niassa partially
	Women and young producers accounted for	⊙	⊙	FES	
Expected Results - Institutional development	Indicators	100%	0%	Source	Comments
A unified, rationalized and reinforced National Agrarian Extension system established	SUE & SISNE operationalized extension in DPA organigrams	██████████	██████████	FE DNER	Forestry & coordination weak, livestock strong
36 networks of State extension system consolidated & adjusted to human and material resources and equipment	36 networks of State extension operational	██████████	██████████	FES	Disassembled towards end due to policy changes
Vertical organization of the extension network, comprising a main co-ordination and operational level (province) and a basic level of execution (district) with policies, technical assistance & resources from DNER	unified system with sms exists	██████████	██████████	FES	
Strengthening and systematization of collaboration between extension and research staff	zonal centres linked with extension and producers through SISNE	██████████	██████████	DNER	
Joint farming analysis, on-farm research, training and technology review meetings in all 36 networks	meetings take place	⊙	⊙		
Dissemination of information among extension staff	extension information available to staff	██████████	██████████	FES	
Bi-weekly training of the extension supervisors and special training non-routine extension activities	training courses occur in all provinces	██████████	██████████	FE	Mostly benefiting extensionists
All extension staff of a middle or higher level of education, effective training program after HR assessment; qualified supervisors in place	HR register shows improved qualifications	██████████	██████████	SPER	
Pilot multiple financial and delivery arrangements for extension, & after a review of cost-effectiveness, expansion to more provinces	project established, reviewed and expanded	██████████	██████████	SPER	Few studies, outsourcing, & some cost-sharing with NGO partners

Research Component	Indicators	% achievement		Source	Comments
		100%	0%		
Expected Results - Service provision					
Technologies to increase agrarian production and productivity ensuring sustainable & improved resource use	reports on new technology			FE	Produced but not applied
Methods for the prevention and control of animal diseases and for quality control of food of animal origin	reports on research carried out			FE	Little implementation
Technologies to increase animal production and productivity	reports on research carried out			FE	Little implementation
Technology to promote, protect and develop the sustainable utilization of forests and wildlife resources	reports on research carried out			FE	Little implementation
Research institutes provide technologies focused on small producers issues/women in farming system context	reports on research carried out			FES	
Multi-disciplinary integration, whenever possible, of the research conducted by each research institute through the regional research centers	report on means of multi-disciplinary integration			⊗ FES	
Integration of agrarian & sociological research through better functioning CTIA	sociological research incorporated			⊗ FE	
Close integration in the field between extension and research using common dissemination means	procedures for integrated field activity established			FES	Link between research & farmers not institutionalised constraining application
Expected Results - Institutional Development					
One single research institute established under the responsibility of a National Agriculture Research Council where stakeholders are represented	IIAM established			BR	not yet clear how stakeholders included
Establishment of mechanisms for direct generation and use of funds within each institute	procedures for resource use and generation available			FE	Only mechanism for resource use, not generation
Representation by stakeholders (particularly producers) at National Research Council and Zonal Research Council levels in research programmes	smallholders represented			⊗ FE	
Rehabilitation and establishment of Regional Research Centers in Sussundenga, Ulongue, Nampula, Chobela, Quelimane, Nhacoongo.	RRCs rehabilitated & established			FES	
Provision of adequate infrastructure and equipment to better position research in the main agro-ecological regions	Adequate infrastructure & equipment			FES	
Training and development of HR	Research Centers establish HR programme of training and development			FE	

Assistance to Agriculture Production Component

Post-harvest Management Sub-component	Indicators	% achievement		Source	Comments
		100%	0%		
Expected Results - Service provision					
Creation of a post-harvest unit (UPC) in DINA	unit exists, is included in organigram			FE	
Constitution of post-harvest development committees (CDPC) at provincial level	provincial CDPCs established			⊗ FES	
Increased food security stocks	increased grain stocks			FES	But, zero grain / food security
Increased number of mills	# of local milling activity increased			FES	
Organization of rural fairs, market information and cooperation among producers	rural fairs established			FES	Coverage limited
	market information disseminated			FES	
	price negotiation via groups			FES	A few in north
Increased private investment	more private producers and traders			FES	Includes commercial sector
Expected Results - Institutional development					
Training in the areas of technologies, economics and markets	training courses established			FE	Extensionist level
Social, economic and market studies	Social, economic & market studies			FE	Mainly DAP, donors & NGOs
Joint programs with INIA for technological research focusing on storage and processing	Joint research on storage & processing			FES	Cassava, maize, sweet potato & rice

		% achievement		Source	Comments
		100%	0%		
Plant protection Sub-component					
Expected Results	Indicators				
Survey and evaluation of pests, diseases and parasites	surveys carried out			FE	
Guarantee of health inspection and plant quarantine	inspections & quarantines carried out			FE	Only for official entry points
Plant health campaigns for the control of migratory pests	Response capacity			DINA	
Dissemination to producers of integrated pest and disease management systems (IPM)	farmers aware of IPM			FES	
Adoption of IPM by producers	chemicals purchased			FES	
Control and registration of pesticides produced locally or imported adopted	pesticide registration			FES	
	pesticide monitoring			FES	
Producer adoption of technological packages for crop treatment	% cashew crop sprayed against <i>Oidium</i>			TIA/INCAJU	3,000,000 cashew trees covered in 2005
	cotton & tobacco protection			FE	
Studies on the environment impact of agro-chemical use conducted	EIA of agro-chemicals			⊙ FES	
Mitigation measures implemented in co-ordination with MICOA	mitigation of agro-chemical impact			⊙ FES	
Studies on the toxicological effects of pesticide application on food crops realized in co-ordination with MISAU	report available			⊙ FES	
Measures implemented	recommendations of report carried out			⊙ FES	

		% achievement		Source	Comments
		100%	0%		
Seeds Sub-component					
Expected Results	Indicators				
Strong National Seeds Committee (CNS) co-ordinating, supervising and regulating all players on issues concerning seeds	CNS playing active role			FE	
Strategic seeds reserve created	tons of seed in reserve stores			⊙ FE	
Strengthened role of public sector research in plant improvement				FE	
Ensure compliance of legislation application for certification and recommendation of seeds used nationwide	monitor compliance			FE	Only refers to materials in the formal seed release system
Seeds certification & quality control services developed based on regulation and guidelines established by the National Seeds Services	seed certification carried out			FES	Provincial level & only seeds in formal system
	% plots with certified seeds used			TIA	
Adoption and production of improved seeds by producers and improved seed storage	improved seeds used by producers			FES	
	distribution of locally produced improved seeds among communities			FES	
Production & collective distribution of improved seeds among communities / groups				FES	
Non-(commercial) priority seeds and vegetative material produced for distribution by public sector	seeds produced by public sector			⊙ FES	
Rehabilitated & expanded root tubercle propagation centers, ensuring the marketing and distribution of species adaptable to different agro-ecological regions	root crop propagation centers exist			FES	
Intervention of the private sector in the seed marketing chain, including import, export and distribution	private sector import & distribution			FE	But coverage is low
	private sector export of seeds			FES	

Cereals and Legumes Sub-component























Expected Results	Indicators	% achievement		Source	Comments
		100%	0%		
Early warning system institutionalized and consolidated	early warning system institutionalised			FES	Information from bottom to top
Dissemination of early warning information among users	dissemination of early warning information to end-users			FES	
Forecasting harvests, transportation, needs, marketing & imports	forecasts based on early warning			FES	Central level























Commercial Crops Sub-component

Expected Results	Indicators	% achievement		Source	Comments
		100%	0%		
Based on early studies, investments by the State and private sector in tea production, processing and marketing	investment in tea industry			FE	
Tobacco, sugar, cashew nuts and cotton all promoted via private sector and State	commercial activity in the crop sector			FE	Refers to sugar & tobacco. Cotton & cashew nuts much lower.

Livestock Production Component

Expected Results - Institutional development	Indicators	% achievement		Source	Comments
		100%	0%		
Adequate planning and operational capacity regarding animal health & support services to producers	capacity /services available and used by producers			FES	Capacity and services
Effective linkages and co-ordination among sub-sector actors	co-ordination established			FES	
Support programme implementation accords with core functions	service moving to outsourcing and privatization			FES	
Appropriate legislation in place	livestock legislation created and established			FES	
Expected Results - Service provision	Indicators	100%	0%	Source	Comments
Infrastructure rehabilitated (troughs, dip tanks; crushes; quarantine units; testing and diagnostic laboratories; livestock promotion posts; housing and other infrastructure for the staff engaged in extension services at the district level)	dip tanks rehabilitated			FES	Very high contribution from private sector & NGOs
	disease management infrastructure			FES	Very high contribution from private sector & NGOs
Increased animal population	increased animal population			PES	Restocking & IFAD funded programme
Decreased incidence of specific diseases	reports show decreased incidences of disease			FES	Trypanosomiasis & tick-borne diseases increased
Technical assistance to producers improved	# of visits, improved stock			FES	Visits & advice, but little application

Expected Results	Indicators	% achievement		Source	Comments
		100%	0%		
Legislation and policy reviewed and Law adopted	regulations on concessions			BR	
	regulation on management			BR	
	enforcement of regulations			FES	
Improved UEM curricula, staff trained, management controls in place and policy formation nucleus. Priv. sector involved in M&E of resource management. Decentralized and community managed NR programmes.	private sector involved in M&E			FES	
	decentralized CBNRM			FES	
Private sector & community leases for forest management through contracts & management plans that include specific provision for the protection against fire and for the control of the natural regeneration	private sector forestry concessions with management plans			DNFFB	56 forestry concessions, 8 with management plans in 2002; 99 forest concessions, 50 with management plans 2005
	community forestry concessions with management plans			DNFFB	15 communities with approved committees & management plans 2005
Production of social & technical guidelines on community management of NR that are implemented	CBNRM impact & evaluation studies			DNFFB/FE	
Adoption of mechanisms for income retention through FFA	improved approaches to CBNRM			DNFFB	
Functional tax collection system designed & implemented	income retained via FFA			FES	
Established fire prevention & control systems; Communities sustainably manage game, timber & eco-tourism areas	system in place			FES	Designed but coverage limited
Establishment of a co-ordination unit for community management actions	fire prevention & control systems			FES	Pamphlets & community involvement but little impact
	sustainable CBNRM			FES	
Autonomous management of national parks & reserves through development societies & public companies with capacity to establish partnerships with private sector & local communities	co-ordination unit established			FE	
Game and forestry reserves reestablished and rehabilitated	community management committees established			FE	Responsibility transferred to MINTUR
	# of animals and forest area increases			DNFFB	Responsibility for Protected Areas transferred to MINTUR
Inventory conducted in wildlife & forest reserves, coutadas & parks	inventory carried out, report available			DNFFB	Responsibility for Protected Areas transferred to MINTUR
Management strategy for fragile eco-systems designed & implemented	report available			FE	
M&E defined and feedback periodically incorporated in management practices	report available			FE	
National Monitoring Service established & articulation with police & local government.	service established			FE	
Stabilization of the State's permanent forests	area monitored and stabilized			FE	
Joint inter-ministerial activities coordinated in the field	coordination group established			FE	

Expected Results	Indicators	% achievement		Source	Comments
		100%	0%		
Land Law regulation publicized and adopted, including the formalization of consultation in the process of land concession	land law regulation adopted			DINAGECA	
Support adjudication of land access and arbitration of land disputes, safeguard secure land use right for women	# farmers with DUAT title			DINAGECA	27,000 farmers with DUAT in 2005
	disaggregate information of women with DUATs			SPGC	Provincial & national data not consistent
New laws drafted and submitted to assembly	land use planning law approved			DINAPOT	Responsibility passed to MICOA
Updated policies and regulations	local community regulations			BR	Responsibility passed to MAE
Improvement of the mapping production capacity in DINAGECA	# maps produced			FE	Central level only, with support of various donors
Development of information on land & natural resources (national integrated land information system; plots; mapping; registration of the land utilization, tec)	LIMS & other systems adopted			DINAGECA	
Improvement of land registration, & management options adopted	procedure improved, management included			DINAGECA	
Trained staff and computing equipment for land registration	LAHS & other systems adopted			DINAGECA	
Registration procedures modernized and computerized & increase in n° maps produced and marketed	maps sold			DINAGECA	Not well decentralized
Geographic information available in the provinces	georeferenced data in provinces			SPGC	
Trained and motivated SPGC staff in the provinces	RH trained & motivated			DINAGECA	Limited motivation
Land registration process simplified	fewer steps, less time			SPGC	3,239 processes approved in <90 days
Social and economic studies conducted	studies available			FE	Only by NGOs and other sectors
Planning, monitoring and evaluation systems in DINAGECA	systems established			DINAGECA	Weaker planning & evaluation
Establishment of the tax collection system and updating as necessary	Tax collection system operational			SPGC	
Increase in income generation	income generated			SPGC	
Geodesic network expanded				SPGC	
High precision leveling concluded				SPGC	
M&E plans, indicators and provincial reports elaborated	reports available with input			SPGC	
Inter-ministerial Land Commission meetings	meetings held			FE	Only for relevant issues
Revision and update of lands legislation when necessary	group monitoring need for update			DINAGECA	

Irrigation Component		% achievement		Source	Comments
		100%	0%		
Expected Results	Indicators				
Policy and strategy for irrigation elaborated & policies, strategies harmonized and adopted	policy and strategy made, report available			DNHA	Draft preliminary document developed
Legislation securing land and water rights in place	legislation exists			DNHA	No water user rights for irrigation legislated
Effective rehabilitation and maintenance of irrigation schemes and creation of water management units and introduction of water taxes	rehabilitation of schemes			DNHA	Including sugar production schemes
Pilot experience evaluated and integrated in strategy	water management units			DNHA	
Studies of hydrographic basins conducted	evaluation of pilot SSIP			FE	
Reorganization of DNHA	report available			FE	Only basin studies made by DNA/MOPH
Technician and users trained	reorganisation of DNHA			DNHA	Absorbed into DNSA in 2006
All small scale irrigation schemes managed by users	technicians & users trained			FE	
Large schemes managed by public or private companies, associations and users	users fully manage scheme			FE	No sustainable management of equipment
Introduction of water taxes	users fully manage scheme			FE	
EI regulated by regional public entities	water taxes introduced			FE	Not applied
Inter-sectorial co-ordination forum operational	water for irrigation paid to ARA			FE	
Norms and monitoring established and implemented	EIAs, audits conducted			FE	
	fora exist			FE	Water user coordination in some basins (DNA/MOPH led)
	monitoring system established			FE	

Gender and HIV/AIDS - Transversal subjects		% achievement		Source	Comments
		100%	0%		
Expected Results	Indicators				
Gender issues mainstreamed	Gender Unit established in MINAG			FES	
Gender capacity & sensitivity established in departments & provinces	GFPs established			FES	
Gender sensitive monitoring system established	monitoring consults gender unit			DE	Initial but inconsistent data disaggregation & no analysis for use
Gender unit established with budget allocation	GU established with budget			GU	Budget allocation central level reduced over time
Gender network operational at provincial level	Gender Unit officially recognised in organigram			FES	
Awareness about HIV/AIDS	GFPs established			FES	Focal points have no operational resources
Actions to mitigate effects of AIDS	# producers indicate awareness			FES	Awareness created by other agencies & donors
	nutrition & strength/time saving technologies promoted			FES	

11. FUTURE PERSPECTIVES

The process of institutional reform has been started within MINAG by PROAGRI I but it is far from complete. UTRESP recognizes the design and basic goals as patterns useful as guidelines in the national reform effort, but also criticises the Ministry for failing to follow up with good implementation procedures. It is suggested that there is a lack of true “ownership” of the process. This must be incorporated into PROAGRI II if it is to have any further impact. Thereafter good implementation of asset management procedures, HR procedures, staff development and training, M&E and the financial management system will provide the tools to manage that impact.

Decentralization of the financial responsibilities and planning process to the district and provincial levels has taken place, but is hampered by poor transition planning and erratic fund delivery from central government. It is recognised that these can be caused by higher level problems (programme sequencing, Treasury administration, donor administration) that cannot be dealt with by MINAG, but procedures can be identified and established which mitigate these problems. Appropriate management plans need to be proposed and implemented which would look at means of ameliorating these serious hindrances to field level activities and greater national productivity.

The process of delivery of services in the field is itself undergoing change at this time, with DDAs and DPAs becoming part of a more multidimensional economic service group. This presents both the opportunity of greater synergies among the programmes of the related activities that have been discussed in this report (marketing, transportation, finance) and the challenge of redefining the programme delivery and monitoring mechanisms to function in this new environment.

To enhance transparency and corporate governance, it is important for MINAG to have an audit committee that would resolve the issues raised. The internal audit functions should be decentralised to the provinces.

Decentralization has been developed as a means of empowering smallholder farmers through local participation in the decision-making process. The expectation is more responsive and locally applicable policy decisions. Although there can be a trade-off between greater local government authority over expenditure and potential misuse of funds, financial responsibility is an important element of effective decentralization. If local administrators at the district and provincial levels are to carry out decentralized functions effectively, they must have adequate revenues, and authority to make decisions about expenditures.

There must also be recognition of the limits of district administration activity. While district and provincial administrations have a role in providing “local” public goods, there are also many “national” public goods that they will not have the technical capacity or interest to address. Directed public investment will therefore continue to be necessary to develop the capacity of district and provincial administrations and to assist them in formulating coherent and

effective strategies. This is particularly important in the provision of agricultural services where user groups may have different interests and priorities from those of the local administrators, or national planners.

A pressing issue is assisting the main agricultural component in Mozambique, the smallholder on the edge of subsistence, to manage risk, thus allowing him to make longer term investment decisions and expand further into the market economy. This has been done in the past by provision of a certain level of inputs, thus insuring availability at the required time. Current policies have changed this role, but demand at the local level continues to exist. So current policy increases risks faced by producers in the present economic environment, without developing alternative risk reduction programmes.

According to field observations by the evaluation team, the division of responsibilities and decentralization of functions between the district and provincial levels is not totally clear. Neither is the role of each subordinate institution, or the relationships between the national and provincial directorates.

The co-ordinating organizations, the Technical and Consultative Councils, need to improve their functioning, concentrating their attention on pertinent issues so that they turn into real instruments for the overall co-ordination of activities and actions within the Ministry as well as an advisory body to the Minister.

As demand for services in the areas of land management, and for animal and plant health increase and the demand for forestry and wildlife resource use also rises, the need to pay close attention to the sustainability of natural resource use and service provision will become more important. Enforcing regulations in the sector will need to keep pace with the demand and new developments to ensure that local communities do not lose out.

12. LESSONS LEARNED AND RECOMMENDATIONS

12.1 Lessons learnt

Concepts

Although the planners struggled throughout the early years of PROAGRI, they were never able to really identify a sound set of targets and milestones for the programme. Instead, more ambiguous goals were identified, which were difficult to monitor adequately.

- Targets are what MINAG intends to achieve with the money invested in the programme (demand driven), for example
 - increased production,
 - increased trade
 - increased incomes } sector level targets
- Milestones are specific and should indicate what MINAG will achieve each year. There should be a detailed layout of milestones for the first three years and indicative milestones for the next two years (these will be adjusted in the third year).

PROAGRI I concentrated on institutional development aspects from the outset, but shifting focus of government policy goals placed emphasis on production and food security aspects, demonstrating the lack of balance between internal institutional development and production/food security activities (see following comment on agricultural services at district level). Institutional reform was necessary at MINAG, but such processes cannot be imposed in a single instant. A multifaceted development approach that allows appropriate phasing between ultimate goals and practical necessities would better serve the industry at this time.

Management capacity

The PROAGRI response to provincial needs due to the 2000 floods was appreciated. The managerial and programme flexibility to convert identified development programmes into emergency response programmes played an important role in the rehabilitation efforts.

The need for training in management of various areas from information and finance through to transport was evident in most locations visited. In this respect some of the management tools provided by PROAGRI I were limited in this respect application which frustrated many users. Specific aspects that were observed during the surveys many of which already affected sustainability included the following:

- While PROAGRI I was conceived as the instrument to effect the transformation of MINAG, there was no management body or committee to oversee the change management process and deal with implementation issues.

- The Technical Assistance provided under the programme was not properly tracked by the departments responsible and was therefore difficult to maintain
- The problem of assets management is deep rooted and need a more effective system and approach in order to establish the accurate record.
- In general, financial management and procurement has improved considerably since responsibility was moved to the local level. Late disbursement of funds, though, remains a major problem. Due to irregular fund disbursements, the PAAO had be carried out by DDAs and Provincial Services that were obliged to continue activities where possible and run up debts. PROAGRI management is aware of the problem as it is a long-standing one, and is working on solutions, but it must still be flagged as a key constraint.
- Monitoring of programmes at the provincial level was very weak, and tied to activity completion, rather than impact.
- Field managers and technical staff did not have the ability to link funds to activities and activities to results. This appeared to be a major inhibitor of sector development – particularly when too few resources were being used to serve various sub-sector needs. The PAAO could not be used to analyse the costs and benefits of activities or the impact of sector actions.
- Efforts at the central MINAG underway to redesign the process are in effect and some positive results were seen in the MINAG 2005 Annual Report released this year, but these had not yet reached field level. It was clear that both technical and attitudinal changes are required.
- It must also be noted that 2005 information showed a 31% decline in provincial disbursements due to the end-of-programme status; 2006 is expected to be similar. This is a serious disruption of support activity at the end user point. Better long term planning should be in effect to adjust for the ebb and flow of donor activity, and the necessary administrative hiatus between programme agreements.
- PROAGRI has provided greater availability of “essential” work resources, (e.g. computers, vehicles, fuel,) however, local staff have not been fully briefed on the intended accessibility of these resources. DAF in one district indicate that funds are delayed in arriving because of lack of transport: “the district only has two vehicles, one for the Director and the other for the livestock sector”. This means of transport, although purchased for all district activities is still “unofficially” allocated. Well established procedures for transport management are particularly important in the case of shared use. It is also critical for maintenance of such high-use vehicles.

Poor maintenance and management of vehicles is due in part to the fact that funds for maintenance and fuel were irregular and inadequate, significantly shortened the effective lives of vehicles to barely lasting

through Phase I. This had a negative impact on the implementation of planned district level activities.

- The maintenance and management of agricultural machinery and equipment used by communities was not adequately dealt with by any of the sub-sectors, with potentially negative consequences.
- Both of the last two points raise serious issues about sustainability factors within the programme.

Regulatory capacity

The core regulatory function of the sector is difficult to implement in the reality of constraints of transport, communications and the extremely restricted capacity of the private sector either to provide services or goods. It is not reasonable to ignore the constraints, even if they are outside the agricultural sector, since these often result in failures of often the most vulnerable elements of supply chains, ie the voluntary community structures and individuals that become responsible for final delivery.

Flexibility of procedures in policy development

Policy development at the central level remained hostage to the lack of data on impact of activities or proper targeting of financial flows, and good monitoring/evaluation procedures for the life of PROAGRI I. It was observed by the evaluation team, that some progress was beginning to show by the end of 2006.

Decentralization

The process of decentralization did not lead to the improvement of addressing farmers' concerns due to the rigidity of the planning tools (PAAO and budget ceiling) and the fact that farmers' major concerns run counter to the decisions made about MINAG's core functions. Some of the planning developed through farmers' consultations could not be carried out, which did not promote the development of participatory planning capacity, nor create initiatives appropriate to local context. There are activities that provincial outsourcing projects can do, and which correspond to the farmers' needs (such as animal distribution on credit basis, provision of agriculture inputs to be sold by farmers organisations - *casas agrarias*) that DDA cannot plan, due to the PAAO software.

DDAs were asked to make a participatory planning process without knowledge of the programme and financial frame, with no reliable data on which they could analyze the situation. This did not promote the development of planning capacity, and instead contributed to keeping them dependant on the DPA, and created frustrations.

Decentralization within the sector revealed a number of weaknesses in capacity at district level, but more importantly, the assumption that all districts

could participate equally, was found to be false. Some districts did not have the organizational and physical capacity established to place them on a level playing field with the others. Relations with the District Administrations appeared to have been generally good over the seven years of PROAGRI I. However, the prospect of decentralized district services will probably increase the demands for support with resources for non-agricultural sector activities. The implementation of planned agricultural activities depends on the dedicated use of its already too few funds, but the reality of decentralization and the spirit in which it is implemented must be addressed directly.

Agricultural services

The policy to withdraw the public sector from the provision of agriculture inputs and services created a serious problem of access to inputs for the majority of farmers. The survey made among the farmers indicates that DDAs are still the main providers of inputs and services. Among the farmers that use pesticides, more than 80% get them from DDA. DDAs also carry out animal vaccinations and veterinary assistance in many districts. As well, DDAs are the main providers of improved seeds.

Farmers' demands on the DDAs as providers of inputs were very high and current resources allocated do not even cover present needs, much less any plan for expanding production. The animal vaccines that the DPA get are not sufficient for the number of animals and the lack of fuel limits the possibility to provide any systematic care to animals. The improved seeds distributed by DDA are far less than the needs. Where there are seed conservation problems and low production, most producers have to get seeds when the agricultural season begins. The seeds available in the local market are expensive and not certified so the seeds distributed by the DDAs are vital. Even where the farmers have seeds saved, they still wish to improve their production by using improved seeds and the only providers are the DDAs.

Private sector capacity

The implementation of outsourced agricultural services, input provision, technical support, and ultimately in support of marketing and/or processing of agricultural products by the private sector was not strong or reliable. The results were that the quality, timeliness and responsiveness of services, products and actions were varied and difficult to control. The results of participation of the private sector were, thus, not always predictable or reliable. The agriculture sector had inadequate quality control, supervision and coordination capacity to ensure the best results on a larger scale.

The weakness of the private sector in the provinces was a severe constraint to the withdrawal from implementation foreseen for the government sector. If there had been a more developed private service sector and trading network, then crop marketing and processing would not have reached such a critical imbalance in relation to productive capacity, and production of many crops.

The private sector is weak, but struggling to improve. There is need for much more effort to work with the private sector at the level of the field technician,

and need for greater commitment to work with cross-sectoral policy issues at higher administrative levels of provincial government.

Outreach capacity

The impact of extension networks at the community level was evident in the areas where they worked. The inherent limitations of their direct outreach capacity has produced various community service providers and groups that act as linkages with other community members to spread messages and share benefits in the longer term. These community members are involved in providing certain technical services and in some cases their organizations benefit members and their communities. Although the objectives are pragmatic, such outreach strategies require continued support from technicians (and donors). It was apparent that, once this support is lost, most groups and service providers have tended to quickly lose their motivation and cease their activities.

The very high cost of wood extraction business has meant that natural resource management committees with potentially weak organisation, little business experience or support, have become one of the most vulnerable actors in the area. This situation emphasises the need to ensure adequate support for these groups as business actors for longer than has been possible to date.

Partnerships

Partnership with NGOs, though not as predictable and controlled as using the State extension services, can provide effective impacts at community level.

Although there continues to be co-ordination problems between DPAs/DDAs and NGOs, the situation has improved significantly compared to earlier times. This has happened as a direct result of PROAGRI involvement, at both the Government and donor levels. Appropriate programmes on both sides have supported each other and worked toward more sustainable long-term goals.

There remains a need to find a method of accounting for the interventions implemented by NGOs in the agriculture sector, so that they can be fully integrated into the longer term development plans. Many now are lost upon the withdrawal of the implementing agency.

Capacity development

Most contracted staff are in the age range suitable for training, who when trained will become eligible for higher level responsibilities, and as is already happening, may have to return to their old jobs. The need to open up opportunities for positions for higher qualified personnel to occupy or, to provide salary incentives to retain these people is foreseen to become a major issue in the near future.

Cross-cutting Issues

HIV/AIDS: Interviewees at the provincial and district levels indicate that the awareness of HIV/AIDS and gender issues has grown over the past three years. District and provincial officers interviewed indicated that they now incorporate both HIV/AIDS and gender issues into their regular work programmes. There is an official focal point appointed in the provincial office and each district office, which keeps other staff current with central programmes and ensures continued local mainstreaming. Producers' responses also showed a high indication of HIV/AIDS messages arriving, although the point of receipt was not necessarily from MINAG. There are a wide range of other ministries, NGOs and church organizations also disseminating HIV/AIDS messages.

Within the ministry itself, a more comprehensive policy for dealing with sickness and death, both at the HR level and its impact on the efficient functioning of MINAG in the face of a large projected impact, is necessary.

Gender: Gender issues are, perhaps, more complicated to analyze. As indicated MINAG officials believe they have incorporated gender issues into their programme. However, greater probing into what that means elicits a confused response that an equal number of men and women farmers are included in meetings. Usually the HIV/AIDS focal point is also the gender focal point, and this is appended to the former as an afterthought. There has been no in-depth advocacy or exploration of the range of gender issues that could apply in the agriculture sector. Producer interviews show minimal awareness of issues and no acknowledgement of the topic being discussed by MINAG staff.

Without institutionalizing gender functions into the Ministry's structure and operation they will always be dependent on the space and resources provided through individual leaderships. This situation can provide no guarantee of gender mainstreaming or better social analysis of policies and practices that the sector needs.

Environment: There are a number of environmental concerns at the producer/community level. These are not being fully addressed through the current programme, as they are a complex mixture of economic and environmental issues. A flexible look at community alternatives is needed. PROAGRI has not managed to forge a strong presence supporting this issue.

Sustainability

There is an issue of sustainability that needs to be addressed by MINAG and PROAGRI over a range of concerns: capacity enhancement (vehicles and computers are not being maintained and need replacement), farmer assistance (concepts of equipment maintenance and eventual replacement are not well developed), community management programmes (discussions of sustainable land use need to be initiated – an avenue of approach should be developed), and cross-cutting issues (sustainability of all these newly

introduced concepts are poor without continued follow-up and advocacy programmes).

12.2 Recommendations

12.2.1 Short term

Management capacity

An independent audit committee should be set up to look into audit issues and follow up on their timely resolution.

Interim audit reports should be carried out in order to decrease the time required to deliver the audit report.

The internal audits from Inspector General within MINAG should be shared with the external auditors to promote transparency. The internal auditors should also be decentralised to the provinces. This will improve MINAG operational systems.

MINAG should ensure that there is enough staff to take over the Acro Iris management before the consultant leaves in September/December 2007.

The procurement section should establish an asset register and establish asset management procedures. There is a need to commission an independent review of the asset registers for all programme and other ministry assets in order to establish an accurate asset record. This committee should be chaired by a senior person at the level of Permanent Secretary.

The MOU should include a donors code of conduct for Phase II.

Establish a change management committee to oversee the staff. Objectives should be identified, monitored and established within a timeframe.

The Gender Unit and operational structure should be officially recognized in the Ministry organogram and competencies in order to guarantee its future expression.

Budget line items for gender activities should be created for the transitional process during which gender is integrated into sub-sector activities.

Human resources policy should take into account the need to promote equal opportunities for advancement of women and their participation in the extension services. The policy should also define a standard performance management that would identify opportunities for staff development.

The Terms of Reference of the Gender Coordinator should be revised and an emphasis on acquisition and use of data related to women's involvement in the sector as well as impact on women be incorporated.

Given the new district and provincial structures established by the Planning and Development Ministry, PROAGRI should establish a study to find means of integrating the national planning system with MINAG's PAAO so that a single system is in use. The study must be a joint exercise between the MINAG planners and the Planning and Development Ministry officials so that full collaboration and approval is obtained for the end result. The PAAOs should be aligned to a long-term strategic plan.

The policy department should devise a specific MINAG policy on marketing, roads and communication issues. These policies should be part of the Ministry plan of action advocating development in these areas through inter-ministerial liaison. Synergies with donors and NGOs should be sought.

Research

In the research component, there is a need for researchers to work along the whole production and value chains, and to make their findings known to farmers. Researchers should promote utilization for the benefit of the country's economy in collaboration with extension, private sector and policy makers.

Livestock

Considering the importance of animal health to humans, Government needs to find interim measures for assisting in the resumption of some basic functions, such as dip tank services. The process should explore means of allowing farmers to begin paying for such services. The important issue is to ensure animal production does not collapse.

Natural Resources

The committees established for NRM are not yet self sustaining; it is too early in their development. Therefore, strategies for community development and capacity development allied with tried and tested approaches to NRM committee formation and growth must be developed by MINAG and its partners. Once developed, it should be closely monitored to identify lessons to be learnt. The idea of adaptive management advocated by the sub-sector with reference to conservation and development management of natural resources, should be reviewed and principles and procedures developed by the sector to ensure more effective monitoring, evaluation and management systems.

Irrigation

One critical issue to be addressed by the irrigation sub-sector should be the inclusion of a holistic vision that considers all aspects related to agricultural water use, such as agronomic, social, economic and environmental aspects as well as the national hydrographic river basins in the context of regional integration.

There is a need for the establishment of concrete strategies and advocacy to implement the policy among stakeholders. Furthermore, a government

strategy of increasing irrigated farming, given the identified smallholder constraints is crucial at inception as smallholder farmers cannot do it alone.

Regulatory capacity

Analysis of the impact of constraints of transport, communications and extremely restricted capacity of the private sector either to provide services or goods on community service providers and on community management committees should be undertaken in order to clearly identify what strategic position the sector should take, what links must be made, and what transitional actions must be taken, in order to ensure this essential outreach capacity is not lost.

Enforcement of regulations related to land and other natural resource management is slowly improving, however investment in transport, information and financial management systems need to be improved to support this.

There is a need to conclude, consolidate and disseminate current legal framework in the area of natural resources management and create mechanisms for their effective and efficient implementation.

Difficulties in community groups fulfilling the legal requirements for association formation, difficulties in applying the regulations concerning the benefit from revenues from developers and the difficulties in maintaining associations operational in the face of tendencies for mismanagement of funds need to be taken into consideration in future sub-sector development plans.

Simple forestry extraction licenses should only be issued with basic forestry management plans to ensure the sustainability of activities.

There is a need for better coordination between MINAG and MICTUR in order to minimize the apparent overlapping of interest in management of forestry and wildlife, especially in concession areas so as to avoid current situations whereby the same animals belong to MICTUR or MINAG depending on where they are located at a particular time (concession or outside concession areas). The issue of increasing the inspection capacity in these areas deserves some attention as well.

Criteria for compensation for the loss of property in the case of revoking land use rights should be considered in future legislation.

12.2.2 Long-term

Sustainability

Donors and GoM committed to a level of support in the agricultural sector that has stressed institutional reform and capacity building at all levels. This has not developed as quickly as envisioned but is well along the process. The long-term goals and aims of the programme remain valid and the processes, with minor adjustments, can continue to provide sectoral support. The basic premise, however, is that there is adequate financial investment to make the process sustainable. Further recommendations regarding use, administration and replacement of assets depends on this investment decision.

Agricultural Service Provision

In order to improve stakeholder participation in the process of consultation, support is required to strengthen smallholder farmers and other stakeholders, both in organizing themselves and in preparing them to engage in policy dialogues. This implies expanded roles for the already over-stretched extension service: increased funding, more personnel, greater training (and more careful training plans) are all part of that requirement. Extension officers also need to be trained specifically in how to identify and recruit partners (NGOs, donors, private sector, etc) who are willing to carry out such work under their own agenda, thus becoming an “outsourced” service to some extent.

Regulatory capacity

Capacity development and follow-up support for natural resource management committees and animal and plant health service providers should be scaled-up with investment commitments in the longer term.

The emphasis on doing better business in the agriculture sector must include a better understanding of the position of the actors in the processes of production, processing, and marketing. This can be greatly assisted by genuinely adopting an approach that promotes gender analysis and the study of who gains and loses from agricultural policies and strategies.

Access to inputs

MINAG’s policy to concentrate on core functions and immediately withdraw from “market-service” activities created a gap in service provision and access to inputs. This has further created frustration among local shareholders and local technicians in their attempts to find solutions to production problems. There is a need to find a transitional implementation policy, which suits the local economic environment.

The objective to establish a strategic seed reserve requires the definition of a clear strategy and to have the means to implement it. There should be different strategies, according to the agro-ecological conditions. Where rains are irregular, there is need for massive and punctual distribution of short

season and drought tolerant varieties of seeds or vegetal planting materials. This operation initially can only be undertaken by public services, in coordination with NGOs. The objective of the operation should be to improve the production capacity of the farmers, which should lead to the availability of seed stocks. The farmers should be carefully informed that this support will not be renewed.

Where the climatic conditions are favourable, the objective is different since access to seeds is already insured. In this case, when a new variety of seed has to be introduced, the strategy initiated in Niassa Province could be developed: teach selected farmers how to produce seeds that will be sold to other farmers.

The issue of maintenance of seed quality should be addressed through availability of seeds at reasonable prices (the production of seeds by farmers is a good solution in that respect).

When there is a problem of storage, as in the coastal areas of Cabo Delgado and Nampula Provinces, before introduction of new varieties, the first constraint to overcome is the improvement of storage techniques for on-farm storage. Field studies indicate that the present techniques being disseminated are not efficient, which means that there is a need to develop new technical packages (not limited to the use of agro-chemicals, especially where these are not available). The inquiries among the farmers show that in some districts, there is no problem of conservation, even where extension did not disseminate technical messages regarding storage. Research could investigate the causes and from that, propose techniques to be tested by in-field research. Even in districts where storage is not presently a problem, the promotion of seed production by farmers might later raise similar storage problems.

Pests and diseases

Pests are still a major concern for most of the farmers and agriculture services have not developed a clear and efficient strategy to overcome this problem. The issue of pests and diseases should be addressed more systematically and seriously, by research and extension. The different categories of pests (from insect to elephant) should be considered in order to develop specific strategies. For animal pests, experiences of farmers, extension agents, NGOs, game parks or research centers from other countries should be solicited (especially taking into account the cases of cultivated areas situated in natural reserves).

For insect pests, alternative technology packages should be developed, mobilizing knowledge from NGOs, research institutes or internet.

APPENDIX I
REFERENCES

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	<u>Title</u>	<u>Author</u>	<u>Date</u>
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APPENDIX II
LIST OF PEOPLE MET

	<u>Name</u>	<u>Position</u>	<u>Agency</u>
1	Paulo Mole,	Chairman,	PROAGRI Steering Committee
2	Maria Fustiniano,	DANIDA representative	PROAGRI Steering Committee
3	Tiago de Valladales Pachelo	EC representative,	PROAGRI Steering Committee
4	Celia Ema Cumbe	MINAG/DAF	PROAGRI Steering Committee
5	Enrico Cruz,	MINAG/DNTF,	PROAGRI Steering Committee
6	Daniel Sousa,	World Bank,	PROAGRI Steering Committee
7	Amelia Mutaula,		PROAGRI Steering Committee
8	Joaquim Cuna,		PROAGRI Steering Committee
9	Leia Alexandre Ovine Bile		PROAGRI Steering Committee
10	Rosa Costa,		PROAGRI Steering Committee
11	Roswitha Kramser	Attache	Austrian Embassy
12	Patricia Mateus Vitorino	ex-District Director	Cabo Delgado - Mecufi
13	Njaime Ntepa	ex-District Director	Cabo Delgado - Meluco
14	Nuno Tadeu	ex-District Director	Cabo Delgado - Namumo
15	Lars Oxe	Attache	DANIDA
16	Aidan Fitzpatrick	Attache	Embassy of Ireland
17	Palmira Vicente	Rural Development Adviser,	Embassy of Ireland
18	Francoise Millecam	Head, Food Security & Agriculture Section	European Union
19	Jose da Graca	Emergency Co-ordinator (ex-Dir of Ext, Manica Prov)	FAO
20	Djalma Luiz Felix Lourenco	Governor	Gaza
21	Joana Mathaliane	Provincial Director	Gaza - DPA
22	Custodio Mucavele	Country Officer	IFAD
23	Gonalo Magungalinha	Accountant	Inhamatanda (Sofala Province)
24	Gabriel Belem Monteiro	Provincial Director	Inhambane - DPA
25	Absalom Jane Muloche	District Director	Inhambane - Mabote
26	Raimundo Diomba	Governor	Manica
27	Felix Paulo	Acting Provincial Director	Manica - DPA
28	Dinis	Provincial Director	Manica - DPA
29	Luciano Castro	District Director	Manica - Gondola

	<u>Name</u>	<u>Position</u>	<u>Agency</u>
30	Joaquim Manhoca	District Director	Manica - Manica
31	Setina Titosse	Provincial Director	Maputo - DPA
32	Tomas Frederico Mandlate	Minister of Agriculture	MINAG
33	Julio Mchola	Permanent Secretary	MINAG
34	Fernando Songane	PROAGRI Coordinator	MINAG
35	Belmiro Manuel Cruz	Controller (Supervisor Financeiro)	MINAG - Central
36	Matilde da Tilia	Former Procurement Officer (Aprovisionamento)	MINAG - Central
37	Cesaltina Amós Vilanculos	Inventory (Património)	MINAG - Central
39	Matilde da Tilia	Procurement Officer	MINAG/DAF/DE
40	Raimundo Nhaca	Procurement Officer	MINAG/DAF
41	Bo Schultz,, DE, MINAG	DANIDA Technical Assistant	MINAG/DE
42	Adriano Chamusso	Director	MINAG/DE
43	Eulalia Macome	Head of Policy Dept	MINAG/DE
44	Dulce Chilundo	Planning Officer	MINAG/DE
45	Domingos Diogo	Statistical Adviser	MINAG/DE
46	Jean Risopoulos	Technical Assistant - Planning	MINAG/DE
47	Joao Tbandzana	Technical Assistant	MINAG/Documentation Center
48	Massinga	Director	MINAG/DRH
49	Sergio P. Ramagem	Technical Assistant	MINAG/DRH
50	Helder Gemo	ex-Director	MINAG/Extension
51	Ventura Macamo	ex-Director	MINAG/Livestock Production
52	Frans Van de Ven	Technical Adviser	Ministry of Trade and Commerce
53	Lazaro Cassiano	District Director	Nampula - Lalaua
54	Ayuba	ex-District Director	Nampula - Memba
55	Paulo Saide	District Director	Niassa - Lago
56	Alfonso Sebastian	District Director	Niassa - Lichinga
57	Sergio Chitara	Manager	SAL & Caldeira
58	Caetano Benedito	District Director	Sofala - Buzi
59	Ilidio Ncovane	District Director	Sofala - Cheringoma
60	Narciso Dique	District Director	Sofala - Dondo
61	Moreze Joaquim	District Director	Sofala - Inhamatanda
62	Francisco Navalha	District Director	Sussundenga - Manica
63	Maria Vinh	Programme Officer	Swedish Embassy/SIDA

	<u>Name</u>	<u>Position</u>	<u>Agency</u>
64	Edelfonso Muanantaca	Governor	Tete
65	Ricardo Filimone	Parliament	Tete
66	Xerifu Luis	District Director	Tete - Angonia
67	Jeronimo Alane	District Director	Tete - Changara
68	Leonor Neves	Provincial Director	Tete - DPA
69	Kizoto Guengwere	District Director	Tete - Moatize
70	Christine DeVoest	Private Enterprise Officer	USAID
71	Victorino Xavier	Director	UTRESP, Technical Unit for Public Sector Reform
72	Mohamed Vala	Provincial Director	Zambezia - DPA
73	Reves Meneses	District Director	Zambezia - Maganja da Costa
74	Arsenio Pedro Candua	District Director	Zambezia - Mocuba
75	Natalino Moises	District Director	Zambezia - Mopeia
76	Hilario Costa	District Director	Zambezia - Nicoadala
77	Quitano Catao	Partner, Audit	KPMG
78.	Davendra Nath	Senior Audit Manager	KPMG
79.	Anastacio Inacio	Assistant Manager, Audit	KPMG
80.	Amelia Carlos Mutemba	Head of Treasury	Ministry of Finance
81.	Abilio A Gune	Director	Ministry of Planning and Development
82.	Rene Desjardins	Agriculture Specialist	Canadian International
83.	Margarida David e Silva	Assistant FAO Representative Program	FAO
84.	Ana M Matusse Dimande	Direcotr	Ministry of Planning and Development
85.	Celia Ema Cumbe	Deputy Director	Ministry of Planning and Development
86.	Dr Albetiono Jeromimo	Inspector Geral	MINAG
87.	Rogeria C Muianga	Diretor of DAF	MINAG
88.	Jean Pierre Compain	Team leader acro Iris	MINAG
89.	Nadeli Maveli	District Driector	Chokwe District
90.	Silverstre Pandze	Inspector Geral	Gaza, Chokwe
91.	Albertina Bulha	Director	MOF
92.	Manuel Monteiro	Accountant	Sofala - DAF
93.	Rui Valadares	Assistant Director	Sofala - DAF
94.	Danilo Dias	Head of Patrimony	Sofala - DPA
95.	Francisco Chico	Head of HR	Sofala - DFF
96.	Moroze Joaquim	District Director	Sofala - DHR
97.	Narciso Dique	District Director	Sofala
98.	Elia Isabel Jorge	Head of Finance	Manica DAF
99.	Carlos Jeque	Accountant	Manica DAF
100	Jose Silvestre Conuma	Procurement Officer	Manica DAF
101	Rui Andrade	Head of HR	Manica DHR
102	Fatima Zemuja Sitol	Head of Finance	Manica DAF

<u>Name</u>	<u>Position</u>	<u>Agency</u>
103 Angelina Machine	Accountant	Manica GondolaF
103 Armando Parruque	Training Manager	MINAG/DHR
104 Ibraimo Mamade	Insepector	MOF
105 Carla Albino	Technical Officer	MOF
106 Selaphi Nyandumi	District Director	Maputo - boane
107 Helena Albino	Head of HR	Maputo - DAF
108 Zephani Zaphi	Accountant	Maputo -
109 Fransco Makanza	Procurement	

APPENDIX III
TERMS OF REFERENCE

GENERAL OBJECTIVE OF THE EVALUATION

The general objective of the mission is

To evaluate the impact the implementation of PROAGRI at the institutional level, as well as at producer level, based on the Basic Principles, the activities developed and the results achieved by each component and for each area.

Aspects such as the relevance of the policies, the efficiency of the activities, effectiveness of the results and the sustainability of outcomes should be analyzed in view of the objectives that were intended to be achieved with PROAGRI.

SPECIFIC OBJECTIVES

The evaluation, without exclusion of other however important findings, it should look at the following areas:

- 1) To evaluate the impact of PROAGRI on the institutional capacity development of MINAG in policies formulation and implementation, in the coordination of the sector stakeholders, in the supervision of its areas of competence, in the provision of agri- public services and in the management of natural resources;
- 2) To evaluate the impact, the coherence and the degree of progress of the reforms in course in MINAG, during the implementation period of the program;
- 3) To assess implementation of PROAGRI basic principles by the Ministry and donors, on the basis of the indicators and targets that were defined in May 1998 and in May 2000;
- 4) To evaluate the effectiveness of coordination and collaboration mechanisms that were established inside the Ministry, and with other Government's institutions and with Cooperation Partners; .
- 5) To evaluate the coordination level among the Cooperation Partners;
- 6) To do an objective survey of what was done, based on the categorization of P MO activities and to analyze the results at MINAG and producers levels;
- 7) Based on the existing information on planning and financial execution (2001-2005), to proceed to any analysis of expenditure during the period of time with the view to appreciate the implementation of

expected results (basic principles and milestones) and the cost benefit of the interventions;

- 8) To evaluate the technical assistance use and performance and its impact in the improvement of MINAG capacity including the effectiveness of the human resources strategy adopted by MINAG for the implementation of the program;
- 9) To evaluate the efficiency and practicability of the HIV/AIDS prevention and mitigation actions in MINAG and through the extension messages conveyed to the targeted producers;
- 10) To analyze the influence of the administrative and economic reforms currently being implemented in the Country, namely the Public Sector Reform, the decentralization process, and the public financial management reform (SISTAFE) in the development process and the implementation of the sector program;
- 11) To formulate lessons learnt as well as recommendations so as to avoid repeating similar mistakes and shortcomings during PROAGRI II implementation

EXPECTED RESULTS

The expected results are:

- MINAG management capacity and the effectiveness of the management tools (planning, financial management, human resources management, produced reports) is evaluated
- The impact of the institutional reform and capacity development in the strengthening of MINAG's ability to formulate policies and the necessary normative framework for their implementation is evaluated;
- MINAG capacity to provide agrarian services to the producers is evaluated;
- MINAG capacity to ensure access and sustainable use of natural resources is evaluated;
- MINAG capacity to monitor and enforce regulations in its areas of competence is evaluated;
- MINAG capacity to coordinate sector stakeholders is evaluated;

- The technical assistance contribution in the increase of MINAG's capacities and its impact in MINAG's human resources development strategy are assessed;
- The efficiency and feasibility of HIV / AIPS prevention and mitigation actions in MINAG and through extension messages conveyed to the targeted producers are evaluated.

EXPECTED OUTPUTS

a) After the deskwork the consultants will share their first impressions with the Steering Committee (see point 7) and will inform of the areas that will deserve most attention. An inception report will be produced for this purpose;

b) Preliminary report to be presented in a Workshop, involving several national and international partners/stakeholders, government institutions, representatives of the civil society and of the private sector;

c) Detailed final report on the different issues broached by the general and specific objectives indicated in the Terms of Reference. This report should incorporate:

- The findings and evaluations of the mission;
- Evaluation of the impact of the policies and implementation strategies adopted for MINAG and for the agricultural sector in general;
- Gaps that the mission has noticed at the level of conception, formulation, pre- evaluation and implementation of the first phase of PROAGRI;
- Lessons learnt from the current phase of PROAGRI implementation;
- Main recommendations seeking to strengthen the positive aspects, how to overcome possible gaps and improve PROAGRI II implementation to achieve an impact at producer level;

METHODOLOGY

The evaluation exercise should be carried out in a participative manner, ensuring this way the full of full contributions of the experience gained during the seven years of implementation. The quantification of the results and the processes achieved so far is considered pertinent.

The evaluators' mission will begin with a briefing that will take place in Maputo, during a PROAGRI Working Group (PWG) session summoned to this effect. A work programme will be established, with the involvement of the Steering Committee (SC)

After an inception phase, the consultants will present to the SC an inception report. During this meeting the main priorities of the evaluation shall be discussed, the provinces that will be visited by the evaluators as well as a detailed work programme will be presented and confirmed.

During an initial phase prepared a questionnaire will be prepared to implement an inventory of PROAGRI as well as a survey of the perceptions of different stakeholders such as government representatives (at central and local level), including MINAG staff, NGOs, private sector representatives and beneficiaries (associations and individuals) to learn how they evaluate PROAGRI. This inventory and the survey will cover all ten provinces.

The methodology proposal to be used for the evaluation, as well as for the preliminary inventory and survey is of the responsibility of the evaluators and it will be presented and discussed with the Steering Committee during the initial briefing. The methodology should include:

- A detailed work plan including the geographical scope of this evaluation
- Which quantitative and qualitative data collection and techniques will be used by the evaluators
- Which persons/institutions will be interviewed during the evaluation

In order to assure better result, as well as sense of ownership, a Steering Committee will be formed (SC), constituted by representatives of the Government: Ministry of Agriculture (MINAG), Ministry of Planning and Development (MPD) and the Ministry of Finance (MF) and by Cooperation Partners. A Mozambican academic with knowledge of the agrarian sector will chair the SC. The PROAGRI Working Group will be responsible for the elaboration and definition of the SC's terms of reference.

The Evaluation Team should apply different methodologies, so as to ensure that all the subjects are covered in the best possible way. The preliminary report shall be presented and discussed in a workshop (with simultaneous translation EN-PT) with the participation of various stakeholders interested in the implementation of PROAGRI in order to have their feedback. Two weeks after the workshop the mission should incorporate the comments made and submit the final report in English and Portuguese in electronic form (100 copies on CD-Rom) and hard copies (50 copies) to the PROAGRI Coordination unit.

APPENDIX IV
STUDY TEAM

Team Members:

1. George Olesh
2. Isaac Chikono
3. Gaye Thompson
4. Natalie Bockel
5. Carlos Zandamela

Local Technical Consultants:

1. Amélia Sidumo, UEM, GRNB
2. Carlos Ribeiro, UEM, GRNB
3. Mariam Bibi Umarji
4. Agostinho Magenge
5. Armando Tovela

International Technical Consultants and Supervisory Staff:

1. Brian Nhlema
2. Daniel Muchemwa
3. Sima Msindo