

A photograph of two women walking away from the camera on a dirt path. They are carrying large, dark-colored pots balanced on their heads. The woman in the foreground is wearing a bright pink sleeveless top and a patterned skirt with large red floral designs. The woman behind her is wearing a patterned top and a skirt with blue and red patterns. The background is slightly blurred, showing other people and a rural environment.

**DFID's Mozambique
country programme
2006-2009**

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Tony Curran, Jeremy Gottwals and Aly Lala

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

Evaluation Report EV712

**MOZAMBIQUE
COUNTRY PROGRAMME
EVALUATION**

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Preface

This evaluation of DFID's country programme in Mozambique is one of a series of regular Country Programme Evaluations (CPEs) commissioned by DFID's Evaluation Department (EvD). The studies are intended to improve performance, contribute to lesson learning and inform the development of future strategy at country level. Collectively, the CPEs are important in terms of DFID's corporate accountability and enable wider lessons across the organisation to be identified and shared.

The evaluation was carried out by a team of independent UK and national consultants, ITAD Ltd, led by Nick Chapman. The evaluation focused on DFID's programme during the period 2006–2009 and was managed by Iain Murray and Kate Alexander of EvD. The evaluation field work was carried out in September/ October 2009.

In accordance with EvD policy, considerable emphasis was placed on involving the country office staff and their partners during the process and on communicating findings. This included a field trip to Zambezia province by three members of the team to examine on the ground the relevance and effectiveness of DFID's programme from a province perspective. The methodology included collaboration with the Southern Africa Regional Programme Evaluation that took place concurrently. The two teams shared materials, particularly around the growth and regional linkage aspects of the two DFID programmes, and one team member from the Southern Africa team joined the Mozambique team for three days in Maputo.

This is DFID's first repeat CPE following an earlier evaluation of the Mozambique programme in 2006 and we welcome reconfirmation of the 2006 finding that DFID is a leading actor in poverty reducing budget support and in aid harmonization and alignment in Mozambique. *"DFID can take credit for contributing to the steady progress in poverty reduction as measured through the PAF, mainly through its leading use of PRBS but also through its increasing sector support that has offered an important balance."*

DFID Mozambique are assessing the specific CPE recommendations (significant improvement in sectoral and overall performance assessment framework indicators and accompanying monitoring mechanisms; much strengthened level of participation of civil society in monitoring and evaluation; hiring of a regional consultant) in light of ongoing work by others, particularly the World Bank's support to the monitoring and evaluation framework.

EvD would like to acknowledge the contribution made by the evaluation team itself, as well as DFID staff and development partners.

Nick York
Head of Evaluation Department

Full responsibility for the text of this report rests with the authors. In common with all evaluation reports commissioned by DFID's Evaluation Department, the views contained in this report do not necessarily represent those of DFID or of the people consulted.

Executive Summary

S1. This Mozambique Country Programme Evaluation (CPE) forms part of a sixth round of CPEs undertaken on behalf of DFID's Evaluation Department. CPEs are conducted to provide accountability and lesson learning for DFID based on the quality of delivery at country level and through bilateral engagement. The Mozambique CPE is also the first repeat CPE, following an earlier evaluation in 2006. The 2006 CPE found that DFID was a leading actor in introducing poverty reduction budget support (PRBS) and in aid harmonisation and alignment in Mozambique. It had a recognisable impact on government reform processes and a less attributable but positive effect on poverty reduction. There were gaps in addressing civil society and confronting the challenge of HIV/AIDS.

S2. **Context.** According to the government's recent review of its poverty strategy (termed the PARPA), poverty has shown a steady decline and the headcount may have fallen below 50%. Economic growth has been robust averaging 8% a year, with growing domestic revenues. Yet, even with the most optimistic growth forecasts, Mozambique will still be a low-income country in 2015, with a per capita annual income of around US\$600. Progress against the Millennium Development Goals (MDGs) has been mixed, and targets for hunger and HIV/AIDS will not be met.

S3. While economic performance is good, the governance environment remains of concern. The ruling party, Frelimo, with an increased majority at recent elections, continues to tighten its grip on power and the opposition's effectiveness has steadily declined. Accountability mechanisms such as parliament, media and civil society remain weak, and Maputo-centric. Human rights remain a concern in the justice and security sectors, and the majority of the population has limited access to the formal justice system, which is perceived as being particularly corrupt. Progress on stemming corruption has been slow, but with some improvements in terms of legislation and public finance.

S4. Mozambique is a heavily aid dependent country; general budget support accounts for a third of all aid and most aid is aligned to Government of Mozambique (GoM) priorities with the result that pro-poor sector spending has doubled since 2005. A group of 19 donors (the 'G19'), including DFID, provides budget support and engages with the GoM in policy dialogue through a 'Troika' system of donor representation, especially around governance since accountability mechanisms such as parliament, the media and civil society remain weak, and human rights remain a major concern. Sustainable development, including improvements in basic services, also depends on how well the country builds on its economic base. Immense energy resources offer a promising path to reduction of aid in the long term, providing these assets are exploited to the maximum benefit of the country.

S5. DFID has been amongst the largest donors in Mozambique since 2002 and under its 2008-2012 Country Assistance Plan (CAP), DFID's bilateral aid framework has risen from £45 million in 2006 to £81 million in 2009. While DFID's intention was to maintain PRBS at 70% of programme spending, the actual proportion has been 63% in 2007, 65% in 2008 and just 55% in 2009, due to higher than foreseen expenditures in health, education and roads. The CAP nevertheless aimed to narrow down DFID's sector engagement by exiting from small business and finance, from roads and water by 2010 and from public sector reform by 2012.

S6. **Strategy.** DFID's emphasis on budget support was justified as was the continuation of support for the aid co-ordination framework, which had improved predictability and mutual accountability. Also balancing PRBS with other aid modalities and interventions at sector level and for work on accountability was appropriate because links between PRBS and service delivery were well established and sector engagement allowed targeted dialogue and monitoring.

S7. The new CAP responded to the earlier CPE findings in moving HIV/AIDS higher up DFID's agenda and in building mutual accountability and influencing throughout the programme. On the other hand, the CAP decided to leave others to address gender directly and did not tackle equity. It was correct to continue support for public sector reform and financial management (PSR/PFM), and to stress civil society strengthening and improved monitoring of PARPA. The CAP built on DFID's expertise and addressed risks around corruption and weak government systems.

S8. In governance, the CAP strategy was not ambitious enough. While it did seek to build civil society and identified useful research and public integrity actors, the portfolio seems fragmented and the absence of a strategy left open the question of why key areas were not addressed, for example political party development, justice or media. Equally, the growth and infrastructure pillar is a mix of corporate themes in newer and traditional areas with no evidence of an overarching strategy.

S9. **Results.** The UK, as a major, aligned and predictable donor has played a significant contributory role in this period of stable growth and improving services. Budget support has been successful in promoting harmonisation and alignment, and increasing allocation of expenditure to pro-poor spending. DFID can take credit for contributing to the steady progress in poverty reduction, through its PRBS but also its increasing sector support that has offered an important balance. Up to date survey data are still awaited to provide assurance that the funds are efficiently reaching the intended services and that better services are resulting in improved livelihoods.

S10. DFID has effectively pursued a common agenda for health, education and HIV/AIDS around capacity, effectiveness and accountability. Significant progress has been made in harmonisation and alignment, and progress is also evident in enhancing accountability (although challenges remain around civil society involvement). In infrastructure, progress on maintenance in roads and water has occurred, but DFID has seen little progress on its alignment agenda and was over-ambitious in its timeframe for achieving this. DFID has led an innovative strategy around community-based approaches in land.

S11. DFID's support with others for reform of public finance systems has been moderately successful, reducing petty corruption and improving accountability and budget management. However, the public sector reform programme has been disappointing. The reasons include weak political will and human resource capacity and a too ambitious reform agenda. DFID's planned exit is problematic: it may be necessary to bring greater focus to the programme, but carries risks given the importance of such reforms for accountability and service delivery.

S12. In terms of leverage on sensitive governance issues, particularly corruption and human rights, the G19 donor group, because of its size and heterogeneity, have found it difficult to prioritise messages, and progress has been restricted to agreeing plans and processes. The high-level political meetings between the GoM and the donors are not having the influence originally anticipated. As the UK moves to chair the G19 Troika, there will be a major opportunity to work with the government on a more focused, but substantive agenda.

S13. As the top scorer in the Programme Aid Partners (PAP) monitoring, DFID is seen as a role model for aid effectiveness. In aligning its future programme, DFID must recognise that the GoM, while it prefers budget support, accepts the need for pooled funding and project modalities and seeks inclusive and flexible partnerships. DFID's influence on multi-laterals through country-level engagement has been modest.

S14. The current PARPA Monitoring and Evaluation (M&E) system has built a coherent understanding of performance. Nevertheless, it suffers from a number of weaknesses in terms of lack of measures of quality and equity improvement, weak provincial consultation and space for civil society involvement. DFID support for poverty monitoring surveys, exclusion studies and the African Peer Review Mechanism was well targeted and effective.

S15. DFID responded well to the 2006 CPE recommendations to scale up HIV/AIDS support, to using DFID's influence more widely beyond budget support to sectors, projects and in dialogue. DFID also paid greater attention to cross-cutting issues in general, outlining how it would deal with gender and environment. DFID has also responded to the need to build language skills, promote locally-appointed staff, and set up a better M&E plan (at least until the new corporate Results Framework was introduced). DFID did not follow up the recommendation to finding appropriate ways to work on decentralisation, a key challenge now in improving services and reducing regional inequalities.

S16. Staff turnover, lack of field exposure and inadequate communications remain of concern. Changes in Head of Office stretched team capacity to deliver on aid effectiveness, and the extended period when an Acting Head was in post held back the evolution of DFID's programme in terms of exiting or tackling slow progress. However, others are making exits in pursuit of a stronger Division of Labour (DoL) and these may pre-empt DFID's own actions.

S17. **Lessons**

- Where DFID is a leading provider of PRBS, it is still valuable to have strong sector engagement to influence service delivery outcomes and reforms. PRBS can only be one of many tools used in conducting an effective policy dialogue on reform issues. Especially in the area of fighting corruption, more integrated and joined up approaches are necessary to provide the appropriate incentives.
- DFID needs to review carefully its use of indicative tranches in PRBS as part of its means to leverage a government response on corruption or other sensitive issues. Initial evidence suggests that it will not be effective if the tranche is relatively small and is part of a wider range of conditionalities that are uncoordinated. A broader programme of governance measures will also be needed if corruption is to be more effectively addressed.
- Sector exits need to be planned and managed more carefully and strategically timed to coincide with those of other partners so that balanced collective decisions can be made and so that opportunities for making effective exiting decisions are not missed.
- The dialogue around budget support modalities in relationship to multilaterals may most effectively take place at headquarters level rather than at country level. There is a limit to what can be achieved with dialogue at country level.

- Common Funds can be an appropriate alternative to PRBS where fiduciary risks are too high or where more direct engagement can be generated through such funds given institutional and capacity bottlenecks. However, Common Funds can also involve extensive planning and management for all partners, and realistic timeframes are needed and consistent influencing both globally and locally.
- Given the need to fully understand the complexities of the situation in-country, including, in many cases, having language skills, UK-based advisers are more effective if recruited for tours of duty of at least three and preferably four years. Sudden staff changes should be avoided, especially at senior level.

S18. Major Recommendations

- DFID should hold joint discussions with other donors and undertake a careful review of the effectiveness of past anti-corruption strategies, and the effectiveness of graduated response mechanisms as part of underlying principles of budget support. The view of this evaluation is that DFID should consider reducing its PRBS core tranche and/or increasing the indicative tranche in order to send stronger signals on corruption and governance.
- DFID should balance its lead role in provision of budget support and aid effectiveness with a stronger focus on sector outcomes (5.11). DFID needs a stronger focus on service delivery, integrated with the policy and M&E discussions at sector level. This brings with it, a stronger focus on the issue of decentralisation.
- Influencing of key agencies (Global Fund for AIDS, TB and Malaria (GFTAM), PPresident's Emergency Plan for AIDS Relief (PEPFAR), World Bank, European Commission (EC)) needs further strategic thinking, good monitoring, and careful consideration of experiences (6.50). The influencing agenda should be informed by priorities of the government and country. DFID should consider periodic monitoring and independent assessment of its influencing role.
- In choosing exits, DFID needs to balance the need for predictable financing to sectors with the resources it takes to maintain even minimal involvement. In education, DFID's commitment is essentially a financial and a long term one. In the health sector, its commitment is around policy issues – although this could also be provided by other like-minded donors. DFID should give higher priority to the Division of Labour (DoL) process.
- The current infrastructure and regional linkages pillar needs to be more strategic and with better regional linkages. DFID should exit from roads and water, following an analysis of Division of Labour in these sectors. Land reform, coupled with the equitable growth agenda and encompassing cross-cutting issues like climate change, bio-fuels and disaster relief, could form synergies around a new pillar for growth in rural areas.
- DFID, as incoming Troika chair, should focus on a small set of reform issues (such as anti-corruption, DoL and G19 restructuring). Pursuing as close a working partnership as possible with the Foreign and Commonwealth Office (FCO) would be vital in this respect.
- DFID should increase support for strengthening the PARPA M&E system through more extensive statistical advice and support for surveys, and pursue a strengthened level of participation by civil society.

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Abbreviations

AE	Aid Effectiveness
AfDB	African Development Bank
ANE	Administração Nacional de Estradas (National Road Administration)
APRM	Africa Peer Review Mechanism
ART	Anti-Retroviral Therapy
BHC	British High Commission
BS	Budget Support
CAP	Country Assistance Plan
CIP	Centre for Public Integrity
CoC	Codes of Conduct
CPE	Country Programme Evaluation
CSO	Civil Society Organisations
CSSM	Civil Society Support Mechanism
CRA	Central Revenue Authority
DoL	Division of Labour
DPG	Development Partner Group
EC	European Commission
EDF	European Development Fund
EITI	Extractive Industries Transparency Initiative
e-SISTAFE	Electronic Financial Management Information System
EvD	DFID Evaluation Department
FASE	Fundo de Apoio ao Sector de Educação (Education Sector Support Fund)
FE	Fundo de Estradas (Road Fund)
FCO	Foreign and Commonwealth Office
G19	19 donors

Abbreviations

GFATM	Global Fund for AIDS, TB and Malaria
GoM	Government of Mozambique
HO	Head of Office
HoC	Head of Cooperation
HoM	Head of Mission
HQ	DFID Headquarters
IACDI	Independent Advisory Committee on Development Impact
IAF	Household Budget Survey
IESE	Institute for Social and Economic Studies
IHP	International Health Partnership
IMF	International Monetary Fund
INE	National Institute for Statistics
ITC	Iniciativa de Terra Comunitarias
M&E	Monitoring and Evaluation
MCC	Millennium Challenge Corporation
MDG	Millennium Development Goal
MICS	Multiple Indicator Cluster Survey
MoU	Memorandum of Understanding
MTR	Mid-term Review
MZN	Noveau Metical Mozambicain
NGO	Non-Government Organisation
ODA	Official Development Assistance
OECD DAC	Organisation for Economic Co-operation and Development Development Assistance Committee
PAF	Performance Assessment Framework
PAP	Programme Aid Partners
PARPA II	Plano de Acção para a Redução da Pobreza Absoluta (Action Plan for the Reduction of Absolute Poverty)

PEPFAR	President's Emergency Plan for AIDS Relief
PES	Plano Económico e Social (Economic and Social Plan)
PETS	Public Expenditure Tracking Surveys
PFM	Public Financial Management
PRBS	Poverty Reduction Budget Support
PRISE	Integrated Roads Sector Programme
PSI	Programme Support Instrument
PSR	Public Sector Reform
RAI	Relatório de Avaliação de Impacto (Impact Evaluation Report)
SAIC	Staff Appointed In Country
SWAp	Sector Wide Approach
UTRAFE	Unidade Técnica de Administração Financeira do Estado
UTRESP	Unidade Técnica de Reestruturação do Sector Publico
V&A	(World Bank's) Voice and Accountability Index
VAT	Value-added Tax
WG	Working Group

1. Introduction

- 1.1 The Mozambique Country Programme Evaluation (CPE) conducted in 2009 forms part of a sixth round of CPEs undertaken on behalf of DFID's Evaluation Department (EvD). CPEs have been conducted to provide important accountability and lesson learning functions for DFID based on the quality of delivery at country level and through bilateral engagement. The evaluations are broadly based on the OECD DAC evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability (see Annex 1 for Terms of Reference).
- 1.2 Responding to issues raised by the Independent Advisory Committee on Development Impact (IACDI)¹ as well as to the principles at the centre of DFID's new Evaluation Policy², the latest round of CPEs has aimed to take a more country-focused approach with a greater emphasis on learning and, where possible, an emphasis on joint ownership. The methodology has been modified to reduce the broad coverage of past CPEs, and to explore fewer, but more relevant, evaluation questions of stronger interest to the country office hosting the CPE.
- 1.3 The Mozambique evaluation is also the first repeat CPE, following the earlier evaluation in 2006³. The 2006 report covered the period from 2000-2005, while the current evaluation covers the period from 2006-2009. The 2006 CPE identified DFID as a leading actor in introducing general budget support and improving aid harmonisation and alignment in Mozambique. It had a recognisable impact on government reform processes and a less attributable but positive effect on poverty reduction. Portfolio quality was judged as rather modest and there were gaps in addressing civil society and confronting the central challenge to Mozambique's population of HIV/AIDS. DFID was found to have a well-respected staff complement including well-integrated staff appointed in country (SAIC). The UK-based staff complement had begun to suffer however, from high turnover and weaker language skills compared to the original complement in post since 2001.

¹ <http://iacdi.independent.gov.uk/>

² *Building the Evidence to Reduce Poverty*, The UK's policy on evaluation for international development, DFID. June 2009.

³ *Mozambique Country Programme Evaluation*, ev668, August 2006.

2. Methods

- 2.1 The CPE began with a short Scoping Mission⁴ which included meetings with DFID staff, and with selected donor agencies where the potential for conducting a joint evaluation was discussed. A team of five consultants conducted the main fieldwork from September 14 to October 2, 2009⁵. While the majority of time was devoted to interviews in Maputo with DFID, its partners in government, the donor community and in civil society, a two day field trip was also conducted to Zambezia province. This allowed three of the team to examine the relevance and effectiveness of DFID's programme from a provincial perspective. Interviews were conducted with provincial and municipal officials, with non-government organisations (NGOs) and with staff at a municipal health post. Annex 3 contains a list of people contacted.
- 2.2 The Mozambique CPE approach was to build on (i) the findings of the 2006 CPE and (ii) the main issues raised by the current DFID team in country. The approach to evidence gathering followed by the team was different to previous CPEs in that a detailed evaluation matrix of questions was not elaborated prior to the fieldwork. Instead, an interview guide was developed by each team member around three main areas: design, results and processes. These guides, while taking the team extra time to develop, allowed a stronger focus on a shorter set of priority issues. This resulted in different matrices that were customised to issues within each pillar (Annex 5).
- 2.3 The principle of pursuing a joint evaluation effort with other partners (in line with the new EVD policy⁶) was discussed in the scoping mission. It was, however, difficult to advance this agenda in a practical way at such a late stage. It was recognised that government was pre-occupied with a review of its own poverty reduction programme and also with forthcoming elections. Hence, they would be unable to assume close interest in or ownership of the CPE. As for aid partners, only the European Commission (EC) proposed that a level of joint working could be feasible with their Mid Term Review (MTR) of the tenth European Development Fund (EDF) that was being conducted concurrently. No other partners had a major independent country evaluation planned for the same period. In response to the EC proposal, the CPE team were able to interview government stakeholders with the EC MTR team, and hold cross-team meetings to share documents and analysis. The objectives of the EC MTR however were different to the CPE in that the MTR was essentially a mid-course re-programming mission rather than a more broad lesson-learning and summative evaluation exercise⁷.
- 2.4 The methodology included collaboration with the Southern Africa Regional Programme Evaluation that took place concurrently⁸. The two teams exchanged materials, particularly around the growth and regional linkages aspects of the two DFID programmes, and one team member from the Southern African team joined the Mozambique CPE team for three days in Maputo.

⁴ *Scoping Mission Report*, Mozambique CPE, August 2009.

⁵ The team consisted of a team leader (aid effectiveness), and four specialists covering economics, education and health, governance, public sector reform, and infrastructure plus environment.

⁶ *Building the Evidence to Reduce Poverty*, DFID, June 2009.

⁷ Refer to the Terms of Reference of the EC MTR. The review is part of a global exercise in adjusting commitments under the tenth EDF with a standard scoring system and tight deadlines.

⁸ Also commissioned by EVD, as part of their programme of regional and country evaluations. This regional evaluation assessed the relevance and effectiveness of DFID's regional strategy over the period 2004-09, and will be published in mid 2010.

- 2.5 In addition to evidence gathering by the CPE team, a web survey was conducted. This sought the views of a range of stakeholders in Mozambique on the relevance and effectiveness of DFID's programme. Out of 85 persons emailed, 13 usable responses were received (a 15% response rate) with donors comprising half the response 54% (7 persons), government 23% (3), Civil Society 8% (1) and Private sector 15% (2). The full results are presented in Annex 6. Though the response was modest, some useful findings emerged and are referred to under appropriate sections in the report.
- 2.6 **Report Structure:** Following a short context chapter (Chapter 3) and a description of DFID's programme (Chapter 4), the report is divided into three main chapters dealing with evidence on Strategy, Results and Processes (Chapters 5, 6 and 7). These lead to two final Chapters on Conclusions (Chapter 8) and Lessons and Recommendations (Chapter 9).

3. Context

- 3.1 National events in Mozambique are at a watershed with national elections (presidential and parliamentary) held on October 28th 2009, that confirmed the ruling party Frelimo's⁹ increasing hold on power with over 75% of the vote¹⁰. The elections were criticised by some observers and there are broader concerns over the quality of democracy in the country. Currently also the government is undertaking a review of its second poverty reduction programme (2006–2009) or Plano de Acção para Redução da Pobreza Absoluta (PARPA II) or Action Plan for the Reduction of Absolute Poverty. Early results from this work were released on 28th September 2009 at the end of the CPE fieldwork.
- 3.2 Economic growth has continued to be robust with an average of 8% per year over the period, although the global recession, as well as shocks related to fuel and food prices, have bitten into this and reduced growth by around 1% in 2008¹¹. Fiscal performance continues to be strong with growing domestic revenues, strong budget execution (98.2% in 2008), a consistently high allocation of around two-thirds of total budget to priority sectors, and cautious debt management. Monetary policy has remained prudent and inflation is expected to remain around 6%. Growth has been on a strong path, however, the distribution of benefits throughout the country has been uneven with increases in the depth of both rural and urban poverty. Although the estimated national poverty headcount fell from 69% in 1997 to 54% in 2003, recent assessments suggest that poverty may have fallen further in recent years, matching the PARPA II target of a reduction from 54% to 45% by 2009, but that inequality may have worsened¹². Even with the most optimistic growth forecasts, Mozambique will still be a low-income country in 2015, with a per capita annual income of around US\$600.
- 3.3 Mozambique's progress against the Millennium Development Goals (MDGs) has been mixed with good progress on poverty reduction, and on some key education and health indicators. Gender equality in education, and sanitation, although showing improvement from a low baseline, are under performing and targets for hunger and HIV/AIDS will not be met, while water is moving off target (see Annex 7). While national figures show positive trends, recent survey data indicate rising inequality and regional disparity¹³. Vaccination coverage, for example, varies from 74.1% in urban to 54.8% in rural areas, with Maputo City recording 82% as against 34.2% in Tete and 46.8% in Zambezia.
- 3.4 Adult HIV/AIDS prevalence shows no overall decline and growing disparity because of the effects of various drivers such as migration, road links and poor services, with the highest prevalence rates in Gaza (27%), Maputo Province (26%), Sofala (23%) and Zambezia (19%).

⁹ Frente de Libertação de Moçambique (Mozambique Liberation Front).

¹⁰ Frelimo won the 2009 elections by a landslide, obtaining 191 of the 250 parliamentary seats. Renamo, won 51 seats and MDM, formed after a split from Renamo, won eight.

¹¹ Mozambique successfully graduated from the IMF's three year Poverty Reduction Growth Facility in July 2007 and completed its third review of the Programme Support Instrument (PSI) in January 2009. During the past decade, Mozambique has had a 'stellar performance' according to the IMF, mainly driven by mega-projects, agricultural and service sector growth, prudent fiscal and monetary policies, and a reduction in debt levels through debt relief and prudent borrowing policies. The impact of the global turmoil has so far been contained, but the country is vulnerable because of its reliance on commodity exports and capital inflows and Mozambique's macroeconomic prospects have weakened with projected real GDP growth reduced to 4.3%.

¹² There is a dearth of recent survey data, due to delays in completion of the most recent household income and expenditure survey.

¹³ See the recent Multiple Indicator Cluster Survey, 2008.

Youths aged 15–24 are the most heavily affected and account for 60% of new infections¹⁴. The gender disparity is striking. Within the 20–24 age group, young women living with HIV outnumber men by four to one. The 2007 sentinel data does, however, point to strong regional variations, with prevalence declining in the north, remaining stable in the centre and increasing in the south of the country. In Mozambique sentinel surveillance among pregnant women who go for pre-natal testing is the only representative measure of the occurrence of HIV and this can be used to estimate tendencies. Based on the 2007 data it appears that the prevalence among 15–24 year old women in prenatal consultations has decreased from the peak in 2004 at 15.6% to 11.3% in 2007. The draft National AIDS Plan (to be submitted for approval by the Council of Ministers in February 2010) notes that this may be indicating that at national level the incidence of HIV is reducing, although the epidemic in Mozambique remains one of the most serious in the world.

- 3.5 Mozambique remains highly dependent on aid, with half its budget supported by grants and concessionary loans¹⁵. General budget support has been a significant portion of all aid, estimated at 38% in 2008, while Programme Aid accounts for 66%¹⁶. Since 2006, project support which stands at 34% of all aid in 2008, has not increased as fast as budget support. Most aid is given in an aligned manner, following the government's priorities and with a relatively mature aid architecture guided by a framework that contains mutually accountable performance mechanisms. Mozambique is commonly regarded as a model case within the precepts of the Paris Declaration on Aid Effectiveness.¹⁷ With consistent increases in budget support, expenditure on pro-poor sectors has doubled since 2005 (from US\$899 million to US\$2,017 million).
- 3.6 The aid architecture is built around a group of 19 donors (G19) who engage with the GoM in policy dialogue, founded on their combined provision of budget support (un-earmarked aid paid to the Treasury) and programme aid (marked for specific programmes but still using most of government planning and financial systems). The dialogue is structured around different levels from the highest, Head of Mission (HoM) which focuses on political dialogue, to Head of Cooperation (HoC) which discusses overall development policy, to various sector and cross-cutting working groups in which all aid partners, the GoM and civil society can contribute. Dialogue with the government is conducted through a 'Troika plus system'¹⁸, involving three elected bilateral donor members and two permanent members (the EC and the World Bank). The principles and procedures of this system are defined in a Memorandum of Understanding (MoU), the most recent version of which was renewed in 2009. The UK (represented by the British High Commissioner as the HoM and the DFID Head of Office as the HoC) will assume the chair of the Troika plus in 2010.

¹⁴ Recent results from the National Aids Council show that the prevalence rate for HIV in adult population has not changed between 2007 and 2009. The non-calibrated national prevalence is calculated at 15% for 2009. Given the confidence levels the prevalence can be anywhere between 14% and 17%.

¹⁵ The IMF suggests that there could be a risk of debt distress, but this is based on a high level scenario of a 30% fall in aid, which would be replaced by non-concessional lending. However Government financial projections for 2010–2012 suggest a flat lining of aid flows rather than a fall. See 'The Implications of the Global Financial Crisis for Low-Income Countries', IMF 2009.

¹⁶ *Mozambique Independent Review of Programme Aid Partners' Performance in 2008 and Trends in PAPs*, Performance over the Period 2004–2008, IESE, April 2009.

¹⁷ See for example the Joint Evaluation Of General Budget Support 1994–2004, Mozambique Final Country Report, by R, Batley. L. Bjørnestad. A.Cumbi, University of Birmingham, 2006.

¹⁸ *Programme Aid Partners Organisation Structure and Terms of Reference*, Troika-plus Constitution, Selection, Rotation and ToRs, A Johnson, SIDA, no date.

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- 3.7 While economic performance is good, the governance environment remains one of concern. The ruling party, Frelimo, continues to tighten its grip on power and the opposition's effectiveness has steadily declined. Accountability mechanisms such as parliament, the media and civil society remain weak, Maputo-centric and ill-equipped to provide a serious challenge¹⁹. Human rights remain a concern in the justice and security sectors²⁰, and the majority of the population have limited access to the formal justice system, which is perceived as being particularly corrupt²¹. Progress on stemming corruption has been slow, but with some improvements in terms of legislation and public finance²².
- 3.8 As the current PARPA period draws to a close, with generally satisfactory progress in terms of the PARPA development outcomes, and with presidential and parliamentary elections just held, the country is moving into a new era of development. Sustainable development, including the continued improvement in quality and reach of services, will depend on how well the country builds on its economic base. Immense energy resources (in coal, minerals, water for hydro power and possibly oil) appear to offer a promising path to reduction of aid in the long term (including through mega projects), providing these assets are exploited to the maximum benefit of the country. Elsewhere in Africa, however, oil rich countries have found such reserves to be as much of a curse as a boon. Mozambique's mega-projects, although in themselves having low employment potential, do offer up-stream and down-stream potential for growth and poverty reduction.

¹⁹ Underlying reasons for this situation include high levels of illiteracy amongst the general population, a culture of viewing the state as a benefactor, and the breakdown in social capital occasioned by the post-independence civil war.

²⁰ See for example *Licence to Kill, Police Accountability in Mozambique*, Amnesty International, April 2008.

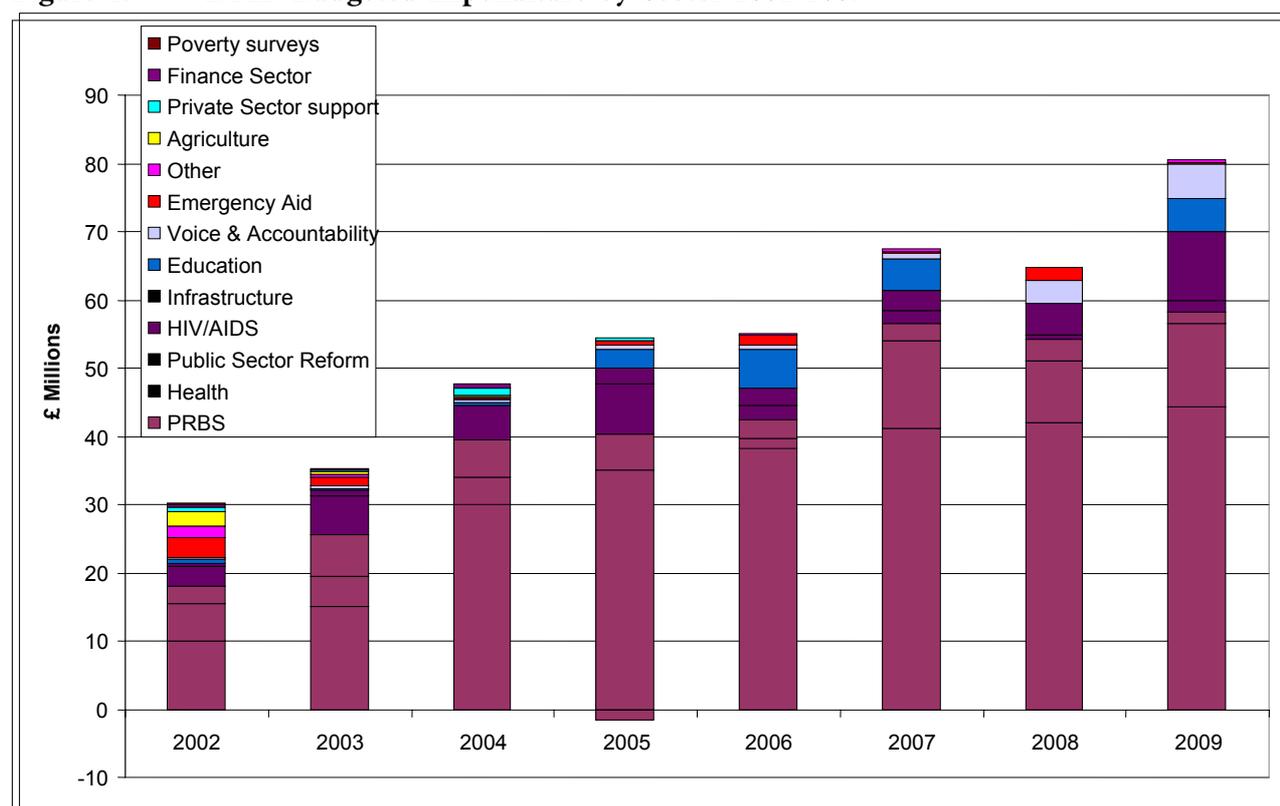
²¹ *Power and Change Analysis*, Mozambique, Ecorys and ODI, November 2008, p.59.

²² See for example the EC Governance Profile, EC Delegation, 2009.

4. DFID's Programme

- 4.1 Over the evaluation period, DFID has been implementing its 2008-2012 Country Assistance Plan (CAP). Though approved in 2008, the strategy was first drafted in 2006 after which consultations took place with partners and supporting analysis was prepared, such as the governance analysis and conflict analysis²³. The CAP was closely aligned with the government poverty reduction strategy (PARPA II), launched in May 2006.
- 4.2 DFID has been amongst the largest donors in Mozambique since 2002. The Official Development Assistance (ODA) Mozambique website run by the Ministry of Planning places DFID fifth after the USA, the EC, the World Bank and the African Development Bank (AfDB). While DFID's bilateral aid framework has almost doubled from a budget of £45 million in 2006 to one of £81 million in 2009 (see Figure 1), the mix between instruments and sectors has largely been maintained, with Poverty Reduction Budget Support (PRBS) accounting for the majority of spend. While DFID's intention was to maintain PRBS at 70% of total programme spend, the actual PRBS proportion, based on annual budget figures²⁴, has been 63% in 2007, 65% in 2008 and just 55% in 2009 due to high spend on the pooled funds in health, education and roads.

Figure 1. DFID Budgeted Expenditure by Sector 2002-2009²⁵



- 4.3 The CAP, published in July 2008, was structured around the four main PARPA pillars: Human Capital; HIV, Gender and Cross-cutting issues; Governance; and Economic Development. It also built on the existing G19 aid architecture, committing to continuing and increasing the UK's aid in this manner. The CAP aimed to narrow down DFID's sector

²³ *Strategic Conflict Assessment for Mozambique*, Report to UK Government, April 2006.

²⁴ Figures drawn from DFID Mozambique financial data.

²⁵ See Table 4, Annex 8. Data taken from DFID ARIES financial system.

engagement and to immediately close support to small business and finance sectors and, over the course of the CAP, to exit from roads and water by 2010, and public sector reform by 2012. Although considered important sectors in relation to poverty, DFID argued that because of other donor support and lack of comparative advantage, it would not enter into decentralisation, justice or agriculture.

- 4.4 Finalisation of the CAP took two years. An earlier draft CAP (circulated in October 2007 for consultation) had some interesting differences in programme balance compared to the final CAP, as summarised in Table 1. Budget support was originally planned to increase from £41 million to £56 million over five years. The final CAP reduced this figure but added a growing indicative amount from 2009-2010 onwards. The submission highlighted that: *'the indicative amount is less firm and is designed to allow flexibility to respond to aid framework pressures, other demands on our programme or to respond to concerns about effectiveness. A growing indicative amount provides the flexibility we need to respond to uncertainty over the life of the programme'* [CAP submission 2008). The submission also proposed to make a stronger link between the indicative tranche and performance on corruption. This was approved in the course of 2008 when the purpose of the indicative tranche was changed towards a mechanism to reward government performance in the area of corruption. Basic services received a larger and increasing budget (rather than a reducing budget) in the final CAP, largely because of the availability of funds from the International Health Partnership (IHP), a central DFID initiative, to Mozambique. Less funding was earmarked for Public Sector Reform (PSR) in the final CAP and climate change was introduced to reflect a new corporate agenda. Finally, accountability was given significant extra funding and a doubling of spend over five years was foreseen.

Table 1. Comparison Between Draft and Final CAPs

Draft CAP (October 2007) from 2007/08 to 2011/12	Final CAP (July 2008) from 2008/09 to 2012/13
Budget support to increase from £41m to £56m	Budget support to increase from £42m to £47m, but with a 'possible indicative' element rising from £2m in 2009/10 to £7m in 2012/13
Basic services falling from £11.9m to £6.8m	Basic services rising from £9.7m to £10m
Economic development roads £2.5m to £2.2m	Climate change and growth £2.4m to £5m
Public Sector Reform falling from £3m to £2m over four years	Public Sector Reform falling £2.3m to £1.5m over three years
Accountability from £1.3m to £3m	Accountability from £3.5m to £7m
Total £60m rising to £73m	Total £60m rising to £77m

- 4.5 The staff complement has evolved in the DFID Mozambique office: in 2006 there were 14 UK-based staff and 18 SAIC staff, but by 2009 this had changed to 9 UK staff and 24 SAIC staff. Over the period, 3 SAIC staff were appointed at advisory level and several were promoted to senior programme or deputy manager. During this time there have been 3 Heads of Office (one of whom was Acting Head for a nine-month period).

- 4.6 The office was restructured in 2006/07 to reflect alignment around the PARPA pillars. This led to three teams, each covering one of the main programme pillars (Human Development, Regional Linkages, Growth and Infrastructure, and Governance) and an Aid Effectiveness team, which led on budget support.

5. Strategy

Use of Past Experience

- 5.1 The CAP for 2008–2012, published in 2008, drew widely on DFID’s past experience in Mozambique and on lessons arising from a major study on budget support²⁶ and a previous CPE in 2006²⁷. The continuing emphasis on budget support was justified from these reviews as was the continuation of support for the co-ordination framework in which the G19 committed to budget support provision and engaged in policy dialogue with the GoM. Although recognised as time-consuming and complex, this architecture was credited with improving aid predictability and mutual accountability. It was DFID’s intention to improve the processes involved in the G19 mechanism and, furthermore, to support the government and citizens ‘to use their own results-based planning, budgeting and monitoring systems’ (CAP, p.13).
- 5.2 Although the CAP preparation was lengthy, the consultation process with national bodies was strong, especially through the ‘CS14’. This was a peer review mechanism for the large number of donor strategies drafted over the period 2006–2007. The CS14 involved exchange of views between peers and included ‘hearings’ where the government and partners commented on strategies, including DFID’s. These were highly regarded as challenging and serious by the then DFID Head of Office and by others.
- 5.3 **CPE 2006 Recommendations:** The CPE 2006 produced a number of recommendations aimed at improving DFID’s future work in Mozambique. The recommendations were mostly accepted by the then Head of Office (See Annex 9). The new CAP responded particularly to the need to move HIV/AIDS higher up DFID’s agenda, to improve M&E, and to build mutual accountability and greater influencing throughout the programme (and not just in budget support). Despite pertinent recommendations in the CPE 2006, the CAP decided to leave others to address gender directly and did not mention equity²⁸.
- 5.4 Improving DFID’s efficiency in delivery was also a key area for improvement identified in the CPE 2006, including reducing staff turnover, building language skills, balancing policy work with programme work and field exposure, and improving communications. The CAP however was silent on how DFID would improve its capacity for delivery, although the management did respond internally to address these points.
- 5.5 The CAP built on past efforts to improve the accountability of government to citizens. It was correct in continuing support for public sector reform and public financial management (PSR/PFM), support to the development of a more capable civil society, improved monitoring of PARPA and by strengthening internal and external accountability aspects within sector support programmes.

²⁶ OECD DAC Joint Budget Support Evaluation of Mozambique, May 2006. This reviewed experiences between 1994 and 2004 and came to the broad conclusion that general budget support in Mozambique had been a very successful case of donor-government collaboration and has contributed positively to conditions for economic growth and poverty reduction. It can claim to have made a small contribution to the reduction of income poverty through its effect on macro economic stability and government spending, although sustained strong economic growth has been the principle contributor. The effect on the social inclusion and empowerment of poor people was judged to be weaker.

²⁷ The independent CPE in 2006 judged that PRBS has overall been positive on outputs, although it was too early to be clear on its specific impacts on poverty.

²⁸ Other donors were seen to be ahead on gender and DFID sought to be cautious before engaging (except for promises to address gender in roads and in poverty monitoring (CAP, p.18)). There is no mention of equity in the CAP.

Choice of Entry Points

- 5.6 This section looks at how strategic was the choice of entry points given DFID's priorities, expertise and relative sector needs. The choice of entry points in DFID's work around PRBS, especially in PSR/PFM, was good. It built on DFID's expertise and addressed identified risks around corruption and weak government budget and human resource systems. On the other hand DFID chose not to address decentralisation. While the CAP mentions the on-going decentralisation process and the importance of this process to scaling-up accountable service delivery at district and provincial levels, DFID chose not to engage in this area based on corporate level guidance and existing donor support. While pursuing better performing public services has allowed DFID to engage in key sectors, in our view it would have complemented DFID's programme if it had chosen to have a regional or district presence and to work directly on improving local services.
- 5.7 In governance, the CAP strategy was not ambitious enough to achieve impact in terms of improved accountability. The support to political governance, although correctly seen as a key area of engagement and one with which DFID was familiar, was limited to a small programme of support to civil society (£1m) in the areas of election monitoring, drafting of a new electoral law and building linkages between parliamentarians and their constituents. The work with parliament was not based on any clear comparative advantage or sound intervention strategy. Work was going on in this area by others and results were poor. DFID could possibly have used its resources more effectively in studying the context and identifying interventions that would offer greater potential impact.
- 5.8 The Civil Society Support Mechanism (CSSM) was an example of DFID having learned to be more strategic in supporting civil society organisations (CSOs) and built on DFID's prior experiences with umbrella organisations such as the G20 and Link²⁹. Its grant-awarding systems, geographical coverage and very specific criteria for supporting CSOs limited impact in the early years. Of more immediate strategic relevance was the support to the Centre for Public Integrity (CIP) and to the Institute for Social and Economic Studies (IESE). CIP is a well-targeted and strategic initiative aimed at creating a centre of research, dissemination and policy-influencing around public integrity issues. The IESE support is strategic as it consists of long-term and joint funding, enabling the development of a new locally-based research institution.
- 5.9 **Entry and Exits:** DFID made bold decisions to work in the roads and in water sectors with a view to building harmonised approaches with the major funding agencies. From first principle, this was an over ambitious approach, given the limited three year timeframe (exit planned by 2010), the known difficulties for the multilaterals already in the sector – AfDB and the World Bank (and the incoming Millennium Challenge Corporation (MCC)) – to joint common funding arrangements, and the GoM's weak appetite for a sector wide approach (SWAp) in these infrastructure areas.
- 5.10 Equally DFID planned to exit from PSR/PFM, a somewhat surprising decision as, although these were complex areas, DFID had a sound track record, the ability to bring influence in this area, and good expertise:

²⁹ G20 is the largest grouping of Civil Society Organisations, and LINK is a National NGO Forum based in Maputo. Both have been supported by DFID from 2002-03.

“All project engagement in central PSR issues (SISTAFE, PFM and Tax Reform) will be finished and transferred to mainstream government-led processes. ... DFID will exit from project level engagement. DFID Advisers will stay involved through normal fiduciary processes and continuing support for GoM systems for results tracking.”³⁰

Programme Balance

- 5.11 This section looks at the balance of the programme and if there were sound strategies at pillar level. Overall DFID’s decision to maintain PRBS as its central aid instrument reflected its faith in the PARPA framework and in the GoM’s continuing commitment to maintain pro-poor spending. DFID correctly sought to balance this approach with sector commitments, particularly in health and education. Balancing PRBS with other aid modalities and interventions at sector level and in governance and accountability was appropriate because (i) the direct links between PRBS and service delivery were still not clearly established and (ii) direct engagement at sector level allowed more focused and targeted dialogue and monitoring of results. DFID did well to raise the share of funding for demand side governance and accountability, and so address the need to increase external pressures on the government to improve transparency and accountability. The introduction of an indicative tranche, although its purpose was not explained in the CAP, aimed, from 2008 onwards, to reward government performance in the area of corruption. While the design of this mechanism is appropriate to promote transparency and predictability of potential additional budget support disbursements, the leverage arising from a relatively small amount in the context of Mozambique’s overall aid is open to question (see 6.24).
- 5.12 In Governance, the CAP was correct to continue to reinforce DFID’s emphasis on supply-side governance, building on existing reforms and emphasising a common fund modality. While reforms remained centrally driven, opportunities were also taken to respond to the needs of individual sectors. For example, phase two of the public sector reform programme has tried to direct focus towards education and health in terms of service delivery, and towards human resource management and anti-corruption strategies.
- 5.13 DFID’s interventions on the demand-side of governance were a collection of reasonably small interventions some of which were sound (such as the CSSM, IESE and CIP). However, as a portfolio they seem fragmented and were not identified using a careful analysis of opportunities. The absence of an explicit strategy in this area left open the question of why key areas were not addressed, for example the critical issues of weak political party development³¹, the justice sector or media. DFID argued in the CAP that it need not enter the complex yet critical justice sector because it was adequately covered by other donors. In fact this was not and still is not the case today, given the size and complexity of the problems and the low capacity amongst donors to work in this sector.
- 5.14 A strategic programme of support in the area of citizen’s voice and the demand for accountability would also have paid attention to the independent media. The development of CSOs in the provinces and districts which are capable of holding the government to account depends on their level of access to quality independent information and ideas. The current situation in Mozambique is very poor in this respect and yet is pivotal in the

³⁰ CAP Exit Strategies Vision 2011, no date, Head of Office, DFID.

³¹ Some earlier work had been done in this area by the Westminster Foundation but there is no evidence of DFID having used the experience to develop a more strategic programme. The issue of a very weak opposition has become increasingly critical and was not addressed by other donors. DFID is now planning to develop a democratic institutions development programme but it is not clear why such a programme was not given greater priority and urgency some three years ago.

development of democratic processes in small urban and rural areas³². While there was a need to focus DFID's support work and hence not necessarily to enter each of these areas, there was not a sufficiently cogent assessment that explained why DFID itself might not support them and how others would, and what the implications might be of not addressing this important concern.

- 5.15 In the Human Development pillar, the continued financial and technical engagement in the main sectors represented an important complement to the central more macro strategies. Across the three areas of focus (HIV/AIDS, health and education) the CAP proposed a common approach, emphasising: a) strengthening capacity for service delivery; b) fostering accountability in service delivery through stronger CSO involvement; c) ensuring approaches to service delivery are accompanied by responsive pro-poor policies; and d) championing improvements in aid effectiveness at sector level, and shifting the focus of dialogue to monitoring of service delivery outcomes. These four areas, which were expected to be supplemented by the central level reforms, represent a sound balance and one that had been recommended by the CPE in 2006.
- 5.16 As a pillar, Growth, Infrastructure and Regional Linkages is a mix of corporate themes in newer areas (climate change, bio-fuels and mega-projects) and traditional areas of focus (roads, land, water and disaster risk reduction). Neither the CAP nor subsequent pillar documentation contain evidence of an overarching strategy that describes how this mix of predictable, long term funding within sectors (roads and water) will complement or mix with approaches that emphasise policy development and technical assistance (climate change, bio-fuels) or where DFID's added value lies. The very broad range of areas for action (and consequent skill sets) within the pillar presented a challenge for DFID, especially given the overall corporate context of staff reductions and increasing support to PRBS.
- 5.17 In the area of equitable growth, efforts around policy development for extractive industry mega-projects could have longer term synergies with other areas of DFID programming including efforts around achieving Extractive Industries Transparency Initiative (EITI) status, DFID's support for research and policy NGOs like CIP and IESE, and DFID's regional programme based in South Africa. However, it was over ambitious to link these modest initiatives with outputs like *'the emergence of secondary industries to deepen the impact of prosperity creation by Mozambique's nascent mineral extraction industry'*³³.

Continuing and Expanding PRBS

- 5.18 The CAP's prioritisation of PRBS was relevant and appropriate given the Mozambique context. DFID's PRBS intervention strategy was widely communicated and consistent over time. Mozambique's aid environment continued to be highly fragmented in spite of an increasing share of PRBS to 38% of total aid. With over 30 donors, aid management is complex and challenging and without budget support and its streamlining effects, it would be very difficult to plan and manage the scaled up delivery of services foreseen under PARPA II. The experience with budget support was largely positive as indicated by independent studies which underscore strong links to government financial management and poverty-focused spending. A degree of attribution to reducing poverty levels was also linked to

³² Based in interviews with Mecanismo de Apoio à Sociedade Civil (Civil Society Support Mechanism); IESE and also Report on Media Business Viability in Mozambique, David Hume, World Bank, 2008.

³³ *DFID Mozambique Country Plan Results Framework* – summary, no date.

PRBS provision. UK Parliamentary scrutiny of DFID's budget support experience highlighted that, although overall there were major questions around demonstrating effectiveness and efficiency, and how well DFID judged risks, Mozambique was regarded as a relatively good case³⁴.

5.19 Mozambique continues to fulfil all DFID's PRBS eligibility criteria as witnessed by:

- A continuing record of strong and stable macroeconomic performance that compares well with other countries in the region.
- Sustained GoM commitment to a policy framework which is focused on poverty reduction, with pro-poor expenditures remaining at or above 65% of the budget since 2002, low defence expenditure (2%), and increased recurrent spending in the social sectors.
- Levels of fiduciary and procurement risks although substantial, have been reducing since 2005³⁵.

5.20 In terms of clarifying the impact on poverty, DFID has promoted the collection of data on poverty reduction to monitor the impact of aid through support to the National Institute for Statistics (INE) for the 2007 census and through other surveys³⁶. DFID has assisted in analysing pro-poor spending in the Budget Analysis Working Group and supported a series of qualitative studies on poverty dynamics³⁷. Public Expenditure Tracking Surveys (PETS) in education and health were also supported to improve understanding of the links between spending and service delivery outcomes. These are all relevant initiatives, but delays in completing some of these major exercises have impeded understanding of how increased pro-poor spending has delivered better services and, in turn, how those services have led to improved household living conditions.

5.21 There has been broad consensus, including with the GoM, that PRBS is the preferred aid modality³⁸. Within DFID there was agreement on the rapid scaling up and on increasing the share of budget support to overall programme spend. In addition, scaling up of PRBS has given a strong signal to other donors about the importance of PRBS to DFID, given their position as the leading instigator of the approach as well as the largest practitioner of bilateral PRBS in Mozambique. Thus DFID saw itself as a model that could have influence on others in accelerating their own harmonisation and alignment efforts. Yet this demonstration effect was limited by the fact that other bilaterals over time reached the maximum levels of alignment permitted by their own corporate policies – a point recognised as early as 2007 by the Head of Office (HQ).

³⁴ UK Parliament Public Accounts Committee, *DFID: Providing Budget Support for Developing Countries*, 27th Report of Session 2007-08, June 2008.

³⁵ As noted by two Public Expenditure and Finance Accountability (PEFA) studies in 2006 and 2008.

³⁶ The INE has done three key surveys: (1) the new Household Income and Expenditure Survey (IOF) expected to be completed by end 2009, (2) a Multiple Indicators Cluster Survey (MICS) released in September 2009, which covers social indicators. (3) the National Population Census conducted in late 2007 but for which preliminary data is only now being released.

³⁷ Chr. Michelsen Institute in cooperation with MPD between 2006 and 2008.

³⁸ Although our web survey raises some interesting reservations, the majority support the use of the instrument (Annex 4, Q.8).

*“We are reaching the limits of what can be achieved at country level without shifts in DFID HQ policies of many bilaterals. Commitment to PARIS by agency HQs appear weak when viewed from the ground and progress seems often to be driven by willing individuals rather than corporate imperatives. Without DFID HQ successfully shifting other donor HQ policies there are limits to what can be achieved at country level”.*³⁹

- 5.22 More recently, there appears to be consensus within the DFID team not to further increase PRBS in light of continuing concerns about corruption, human rights, rising concerns about budget support as an aid instrument in UK discourses on aid, and the need to allocate resources to demand-side accountability.

Alignment and Ownership

- 5.23 **Alignment with government priorities:** The CAP closely reflects the objectives and structure of the PARPA II and is therefore highly aligned with the government’s priorities. The design of DFID’s PRBS in particular has been consistently aimed at promoting the Paris Declaration principles with clear in-built mechanisms to promote harmonisation, alignment, mutual accountability, predictability and results orientation. DFID is one of the few donors who provide a rolling multi-year commitment in its PRBS.
- 5.24 **Ownership:** While the PARPA and its monitoring tool, the Performance Assessment Framework (PAF), have been developed jointly⁴⁰, the process of aid evaluation and mutual accountability is still driven to a large extent by donors, and the PAF review process is rather too focused on processes and rules with less attention given to substance and results. Many commentators recognise that the GoM needs to take stronger ownership, although this is a challenge when donors contribute half of the budget and government capacity is weak. However, there are unexploited opportunities for the GoM to improve ownership. For example it could make greater use of the donor side of the mutual accountability mechanism, the annual Programme Aid Partners’ (PAP) assessment, to influence weaker performing donors (see 6.47), and clarify standards around aid effectiveness, particularly by finalising the long-awaited aid policy.
- 5.25 **Harmonisation.** For the G19 group, DFID saw itself and was seen by others as a leader on the harmonisation agenda: by both demonstrating its ability to comply with the main precepts of the Paris aid effectiveness agenda, and in being consistent in encouraging others who were less aligned to adhere more strongly⁴¹. The Memorandum of Understanding (MoU) (2005-09) that underpins the budget support group of donors provides the common mechanism, at least as regards budget support provision. Within the health and education sectors, MoUs and Codes of Conduct (CoC) were also agreed to provide the basis for joint action. Despite this architecture, there was no movement on preparing an overall joint assistance strategy that would define the role of aid partners and other modalities besides budget support. DFID correctly sought to support the GoM to develop an aid policy that would address this gap, and also recognised that the greatest challenge was with the multilaterals (World Bank, AfDB and the EC) and with the large vertical health funds (the President's Emergency Plan for AIDS Relief (PEPFAR) and the Global Fund for AIDS, TB and Malaria (GFATM)), because of their weaker record on harmonisation and their importance due to size of funding.

³⁹ Delivery Plan 2007 – 2009, CAP Choices and Issues Submission, June 2007.

⁴⁰ This ownership is reflected most recently in the Government’s full ownership of the Impact studies of the PARPA II (RAI), and the stated intention to develop a third PARPA under a forthcoming new Five Year Plan, following elections in October 2009.

⁴¹ Also see responses to the web survey: Question 5, Annex 4.

- 5.26 **Aligned with DFID corporate policy.** The CAP is also very well aligned with DFID corporate policy, reflecting the preference for the continued support for PRBS where conditions are appropriate and, under the UK's White Paper III⁴², the increasing emphasis on strengthening accountability mechanisms and processes in order to improve the relevance, effectiveness and efficiency of government programmes. The CAP reflects the principles of DFID's Conditionality Paper⁴³ as it supports government ownership, predictable aid and mutual accountability. It also reflects corporate policy on HIV/AIDS, but is less explicit as regards gender.

DFID's Influencing Approach

With other donors

- 5.27 DFID correctly sought to use its solid reputation amongst the donor community in Mozambique to seek greater harmonisation. DFID is recognised as being clear about what it wants to achieve and in systematically influencing others to achieve it. In particular it was a sound choice to focus influencing on the larger multilaterals (World Bank, AfDB and EC). It sought to identify good practices from other countries and to share results locally as part of its influencing strategy. As a leading member of the G19, although not in the Troika chair over the evaluation period, DFID also chose to bring its influence to bear through the various sector working groups where it could expect to have a relatively strong technical presence.
- 5.28 DFID's ability to influence the less 'like-minded' donors to improve their alignment could have been more strategic if there had been stronger linkages between the country programme and DFID's regional office and its HQ. The CAP makes no mention of using DFID's influence beyond the bilateral programme to tackle the fact that '*some donors are increasing project aid faster than budget support*' creating '*a very fractured and complex portfolio for many sectors*'⁴⁴. Yet it was recognised early on⁴⁵ that there was a limit to how far DFID Mozambique could influence the donor community at country level, particularly as other donors operated with much stronger HQ control than DFID. Though it was understood that '*without DFID HQ successfully shifting other donor HQ policies there are limits to what can be achieved at country level*'⁴⁶, it is not very clear from the documentation record what actual steps would be taken to link country and HQ actions. A positive example, however, is the use by HQ of Mozambique's experience in Health and HIV/AIDS in GFATM committees, board discussions and replenishment meetings to get the message across for the need to change.
- 5.29 The planned rapid entry and exit into the roads and water sectors indicates an overconfidence in DFID's ability to influence donors and government, and an unrealistic assessment of the context. The strategy relied on AfDB assuming leadership in the sectors, a decision that may have been the result of the Enhanced Cooperation Initiative established between DFID and AfDB, with an MOU signed in 2005. However, past lessons from working on such common funding approaches, especially with multilaterals, indicated that progress could be slow with a resultant negative impact on DFID strategy in both sectors.

⁴² *Eliminating World Poverty, Making Governance Work for the Poor, A White Paper on International Development*, DFID, July 2006.

⁴³ *Partnerships for Poverty Reduction: Rethinking Conditionality*, DFID, March 2005.

⁴⁴ DFID CAP, para E30.

⁴⁵ The complexities of building broad donor harmonisation was discussed thoughtfully in a paper by the first Head of Office in 2004: *Opportunities and Challenges in the PRS II Agenda: DFID's Experience in Mozambique*, E. Cassidy, 2004.

⁴⁶ Flag H CAP Delivery Plan, DFID Mozambique, June 2007.

With government

- 5.30 DFID aimed to influence government by reinforcing its poverty reduction policy. It sought to use its close relationship and strong position of trust as a highly aligned donor to provide advice and support. Beyond PRBS, DFID was a leader in setting up and financing common funding mechanisms, and so helped reduce the government's transaction costs. It also attempted to move ahead on new agendas, such as climate change, mega projects and bio-fuel issues, by providing policy reviews and advice. There is, however, a dilemma for a large donor in a heavily dependent aid environment in seeking influence but not too much influence, so as to allow the government to have sufficient space to develop its own policies and influence. It would seem that DFID recognised this issue and sought to manage the noisy donor environment by improving the G19 processes, while fully aligning its own aid. At the same time DFID sought to protect its reputation and risk, and the question is how well DFID managed this difficult balance, a point discussed later (see 6.24–6.27).

Monitoring and Evaluation

- 5.31 This section discusses the quality of Monitoring and Evaluation (M&E) design, and the PAF and PAP frameworks. The PAF has been the central mechanism for joint assessment of national and government progress under the PARPA II. It contains a shortlist of 40 indicators, drawn from the larger set of PARPA indicators that are reviewed every six months. The advantage is that there is a single agreed performance framework for GoM and donors that provides a basis for budget support tranche releases. This has worked reasonably well, although its influence on funding is less significant than the so-called 'underlying principles' in the MoU signed between the G19 and the GoM. These principles are the only basis for withholding fund release, and must be jointly agreed. The PAF indicators can trigger an increase in funding if service delivery outcomes are good. The PAF review mechanism is a tripartite arrangement between the GoM, donors and civil society. The ownership is strong between the first two, but there is weaker evidence that civil society plays an effective role. Table 2 outlines other pros and cons of the PAF system.

Table 2. Advantages and Disadvantages of the PAF mechanism

Strengths of GoM PAFs	Weaknesses of GoM PAFs
Indicators cover most focal points of reform efforts.	Too many indicators. This undermines the focus on a clear set of reform actions and jeopardizes the effectiveness of Budget Support (BS) operation.
Indicators, targets, means of verification and responsibilities are well described.	Sometimes too simplistic, running risk of not providing right incentives.
Good mix of indicators with focus on results (outputs and outcomes).	Sometimes they do not well reflect current reform priorities at sector level (e.g. PFM) and do not address the outcome level enough in some sectors.
Single harmonised PAF for a multitude of donors.	
Common schedule for planning, review, decisions, disbursements.	As a fixed tool for performance measurement against baselines, it was not flexible enough to adjust to new dimensions of growth and did not capture equity well.
Strengths of PAP PAFs	Weaknesses of PAP PAFs
Well aligned with commitments as articulated in the Paris Declaration.	GoM cannot hold PAPs accountable for results of PAP as both MOU and PAP PAFs are not legally binding documents.
Independent assessment.	Scoring weighted strongly being able or willing to provide budget support. Does not include other elements of alignment such as Division of Labour.

5.32 The Programme Aid Partners' (PAP) framework is a thorough, precise tool for measuring donor compliance with principles of harmonisation and alignment as drawn from the Paris Declaration. It has been in use since 2004 and so is a consistent basis for judging the performance of donors who give budget support. Though the indicators are comprehensive, the scoring tends to give rather too much weight to those able to give a large proportion of their funding through budget support or programme aid. The definition of indicators is not all as *'fair and clear as they should be'*⁴⁷.

5.33 Besides the PAF/PAP, DFID support for PARPA monitoring has been through conducting qualitative poverty monitoring studies and through supporting the Africa Peer Review Mechanism (APRM)⁴⁸. However, a more strategic approach might have sought to review the adequacy of the PARPA M&E system as a whole including the PAF, the sectoral monitoring frameworks, the development observatories⁴⁹ and the government's periodic household surveys. There are major opportunities for strengthening PARPA planning and M&E processes and for ensuring a greater role for civil society, but these were not adequately taken up by DFID.

⁴⁷ IESE, *PAP Performance Review*, 2008, p. 5. Specific problems include: defining what counts as being on budget (indicator 6 and 7), inconsistent date around number of joint missions (indicator 16), defining analytical work (indicator 17).

⁴⁸ This is an African Union inter-governmental peer review mechanism that assesses progress on a range of governance and other indicators. 25 countries have acceded to the process. See: <http://www.aprm.org.za/>

⁴⁹ Civil society fora that are established by GoM and intended to provide a channel for consultation on poverty issues and assist in monitoring the PARPA.

- 5.34 DFID's own M&E arrangements for its programme were developed via 'business' or 'delivery' plans from 2006, which effectively related the programme and pillar results to the national PARPA framework. These plans were then followed by an internal review every six months using a traffic light system (green for on-track, orange for off-track but some progress, and red for off-target). The evaluation found that this system looked sound on paper, but could not make an assessment of the resulting trend due to lack of documentation⁵⁰. The results framework, while being well structured, does have weaknesses. Within the pillars, the framework contains a collation of project and programme results instead of being more pillar or sector focused. Individual projects have mixed quality in terms of a sound results logic, outcomes and their associated indicators are often poorly specified, and outcomes and outputs are sometimes confused.
- 5.35 At the start of the period, DFID did not undertake internal annual reviews of the PRBS operation, as the previous economist had argued that this would duplicate the work of the Joint Annual Reviews. Since 2007, with a new economist in place, internal annual reviews have been resumed. This has allowed DFID to focus more specifically on the benefits and risks of its own PRBS operation in line with HQ guidance and also to identify good/bad practices. For these reasons, the evaluation considers this to be a good development, provided that such analysis remains as an internal advisory tool and does not impinge on the quality of ownership of the joint review process.

Risks

- 5.36 Here we discuss if the strategy addressed risks and if it evolved according to context. The CAP underscores a number of risks, including the high vulnerability of Mozambique to natural disasters, the risk of political instability, the risks of corruption and inefficient use of resources through public procurement, the risk of a major switch away from the current poverty and service delivery environment, and finally the risk of the most vulnerable not accessing the benefits of growth or improvements in service delivery.
- 5.37 More tellingly, the shift in emphasis captured between the 2007 draft and the 2008 final CAP shows a sensible response to growing concerns over lack of accountability, the advisability of devoting more resources to sector programmes and the possible benefits of a graduated response mechanism.
- 5.38 In human development, two risks – insufficient attention to poverty and service delivery and the risk of the more vulnerable not accessing benefits of growth – are especially pertinent. In terms of strategy this was addressed by DFID's common approach to health, HIV/AIDS and education, which specifically included a focus on pro-poor approaches and improved accountability. The CAP does not, however, identify the weak institutional context in HIV/AIDS – and particularly the weak National AIDS Council – as a major risk.
- 5.39 Risks of budget support were well assessed⁵¹ and included the risk of limited influence (given that budget support represented only a small share of overall aid), weak institutional capacity to implement service delivery, and perhaps the most critical: political risks (human rights, instability and corruption) in cooperation with the FCO. Less attention was paid to risks related to procurement and to the delays in decentralisation processes, largely because DFID was not active in these areas.

⁵⁰ The team requested to see the series of review reports that were produced covering six monthly periods from 2006–09, but due to changes in personnel and filing issues, these reports were unavailable.

⁵¹ See for example the *Choice & Issues Paper* February 2008, PRBS and CAP submissions in May 2008.

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- 5.40 Corruption issues were addressed through DFID's fiduciary risk and governance assessments and mitigation measures included (for PRBS) the linking of a small indicative tranche to progress on anti-corruption (see 6.24-6.27)⁵². Action plans as well as performance audits were introduced for the PSR/PFM programmes to address corruption. Risk assessment and strategy evolution was weak in the case of PSR. As poor progress became increasingly clear from 2006 on, DFID could have taken a more assertive position regarding the government's handling of the PSR programme with regard to staffing, management, programming and M&E.
- 5.41 Within the infrastructure and growth pillar, DFID has been effective at reinforcing and adapting its strategic choices via the commissioning or development of strategy and policy papers in specific areas as needed. This is evident in on-going programmes such as land reform⁵³ and newer areas such as mega projects⁵⁴.

⁵² These conditions included improvements in anti-corruption plans and their implementation (including statistics on areas such as cases taken to court), and progress on amendments of national legislation in line with international conventions around conflicts of interest between the public office and commercial interest and eliminating impunity under the law.

⁵³ *A Strategic Analysis to Reinforce the Iniciativa para Terras Comunitarias*, G. Boyd and A. Kalengo, August 2008.

⁵⁴ Mega-Projects Policy Paper, DFID, July 2009.

Summary on Strategy

- The 2008-2012 CAP's continuing emphasis on budget support was justified from reviews of previous performance, and the final CAP adjusted the balance of the planned spend appropriately to reflect growing concerns around accountability and having a graduated response mechanism. DFID's leadership in alignment provided a basis for its commitment to continuing to improve aid processes.
- The CAP took on the 2006 CPE's recommendations around HIV/AIDS, M&E and building mutual accountability, but decided not to take a lead on gender or equity.
- Overall the choice of entry points in the CAP was good; it built on DFID's expertise and addressed identified risks. DFID chose not to address decentralisation. DFID's approach to governance was not sufficiently ambitious or strategic and over-ambitious in planning a short-term entry and then exit in water and roads.
- DFID correctly sought to maintain its large PRBS involvement but to balance this with greater sector commitments in health and education, in order to seek service delivery improvements. DFID's approach in governance and economic growth was less balanced with a rather piecemeal approach in these pillars and no overarching strategy.
- The 2006 CPE found limited evidence to link budget and programme aid directly with poverty reduction. DFID responded with support for the census and other surveys. Delays in completion of studies and the fact that budget support accounts for only 38% of aid means the linkage to poverty still requires clarification.
- DFID's ability to influence other donors to improve alignment was good and based on it being a role model. Given that other donors' flexibility was tied to their corporate policies, DFID could have been even more strategic if there had been stronger linkages between the country programme and DFID's regional and HQ teams. Such linkages were effective in the case of Health and AIDS, where HQ used examples from Mozambique in GFATM meetings.
- DFID's influencing work with the GoM has been built around support for common funds and for new agendas such as climate change and around its role as the most committed budget support provider. However, DFID has had to balance this with knowing when to stand back and allow the GoM to assume ownership and when to attempt to use its influence to deal with concerns around corruption, human rights and democratic accountability.
- The PAF/PAP performance system had the merit of being a jointly-owned and routinely-monitored, mutually-accountable system, although its weaknesses were lack of flexibility to reflect new dimensions of growth and equity.
- Risks were well assessed for budget support and social sectors, but public sector reform was an area where DFID did not have a good approach to managing risks of slow performance.

6. Results

- 6.1 This Chapter presents the results of DFID's CAP over the period 2006–2009. It first discusses the broader impact on poverty, drawing on indicators and available ratings. It then explores the contribution of PRBS on poverty. Pillar level results are then discussed, followed by the results from using Common Funds, and DFID's work around harmonisation and alignment. The Chapter also examines the linking of central reforms to work in sectors, success with cross-cutting issues and with monitoring and evaluation.

Impact on poverty, Human Development and Governance Indicators

- 6.2 The CAP set out ten measures against which DFID's success would be judged (six related to poverty and four related to governance). Table 3 presents the indicators, together with an assessment of progress using DFID's traffic light system (see 5.34).

Table 3. CPE Assessment of Achievements by Ten CAP Headline Indicators

■	1. HIV/AIDS incidence reduced amongst youth to 10%.	While incidence data is not available, 2007 sentinel surveillance data show a reduction in HIV prevalence amongst the 15–24 year olds from 15.7% in 2004 to 11.3% in 2007. Recent data indicates that the epidemic may be stabilising in the central and northern regions. However, in the southern region, extremely high and growing incidence levels are reported.	
■	2. Health - Improved access demonstrated by 90% of children immunised with a full immunisation package and 56% of mothers a year giving birth in an institution.	Immunisation coverage reached 100% in 2007 but then reduced to 83.4% in 2008 (due to the introduction of new measurement instruments which are yielding more reliable data). Polio immunisation went up from 63% in 2003 to 70% in 2008 (MICS, 2008). The number of institutional births has also increased to 58%.	
■	3. Education - a doubling in the rate of completion by girls of their upper primary education.	Gender equity has improved substantially and is on track: as girls completion has risen from 28% in 2005 to 43% in 2009 (target was 44%).	
■	4. Water Access - 3,000 new rural water points built and maintained, bringing access to rural water up to 53%.	3,636 water points built and maintained so far. Current figure of 52% is considered having been met.	
■	5. Roads Access - a near 30% increase in the percentage of the rural population living within 2km of an accessible road.	Percentage of transitable roads at 63% out of a revised global target of 73%. PARPA assessment considers sector performance to be weak.	
■	6. Social protection - doubling the number of vulnerable people benefiting from social protection to 300,000.	Target was 300,000, but 182,000 to date.	
■	7. Enhanced civil society capacity and voice in the governance of Mozambique – measured through a significant improvement in the World Bank’s Voice and Accountability (V&A) index.	World Bank V&A index (to 2008) shows no progress over recent years. The GoM Unit for PSR Governance and Service Delivery survey not conducted yet – due in 2010.	
■	8. Reduced corruption – measured through the Mozambique Governance and Corruption Survey and Transparency International measures.	World Bank governance indicators for corruption show a flat line to 2007 and then a slight increase.	
■	9. Increased satisfaction with service delivery by citizens from a baseline assessment.	No data.	
■	10. Free and fair elections in 2008 and 2009	2008 municipal elections rated as mostly free and fair. Concerns have been raised about the 2009 elections.	

- 6.3 The **evaluation's overall assessment** is that the picture is very uneven with strong results in most areas of human development but weaker results elsewhere. In health, water and education, the CAP headline targets for 2012 have been reached (though the water and sanitation MDGs are off-track). In contrast, there is no data on HIV incidence amongst the youth, although prevalence has been declining⁵⁵. Other indicators show some progress (roads, social protection, elections), but in voice and accountability there has been limited or no progress according to the indicators chosen. A more detailed assessment of results is given in Annex 7.
- 6.4 **DFID's own view** (in April 2009) was that '*achievement of milestones was mixed, with the common theme being that where DFID has direct ownership and influence over an initiative there is more progress. The headlines are 32.5% green, 48% amber and 6.5% red*'⁵⁶.
- 6.5 In terms of DFID's **internal ratings**, the scope of the portfolio assessment is limited. Out of 56 programme lines in June 2009, only 11 have a review score (20%): with six having a score of two (likely to largely achieve its objectives) and five a score of three (likely to only partially achieve its objectives)⁵⁷. From this evidence, scored projects account for only a quarter of total commitments by value (however, recent evidence indicates that PRBS is rated two, making portfolio performance by value largely positive). The limited availability of ratings makes an assessment of value for money rather meaningless⁵⁸. The limitations of the DFID scoring system have been noted in earlier CPEs, and include the point that projects under £1million do not require formal reviews, but it is noticeable in Mozambique that there is weak diversity of scores (only two or three used), that many of the scores are based on internal rather than external independent reviews, and that DFID does not seem to track scoring trends in its reports, preferring a traffic light system.

Using PRBS to Attain Poverty Outcomes

- 6.6 Given that PRBS represents only 38% of total aid, and DFID's PRBS represents only around 20% of that, there is a need for caution when trying to identify links to poverty outcomes. The evidence suggests that PRBS has effectively promoted poverty reduction through:
- (i) Creating a stable macroeconomic and fiscal environment, which has in turn, contributed to the expansion of credit to the private sector and created fiscal space to undertake essential investments in PARPA sectors so the government would not resort to domestic borrowing. This is witnessed by a continued increase of economic growth.
 - (ii) Supporting the continued rapid expansion of expenditure for pro-poor service delivery, and making it easier to finance recurrent costs in social sectors (see 5.19). The domestic contribution to financing pro-poor expenditures has consistently increased (also thanks to PRBS) in spite of fluctuations in other aid modalities to specific sectors (e.g. health). Priority expenditure has almost tripled from US\$792 million in 2001 to US\$2 billion in 2008 and has been maintained at a minimum of 65% of the overall budget.
 - (iii) Supporting improved poverty policies, reduced transaction costs and strengthened planning and budgeting systems that together assist indirectly in improving the use government resources in a pro-poor manner within the PARPA framework.

⁵⁵ Incidence refers to the risk of contracting a disease (number of cases per 1,000 persons for example), while prevalence refers to the total number of cases in a population.

⁵⁶ *End Year Review of Office Objectives 2008/09*, DFID, April 2009. The other 13% is not mentioned but presumably have no data to record progress.

⁵⁷ The evidence base was better in 2006, when 32 projects were rated.

⁵⁸ DFID noted in an internal Minute to the Africa Cabinet in March 2009 that it had a low Value for Money score, and that this was partly due to no PRBS score.

- 6.7 The nature and quality of the linkage between budget support, increased pro-poor expenditure, better services and reduced poverty is only partially understood – expenditure tracking surveys are yet to be published and the household budget survey is in process. The lack of a programme classifier in the budget also limits the ability to assess the efficiency of public expenditure and its impact on pro-poor outcomes. The GoM’s own impact report on the PARPA⁵⁹ accepts that until the IAF⁶⁰ (official Household Budget Survey) is available, no firm judgement can be made on the success of PARPA II on reducing absolute poverty.
- 6.8 The PARPA II impact report does note, however, that GDP per capita can be taken as a proxy for welfare, and the average growth of real per capita GDP was 5% between 2006 and 2008, higher than the projection in PARPA II. ‘*This growth, coupled with good performance in agricultural production, may indicate that there may have been improvements in rural incomes, and have contributed to improving the food security situation*’. Yet, other recent survey evidence from the Multiple Indicator Cluster Survey (MICS) and Trabalho de Inquérito Agrícola (Agricultural Labour Survey-TIA)⁶¹ indicate that inequality may have risen in Mozambique during the period in terms of income and access to basic services. Studies on vulnerability and chronic poverty indicate that 34.8% of households in Mozambique are subject to great vulnerability to food insecurity (RAI, para. 47). Poverty case studies funded by DFID also highlight that the poorest are left behind and marginalised, both in urban Maputo and in more remote rural provinces⁶².
- 6.9 The PRBS submission for 2009 attempts to link DFID funding with PARPA outcomes. DFID provided just 2.2% of the GoM’s total budget as shown below. But, DFID argues that this commitment has ‘leveraged in’ additional state funds into priority sectors, especially since 2005⁶³. This is illustrated in Table 5 in Annex 8.

Metical millions	2007	2008	2009
GoM expenditure	70896	89002	98142
DFID PRBS	1692.5	1992.5	2116.3
Share*	2.3%	2.2%	2.2%

- 6.10 As a result, DFID argues that its Budget Support can be held responsible for a slice of the national achievements in pro-poor services in 2007/8, (and if influencing of others to provide more of such support is factored in, then it might be possible to claim a further share of these achievements).

- 100,000 children going to primary school, 50,600 of which were girls.
- 13,430 infants are totally immunised against measles.
- 11,882 institutional births covered by a health worker.
- 2,732 people with Anti-Retroviral Therapy (ART) and 1,204 pregnant women with complete prophylaxis treatment in the last 12 months.
- 239,796 people with a safe water supply.

⁵⁹ Relatório de Avaliação de Impacto do PARPA II, Ministério da Planificação e Desenvolvimento, Maputo, Moçambique, 16 October 2009.

⁶⁰ Inquéritos aos Agregados Familiares.

⁶¹ Multiple Indicator Cluster Survey and Trabalho de Inquérito Agrícola or Agricultural Labour Survey.

⁶² *Monitoring and Evaluating Poverty Reduction Policies in Mozambique*, Chr. Michelsen Institute, 2008.

⁶³ PRBS Submission 2009, Flag G.

- 211,584 people with access to sanitation.
- 13,519 connections to the national grid.

It is necessary, however, to treat these figures with caution given the quality of underlying statistics which vary from more reliable (in health) to less reliable (in water and sanitation).

Development Results by Pillar

- 6.11 In the Human Development Pillar results in health and education are positive overall, but with several outstanding challenges. In education, a major challenge is making progress on quality of education and closing the growing funding gap. In health, progress on getting the GFATM to align with government plans and systems has failed to deliver results to date. The DFID team continues to engage with country partners and at HQ level to attempt to get the GFATM to align with the government. In HIV/AIDS, some progress has been made in policy development (particularly through the prevention policy) and in capacity strengthening. There has also been progress in reducing prevalence among young people (based on the 2007 sentinel surveillance data that shows reducing prevalence among pregnant women 15–24 accessing ante-natal health services) so that there is reason to believe that a reversal of the upward trends seen in recent years has begun.
- 6.12 In Health, immunisation coverage had reached 100% in 2007 but reduced to 83.4% in 2008, largely attributed to the introduction of new measurement instruments which are yielding more reliable data. Polio immunisation went up from 63% in 2003 to 70% in 2008 (MICS, 2008). The number of institutional births has also increased and there has been a modest increase in the provision of obstetric care. Between 2005 and 2008, the number of adults receiving Anti-Retro Viral treatment (ARV) increased eight fold (from 15,900 to 124,191 – Balanço do Plano Económico e Social – BdPES)⁶⁴, although the number is below the 2008 target of 132,280. Inequities in the volume of services continue to exist in the allocation of resources and in the ratio of population to health staff with Zambezia and Nampula provinces lagging behind the most.
- 6.13 In HIV/AIDS the situation, although improving, continues to be of concern. There are indications that the epidemic is beginning to stabilise in the north and that there is a reduction in the number of new infections in the centre (excluding Zambezia). In the south the epidemic continues to increase. However, there is progress in terms of some intermediate results⁶⁵, which may in the medium term impact on overall outcomes. There is progress in terms of prophylaxis treatment for pregnant women, up from 7,297 in 2005 to 54,749, exceeding the target of 50,000 which had been established in the Health Sector Strategy (the PES). Weaknesses in the health system, and poor coordination between sectors, continue to be a major concern⁶⁶.
- 6.14 In Education the net enrolment rate has reached 99% (calculated on the basis of the 1997 census) against a target of 93%. Gender equity has improved substantially, largely as a result of the focus on ensuring that children enrol at six years of age (correct enrolment age was

⁶⁴ The Ministry of Health is responsible for the services, though it reflects progress towards HIV/AIDS care.

⁶⁵ Such as: growing access to ARVs, increase in the number of persons being tested, launching of a presidential initiative on HIV/AIDS, development of a national prevention strategy, and the passing of a law against stigma and discrimination.

⁶⁶ At the time of this evaluation, for example, 40 million condoms were locked up in a central warehouse due to a dispute between the MoH and the National AIDS Council on payment of duties. DFID, together with the United National Population Fund (UNFPA), have agreed to finance distribution to address the critical shortage of condoms in the country.

76% in 2009 against 56% in 2005). Completion rate targets have been almost reached at primary level and were 42.9% in 2008 (target was 44%) compared to 27% in 2005. However the Ministry of Education has missed some key targets such as pupil-teacher ratio, classroom construction and girls enrolling at six years of age (as per the Mid Year Review 2008 report and revised target).

- 6.15 Within the Growth, infrastructure and regional linkages pillar, the issue of measuring impact of the activities is complicated by the lack of appropriate impact indicators within the PAF frameworks. Most of the indicators for roads, water and land relate to outputs (services provided in terms of numbers) rather than their use or impact, although access to these services is tracked. With the exception of the *transitability* indicator for the roads sector⁶⁷, the majority of the chosen indicators have been met, according to the recent PARPA review process in September 2009.
- 6.16 Several commentators have low confidence in the accuracy of GoM figures, particularly in the water sector. For example, the recent draft evaluation report on the Human Capital Pillar of PARPA II raises concerns regarding the differential between numbers presented by the sector and the numbers from the MICS. The MICS data show coverage in the rural areas at 29.9% (rather than the 52% claimed by the GoM), and that the numbers of people actually using these sources especially in rural areas is inconsistent with the quantity of installed, secure sources⁶⁸.
- 6.17 In the roads sector, the slower than foreseen progress on transitability, just a 3% increase overall versus a stated target of 13% as a percentage of the entire network, while informative in terms of the state of the road network, does not provide a basis for the assessment of the impact of these increases on, for example, reduced transport time, or reduction in transport maintenance costs among transport operators.
- 6.18 In some of the newer areas under this pillar, such as bio-fuels, DFID has provided strategic support including placing an adviser in the Ministry of Energy. For climate change, strategic developments are slower due to difficulties with finding appropriate staffing whilst in mega-projects, DFID focused on generating broad policy documents. The commissioning of such papers is a reflection of the stated need to ensure flexibility in funding new sectors towards the end of the CAP period. However, given that many areas of intervention have not reached the milestones DFID set for itself, it seems that the agenda in these newer areas of focus was not commensurate with the capacity of the team.
- 6.19 Overall, the state of governance in Mozambique over 2006–2009 is assessed as being poor and has improved little⁶⁹. Civil society's capacity to hold government to account has remained weak over the last three years. Whilst the work of certain organisations is improving, there is anecdotal evidence of reduced space for civil society voice and accountability particularly in the provinces and districts. The participation of civil society in the PARPA planning and monitoring processes also is weak.

⁶⁷ Transitability is defined as "the % of the road network in good or reasonable condition of the 24,000km network" where 'good' is defined as the ability to drive at 80km/h in safety and 'reasonable' is defined as the ability to drive between 40-50 km/h in safety. Source: RAI Strategic Matrix, 2009, Economic Development Spreadsheet 3, and PARPA II paragraph 570.

⁶⁸ National household surveys conducted by the National Statistics Institute (INE) in 2003, 2006 and 2008 (MICS).

⁶⁹ DFID's 2006 Strategic Conflict Assessment indicated that the closing of democratic space could lead to conflict.

- 6.20 Organisations such as the World Bank Institute, Freedom House and Transparency International consistently assess corruption as a major and widespread problem that has not improved in recent years⁷⁰. The G19 has placed corruption at the top of its agenda, but donors have so far not seen any noticeable impact. Corruption remains a major problem that is widely perceived to be pervasive and worsening at the highest levels of government. The GoM's Anti-Corruption Strategy (issued in 2006) and its related sectoral Anti-Corruption Plans, have shown limited progress. The DFID-supported Centre for Public Integrity has stepped up and proposed a civil society forum to replace the short-lived Anti Corruption Fora⁷¹.
- 6.21 In the area of democratic institutions, whilst formal electoral processes have improved in recent years, the level of effectiveness of Parliament in overseeing the Executive remains very low and opposition political parties are extremely weak.
- 6.22 The joint reviews of the implementation of the PARPA and the monitoring of the PARPA PAF indicators are mostly focused on progress made in producing agreed outputs and do not say much about the *quality* of such outputs or their effects in terms of governance outcomes. In other words, the PARPA M&E process does not effectively monitor and evaluate governance progress.
- 6.23 Some positive progress has been made in the strengthening of government financial management processes, human resources management and in internal and external financial oversight, although the latter has not had the expected benefits in terms of reduced corruption due to failures of the justice system to effectively prosecute those identified as committing breaches of rules and procedures.

PRBS Influence

- 6.24 The purpose of the graduated response mechanisms (termed the indicative tranche) has changed over time. Until 2008, the tranche was more an internal DFID budget line which gave DFID the flexibility to respond to changing programme priorities as result of new programme opportunities, uncertainty around DFID's central allocation to Mozambique⁷², and changing priorities due to ministerial shifts in HQ. Since 2008, however, the indicative tranche was changed into a mechanism (better called a performance tranche) to reward government efforts in the area of corruption. Overall, although DFID managed to preserve transparency and predictability in funding, there are concerns around the effectiveness of the indicative tranche to reward performance related to corruption.

Table 4. DFID PRBS disbursements 2006/07-2009/10

Mozambique FY	DFID FY	Core Component (Paid)	Indicative
2007	2006/07	£36 million	First year of five-year rolling programme so no indicative component
2008	2007/08	£41 million	Full indicative component given £1 million
2009	2008/09	£42 million	£1 million indicative not given
2010 commitment	2009/10	£44 million	£2 million indicative not given

⁷⁰ Though Mozambique still ranks better than, for example: Malawi, Vietnam, Zambia, Nepal, Ethiopia and Pakistan.

⁷¹ These were set up in 2008 but then disbanded by the President in anticipation of a challenge from the Constitutional Court about their constitutional legality.

⁷² Which was three years as opposed to the five-year framework DFID is working within in Mozambique.

6.25 First, in terms of transparency, DFID presents their five year PRBS framework annually to the GoM. In these discussions, DFID commits to the core tranche and informs the government that the indicative tranche will be made available if adequate progress in addressing corruption is made. The specific conditions to receive this bonus tranche are communicated to the government a year in advance and comprise:

- Progress on sector anti-corruption plans and updating the overall anti-corruption plan.
- A repeat of the Corruption Perception survey from 2004 to monitor progress.
- A review of the anti-corruption legislative framework.

6.26 The position is clear as far as the GoM is concerned, but in interview, several donor partners (including the current Troika chair Finland) said that they were not aware of the arrangement for the indicative tranche⁷³. Second, there is an issue regarding predictability, as DFID only commits to and government only budgets for the core tranche. The core tranche was paid on time with no delay⁷⁴, as reflected in the PAP/PAF results.

6.27 There are concerns, however, as to whether the indicative tranche as currently designed stimulates government efforts in fighting corruption. While cross country practice is mixed as regards variable tranches, experience suggests that the incentive effects of variable tranches are unlikely to occur where (a) variable tranches are too small, (b) a wide range of disbursement conditionalities is being assessed, and (c) there is a lack of transparency and coordination around the application of conditions. Also it is recognised that the quality of dialogue and the signalling effect tend to be relatively more important than the financial leverage of a variable tranche.

DFID Effectiveness by Sector

6.28 **Health.** DFID is a leading player in the highly populated donor group on health (with 26 donors), and has generally performed well in developing Common Funds, although it has also been seen as somewhat doctrinaire in its focus on sector and general budget support. DFID has been at the forefront of the development of the new MoU for PROSAUDE II, the health sector SWAp, which is closely aligned with government systems and has supported the health sector in developing a costed health plan, which includes a good quality Medium Term Expenditure Framework (MTEF) for 2010 – 2012. The International Health Partnership (IHP) compact has progressed through a road map and a diagnostic study of PFM in the health sector. Work on the human resource plan has been held back initially because of delays in getting ministerial approval. Funding was secured for 2008/09 but resources are likely to be a significant constraint for plan implementation in the future (indeed, it is of concern that over the period 2006–2009 health sector funding as a proportion of national expenditure has fallen⁷⁵). Progress on the PETS study has been delayed in line with the Ministry of Planning and Developments plan to have this released in 2010.

⁷³ It should be noted however, that DFID does not regard this as a split-response mechanisms (as indicators are not linked to PAF) and therefore DFID procedures are not included in the PRBS MOU.

⁷⁴ This was in spite of changes in Ministers and Parliamentary Under Secretaries of State (PUSS): DFID had to respond to two different ministers and four different PUSS during its 2008 PRBS and CAP submission.

⁷⁵ Health sector overall funding (state budget and external funding) as a proportion of the total government expenditure (external funding included) has been decreasing over the last four years. The health share went down from 13.4% in 2006, to 13.0% in 2007 and to 12.2% in 2008. For the planned funds for 2009, this proportion went further down to 11.9%. This indicates that the health sector budget allocation is getting further away from the 15% Abuja target for government spending on health care in East and Southern Africa.

- 6.29 DFID has also played a major role in getting the GFATM to join PROSAUDE I and the National Aids Council's Common Fund. DFID has also attempted to influence the GFATM to join PROSAUDE II, although this has not produced the desired results to date. There have been considerable delays in disbursement by GFATM in 2009. Delays had also occurred in earlier years but the latest delay has been brought on by the decision by the Ministry of Health to remove GFATM from PROSAUDE. This has led to a new set of conditionalities that the Ministry has found difficult to satisfy. Other donors noted that DFID – although unable to get the GFATM to operate within the PROSAUDE framework – plays a vital role in engaging with this substantial partner. Because of the nature of the changes which the GFATM would have to make, it will require substantial lobbying and pressure at DFID HQ. In this regard, DFID has used the IHP to maintain high level pressure on the Global Fund to modify its procedures
- 6.30 **HIV/AIDS.** DFID is perceived as having been at the forefront of promoting dialogue for a more efficient HIV/AIDS response and as having played an important role as lead donor in the sector. DFID's twin track approach (supporting the government funds as well as civil society networks) has allowed it to meet its CAP commitments to scale up response. Yet with huge vertical funds avoiding government systems, the sector is extremely complex and it is right that DFID's new HIV/AIDS programme (2008/09-2010/11) focuses on providing catalytic prevention support around the third National Strategic Plan for HIV/AIDS.
- 6.31 **Education.** In another crowded donor sector, DFID has worked on building GoM leadership, and use of the Fundo de Apoio ao Sector de Educação (FASE) and this has seen successful in, for example, bringing the World Bank managed Fast Track Initiative (FTI) into the fund. In other aspects, there is less progress, especially around the human resources strategy, which the line ministry rejected. School construction delays and slow reduction in pupil-teacher ratios brought the FASE score down to a three in 2009 from a two in 2008, but DFID was active in coordinating a donor response to the issue. Given the imminent funding crises in education (with the departure of the Netherlands, and the termination of the FTI Catalytic Funding), DFID has attempted to mobilise additional funding for the sector, but is so far unsuccessful. The DFID country office presented a proposal to DFID HQ to qualify for funding out of a £75 million global allocation that has not been spent, but was told that Mozambique was over aided and that additional funding would probably not result in more children in school, given the already high enrolment rates. The country team note that while this observation, while likely correct, ignores the fact that Mozambique is strongly committed to improving quality of education and to retain pupils that are enrolled in the system for as long as possible – both of which require funding.
- 6.32 **Roads.** While the roads sector is improving gradually in terms of PARPA indicators, donor harmonisation is still a bottleneck. Less than 5% of all funding of the Integrated Roads Sector Programme (PRISE) is through a common fund. Attempts by the Fundo de Estradas (FE) and Administração Nacional de Estradas (ANE) to improve audits on procurement and contracting have not resulted in greater donor harmonisation. DFID is currently the lone donor contributing to a common fund in this sector and its ability to influence donors has been limited. Donor unease about institutional arrangements, the fiduciary exposure of Common Funds, and the considerable financial support via project funding have outweighed DFID's alignment agenda.
- 6.33 **Water.** Though the delivery of physical water points is on track, the actual use by the population is not so well-measured. Long term funding of the sector (as DFID plans to exit) is a serious issue given the large and increasing value-added tax (VAT) debt (484 million

MZN⁷⁶) to the Ministry of Finance, which represents 88.5% of total state annual financing for the sector. This, coupled with the high level of dependence on external financing, led the Joint Review in 2009 to recommend that the sector needed more attention from government. These issues have fed donor reluctance to enter into more aligned modalities via Common Funds. DFID's weak effectiveness in pushing for a SWAp is also due to its stretched DFID's advisory capacity and its short term financial commitment.

- 6.34 **Land Reform.** The Iniciativa de Terra Comunitarias (ITC), DFID's pilot programme in land rights has been slower to achieve results than anticipated. Nevertheless, DFID has maintained its influence around the land reform process by engaging additional partners. The MCC buy-in to the project and their alignment to the existing programme framework is an excellent example of DFID's capacity to influence other donors to contribute in an effective way to existing programming. However, the need to address Mozambican legislative framework changes around land rights, coupled with increased donor activity, growing coverage and broad scope (land demarcation, land use planning, etc), has required significantly greater involvement of DFID resources than foreseen. DFID has done well to react to these changes through modification to the programme, but there are concerns around the management of the programme and politicisation of the titling process.
- 6.35 **Public sector reform** continues to be challenging despite positive results in transferring increasing resources to sub-national levels through the decentralisation process, although here further progress needs to be made in establishing operational and accountable district councils. Positive achievements include the approval of the Medium-term Salary Policy, the review of the General Statute for State Employees; electronic payment of salaries, and operationalisation of human resource management policies.
- 6.36 DFID's engagement has led to improvements in supply-side governance by improving transparency and accountability through the electronic financial management information system (e-SISTAFE⁷⁷) (see 6.38), and by introducing greater strategic planning capacity through both central and sector level programmes of UTRESP and UTRAFE⁷⁸, Central Revenue Authority (CRA), and anti-corruption planning in sector ministries. The PSR aims to reduce the average time and cost of obtaining selected public services in health and education by 2009, but problems in data measurement make it difficult to assess progress.
- 6.37 Nevertheless, most of the common fund donors judge the PSR programme to be performing extremely poorly. The World Bank classed it as failing over recent years and has now pulled out, and Ireland and Denmark are equally disappointed⁷⁹. UTRESP is tackling too wide a reform agenda, and is doing so with weak powers over other state entities. Where it does make progress in generating outputs, the independent reviews of UTRESP are too few and superficial to properly reflect them.
- 6.38 **Public finance.** Under the PAF, public finance indicators have been met or reasonable progress made since 2006. The e-SISTAFE roll-out has been crucial for progress, gradually bringing greater transparency, accountability and strengthening of State Budget execution

⁷⁶ Mozambican currency: Noveau Metical Mozambicain.

⁷⁷ Sistema Integrado de Administração Financeiro do Estado (Integrated System of State Financial Administration).

⁷⁸ Unidade Técnica de Reestruturação do Sector Publico (UTRESP) - Technical Unit for Public Sector Reform, and Unidade Técnica da Reforma da Administração Finanças do Estado (UTRAFE) - Unit for implementing Sistafe.

⁷⁹ However, the Joint Review reports are not so negative, partly because these are joint donor-government reports and partly because the performance monitoring is selective.

control⁸⁰. Improvements introduced in budgeting, accounting, revenue and procurement management have complemented the strengthening of PFM although auditing control and parliament scrutiny remain weak. Areas of attention remain the PETS, aligning the MTFP with the annual budget, and the establishment of internal control units at central and provincial level⁸¹.

- 6.39 E-SISTAFE has led to significant improvements in revenue collection, cash management, payroll, procurement and internal controls. 95% of expenditures on goods, services and investments (representing about 23% of the state budget) are executed and accounted for through e-SISTAFE. Overall, fiduciary risk in Mozambique is judged to be substantial but reducing⁸², and e-SISTAFE has helped reduce petty corruption by strengthening internal controls.
- 6.40 The implementation of e-SISTAFE itself has suffered from time and cost overruns and there are major challenges to consider before DFID exits in 2012. These include how to fund Phase III – especially recurrent costs –, how to integrate with parallel systems emerging in some sectors and how to improve transparency and security. The system also needs to be extended to payroll, pensions, asset management and procurement as well as to external scrutiny and audit. Despite these issues, there has been no review for a year and a half and no independent evaluation of the strategy and results of the whole programme. DFID could have been more pro-active in addressing these gaps, given the size of its investment (£11.5 million so far), and given that these points were lessons drawn from Phase 1⁸³.
- 6.41 The CRA has made slow but promising progress in the important area of increasing domestic revenues. It has met its revenue targets through increased efficiency and by expanding the tax base, and has developed a Strategic Plan and an anti-corruption strategy. DFID has been involved in the sector for ten years (through the earlier tax reforms and Customs and Revenue work), and this record led to its early commitment to a common fund approach that has provided the new Authority with confidence to undertake further reforms. Other donors were slow to join the Fund, but are now doing so, and DFID's support for a quality assurance group has been influential in steering the direction of the CRA, and in balancing the policy reforms prioritised by the IMF. If DFID exits by 2012, as planned, it will be important to ensure that the common fund continues through other donors and that the early gains are not lost.
- 6.42 **Voice and accountability.** On the government side of accountability, there have been improvements in basic planning, activity and financial reporting, and the holding of government agencies to account by government oversight and inspection bodies such as the Tribunal Administrativo and the Instituto Geral das Finanças⁸⁴. Parliament is reported to be receiving better quality reports from the executive and analyses of the use of state funds. However transparency, integrity and accountability to the citizen do not appear to be highly valued in government⁸⁵.

⁸⁰ To date e-SISTAFE has been rolled-out to all line ministries and decentralized to 50 out of the 128 districts. 95% of all on budget expenses are now being processed through direct payment method.

⁸¹ Joint Aide Memoire 2009.

⁸² Recognised by the PEFA assessment and the IMF Report on Standards & Codes in 2007.

⁸³ Project Memorandum, SISTAFE II Public Financial Management Project (2006-2009), para 30.

⁸⁴ The supreme audit agencies in Mozambique.

⁸⁵ Partly because of the political history of the State and Frelimo's origins and evolution. See 'Power and Change Analysis: Mozambique', Final Report, by Ecorys & ODI, Nov. 2008.

- 6.43 Civil society, although still weak, is gradually becoming more aware of how it can act to demand better government and to contribute to the quality of this government at central and local levels. For example in education, civil society for the first time made a separate statement at the 2009 Joint Annual Review, which was a positive development. The decentralisation of power and resources to local governments are contributing to increased space for civil society to engage, and the growth of the consultative councils in the districts is increasing the demand for more accountability. There is an opportunity to have a more strategic engagement that links national and local potentials for civil society growth.
- 6.44 On corruption, DFID has been instrumental in supporting the anti corruption watchdog, CIP, which has rapidly become the leading protagonist on the “demand-side” for the fight against corruption. CIP’s successes include:
- Engagement in the Africa Peer Review Mechanism process.
 - Leading the G19 on the Governance Pillar during the Joint Reviews.
 - Building a relationship with Transparency International around the establishment of national chapters.
 - Contribution to the GoM’s decision to adopt the EITI.
 - Influencing GoM policy and plans by engaging with government and leading debates on issues such as corruption in the public sector, including supporting the Ministry of Health to improve its Anti-Corruption Plan.
- 6.45 DFID is planning to develop a new programme in the area of democratic institutional development over the coming year. It may be wise to build on this civil society approach, since experiences of working with parliament have generally been very disappointing due to a number of serious issues related to its role, composition, procedures and management.

Harmonisation, Alignment and Influencing: DFID’s Effectiveness

- 6.46 **Increasing government ownership.** DFID is a key player in building government ownership both through its own alignment and its efforts to influence others, for example in supporting the use of Common Funds using government systems (see 6.65). Given the high dependency on aid, the GoM also has a strong incentive to play a leading role in aid coordination. With growing domestic revenues and use of government finance systems, the GoM is increasingly in control of resources to implement its plans. Domestic accountability has been strengthened, as more aid has come under budget scrutiny and hence of Parliament and the external audit office. However, the capacity of external scrutiny organs is still weak.
- 6.47 The mutual accountability framework under the MoU for the G19 provides an assessment of both government and donors. The balance of control seems to remain with the donors and they are more ready to hold government to account than the other way round. The government’s ownership of this process is weak, as they are yet to make full use of the PAP review to bring influence on poor performing donors. Rather the pressure to improve compliance comes largely from within the PAP: *‘five years ago some donors felt it was not right for them to be evaluated, but none would say that now’* (IESE interview).
- 6.48 While a draft **aid strategy** is under preparation by the three concerned ministries, the scope of the document is expected to be too general. Some commentators argue that this is deliberate: that by not having an explicit strategy for aid, the government can keep a more open and flexible position. Indeed, *‘it might well be a rational approach to achieve short term gains*

in a long term strategy for political survival when aid dependency is deep and multidimensional...⁸⁶
Whether true or not, the government is keen to involve all donors, such as the USA, Japan and the United Nations (UN) – not yet full members of the G19, but with significant resources.

6.49 **Influencing Development Partners.** DFID is widely perceived as a leading advocate as well as role model for donor harmonisation and alignment. Specifically:

- DFID has scored extremely well within the PAP Assessment. For four years DFID has been ranked at the top of the list of the G19 donors. 67% of all DFID assistance is through PRBS, and 100% is in the form of programme aid (on-budget and uses GoM systems). DFID has led by example, for example in predictability, by making a 10-year commitment to supporting the education sector and for social protection, by introducing a five-year rolling PRBS arrangement and by not engaging in parallel projects.
- DFID brings stakeholders from the GoM and donor side together because of its dual involvement in PRBS and Common Funds.
- DFID was well regarded for taking on the role of lead donor in some sectors, e.g. in the health sector (2007–2008, for two years) and in HIV/AIDS (in 2007/08 for one year).
- DFID has worked closely with major non-aligned partners, such as the GFATM, and with other vertical funders – e.g. United States Agency for International Development (USAID) – to bring them into sectoral discussions and to influence their engagement with more harmonised and aligned ways of working.
- DFID's strong team of advisers has played a key role in sector working groups and other fora. For example, its focus on and expertise in PFM is seen as a particularly important contribution since this is an area where other donors have less to offer.

6.50 While DFID is recognised as an important champion of the Paris Declaration, it is also perceived as being too driven at times by its corporate agenda – to the extent that this has occasionally been seen as going against the spirit of having the government in the driver's seat, or in being able to accept that other donors may have a different policy or approach. An example is DFID's push for aligning the PROSAUDE II (the health SWAp) with government systems, which has alienated partners such as GFATM and others who were not able to make the changes required in order to be part of PROSAUDE. Several interviewees shared the view that the sector is now more divided than it was under PROSAUDE I, when there was room for everyone around the table.

6.51 A second example around corporate initiatives is the International Health Partnership (IHP) and the Global Education Initiative. While these may ultimately be credited with having in some ways served the harmonisation agenda, as illustrated by the signing of 23 agencies to common principles under the IHP, the evaluation also found some criticism of the processes followed, being perceived as *'inappropriate given the stage where we were at, at the time'* (i.e. in health the IHP came just after complicated negotiations around PROSAUDE II had been wrapped up), and *'unhelpful for a donor who is in the position of having direct contact with senior officials because of its lead donor role, as this can be seen as an abuse of power'⁸⁷.*

⁸⁶ *Aid Dependency and Development, a Question of Ownership?* C. Castel-Branco, WP 01.2008, IESE.

⁸⁷ Quotes from interviews with development partners close to the process.

- 6.52 DFID has worked well with the World Bank, specifically around the FTI and HIV/AIDS, and is perceived by others as having more influence because of its stronger voice via its HQ work with the World Bank. On the other hand, the continuing weak performance of the World Bank (and the AfDB) in the PAP assessments⁸⁸ shows that DFID has not achieved a great deal so far in its ambitions to improve the alignment of these agencies.
- 6.53 More specifically, DFID could perhaps have done more to influence the World Bank and other partners to address the slow progress with the PSR programme. It has also had limited success in influencing the EC and AfDB, both very significant donors in Mozambique, and its effectiveness in improving their alignment in water, sanitation and roads has been modest.
- 6.54 DFID's joint work on building the 'governance platform' is a valuable step towards prioritising issues for dialogue with government. This platform arose in 2008 out of the need for donors to present a more coherent message to government, as prior to this there had been too many issues put forward in the Troika dialogue and government was unclear which messages to respond to⁸⁹. The UK led with Ireland, Switzerland and others constituting the platform. Progress has been slow however, due partly to capacity gaps amongst donors, and a weak understanding of the political economy underpinning the current system. The platform was re-constituted in early 2009 with the aim of better monitoring the underlying principles in the MoU, improving coordination and analysis and preparing briefings for HoMs and HoCs in their dialogue with government. The danger is that this group is yet another layer in donor architecture, which leaves the already established governance pillar and working groups with less of a role. Further, not all G19 members support the idea⁹⁰.
- 6.55 **Aid architecture.** The G19 group is seen as a model of strong co-operation that has reduced transaction costs, especially for the GoM. Guided by the MoU (2004-09), the architecture involves the government, 19 donors and civil society in a system hinging on the PARPA and its pillars, agrees on performance benchmarks and conducts joint reviews to assess progress. The Troika plus system allows for a division between political, development and technical dialogue, whereby the Government meets only with the co-chairs.
- 6.56 Nevertheless, the GoM has shown a preference for more inclusive aid architecture. For example, it has sought a greater role for the Development Partner Group (DPG), requesting that at least some of the Troika and Joint Review meetings be open to non-G19 members⁹¹. Several donors, including DFID, prefer to maintain the focus of the G19 on the joint review process in order to agree on future budget support commitments.
- 6.57 Some of the larger and better resources partners (such as the World Bank) are particularly frustrated with the uneven quality of the Working Group (WG) system, which has emphasised broad membership, although others such as the GoM have valued the quality of dialogue, for example, with respect to health and education. While 25 groups form the main sector groups, there are a further 34 sub-groups that discuss specific sub-sector issues, some better than others. Attempts have been made to rationalise the system (there is even a WG to develop a code of conduct and to monitor the operation of the other working groups!), but so far there has been slow progress.

⁸⁸ The World Bank rated Weak and came 18th out of 19 and AfDB was rated as medium low and came 17th. DFID set a target of 40% of the World Bank portfolio to be in the form of GBS, but the level has not risen above 29% in 2008.

⁸⁹ Draft Terms of Reference for Revised Governance Platform, March 2009.

⁹⁰ See HoCs meeting minutes 20 April 2009, where Spain and Portugal raised concerns.

⁹¹ See Head of Cooperation Meeting draft Minutes, Embassy of Ireland, 4th September, 2008.

- 6.58 While the system is regarded as ‘*sophisticated and innovative*’⁹², it is also regarded as too process-driven, concentrating too much on definition of indicators rather than more substantive policy issues or quality aspects. The ability to address political issues has been of particular concern. The capacity of the Troika HoMs to represent the joint views of the G19 regarding progress on governance matters is hindered by the different levels of expertise and varying levels of concern around such issues⁹³, and also by the weak linkage between the sector group level and the HoC and HoM levels. Moreover, the turnover of donor staff has meant that there was a memory loss in recalling issues and ensuring follow up⁹⁴.
- 6.59 The drafting of a new MoU in 2009 under the Irish Troika chair illustrates well the difficulties in defining a system that would satisfy the differing concerns of so large a donor group. The process took a whole year, and required almost the full time attention of the HoM and HoC from Ireland. This was because some parties sought to broaden the fundamental principles that the G19 would bring to bear on the GoM around adherence to international principles for democratic accountability, corruption and transparency, while others were less willing to apply these. In the end, the new MoU was basically identical to the previous one, and two of the major donors (EC and World Bank) added exceptions that meant they need not be bound by the shared rules for donors.
- 6.60 DFID is recognised as an active and valuable member in several groups⁹⁵ but it has not been at the forefront of rationalising the system or of advocating for the Code of Conduct/Division of Labour (DoL), a process led by the EC, France and the Netherlands. Nor has DFID led by example on the principle of moving to work in only three sectors (plus budget support and cross-cutting areas). The mapping work on donors’ sectors illustrates this⁹⁶, for example Sweden’s country strategy has been much clearer on its exit plans. On the other hand it is also important to avoid taking DoL decisions without sufficient consultation (such as the case of the Dutch exit from education), rather than through a collective process of rationalising aid.
- 6.61 DFID’s level of involvement in the working groups is relatively high: DFID staff have an average of 2.1 groups per programme staff. The only donors with a higher ratio were Finland (2.2) who were in the Troika chair at the time, and Belgium (3.3) who had a very small staff complement, while the World Bank ratio was 1.3, and the UN and USA just 0.5⁹⁷.

Monitoring and Evaluation of the PARPA

- 6.62 The common framework for monitoring results in the PAF has contributed to a more harmonised effort between the GoM and donors as a whole. The dialogue that has taken place around the joint reviews of this framework has improved not only accountability of the GoM to donors but also between government departments. The MPD Aid Coordination Unit noted that in the process of preparing for the joint reviews, including at the HoM

⁹² An independent analysis of ownership and accountability in the development aid system, *EURODAD/CAFOD/Trócaire Research on the Effectiveness of External Aid: The case of Mozambique* January 2008.

⁹³ The G19 for example has been split between certain EU members states that believe the correct forum for political discussions should be within the Cotonou agreement (between EU and co-signatories) and excluded from the aid framework, and other G19 members that feel the G19 is an important platform for political dialogue. The World Bank and AfDB, as lending institutions, place less priority on aspects of political performance than bi-lateral governments.

⁹⁴ Only 1 Head of Mission (the World Bank) had been five years in country.

⁹⁵ According to the Task Force on Division of Labour, in Dec. 2008 DFID had 6 sectors of ‘concentration’ (but due to exit 3 of these by 2010) and belonged to 23 WG/sub WGs, with only the World Bank belonging to more (25).

⁹⁶ Mapping of the Working Groups, Task Force on WGs and DoL, December 2008.

⁹⁷ Based on survey by the Task Force for Division of Labour, December 2008.

Troika meetings, sector ministries have to defend more robustly their lack of progress to the coordinating ministries before agreeing on a joint response, something that did not happen before the joint review system was developed.

- 6.63 The questions that arise from the results-based focus of PARPA, around the distinction between numerical progress on specific indicators and their effect on decreases in absolute poverty reduction at macro level are important ones. Donors and the GoM need to think not only about the rate of progress towards growth and service delivery targets, but also about the nature of growth, and what this progress means for Mozambican populations in terms of spatial variation, quality of service and depth of reach.
- 6.64 An appropriate balance between the ‘*measurability*’ and ‘*informativeness*’ of indicators is difficult to achieve within shared monitoring frameworks such as the PAF. But there is a consensus that the PAF indicators are skewed towards achievement of more easily-measured, numerical results, rather than an examination of the impact and quality of these results. It is evident, however, that some inflexibility of the framework (i.e. difficulty in changing PAF indicators once approved for their three year period) is unavoidable if year-on-year comparisons are to be made. Still, as the PARPA II draws to a close, and the drafting of a new five year plan takes place, now is the right time to improve the quality of the M&E framework.

Experience of Using Common Funds

- 6.65 DFID is seen by others as a valuable partner in the support of Common Funds, in particular by bringing its technical expertise to the design process. For example, DFID has played a key role in the design of MoUs in the health and water sector, and in HIV/AIDS, DFID is working on establishing an on-granting mechanism for CSOs, which should allow for the big vertical funders in the sector to channel their funding to civil society. Two other positive examples are: (i) the Catalytic Fund of the Education for All – Fast Track Initiative where DFID with the Netherlands influenced the World Bank (which is the Management Agent) to put this Fund into FASE, and (ii) the common fund for the Tax Reform programme where DFID led the way and after a year the other donors (Germany, Switzerland and Belgium) are joining the fund.
- 6.66 DFID has had less success elsewhere in influencing other partners to join common funding arrangements. DFID’s approach to common funds – wanting to bring them as close as possible to sector budget support with on-budget funding and use of government systems is perceived by some partners as being too dogmatic and going against the spirit of harmonisation and alignment: for example in the water and health sectors.
- 6.67 In the health sector, the position by DFID has been perceived by a number of partners interviewed as having been somewhat extreme. It was noted by these interviewees that the pressure that DFID exerted in the negotiation around the PROSAUDE II process had fractured some of the consensus that had been achieved under PROSAUDE I. However, in spite of this, the evidence overall does indicate that in terms of formal written commitments the sector is today more united than a few years ago. Of the 26 health partners, 15 are PROSAUDE signatories and 23 have agreed to the IHP statement, a broader consensus than existed in the past.
- 6.68 DFID has held out for a common fund modality in roads and water, despite evidence that other donors are less comfortable with this modality because of concerns around fiduciary risks as well as the presence of alternate modalities. In PFM/PSR, Common Funds have

allowed for direct engagement with complex reform processes and more coordinated donor support around a shared strategic agenda. However, they are very time intensive to set up and to manage, and there are varying degrees of alignment with government systems.

Managing Exits

- 6.69 The CAP committed DFID to increasing its sector focus, although it did not specify how the choices would be made or what its exit strategy from the chosen sectors would be⁹⁸. At the time of the evaluation, DFID's exit strategy, while under development, was still not clear and it seems there was no ministerial guidance to help the country team plan⁹⁹.
- 6.70 In August 2008, DFID prepared an initial discussion document on exiting either health or education. This document starts from the premise that DFID will need to first '*identify an agency specific interpretation of DoL commitments for other EU donors - exit from policy dialogue (becoming silent) or policy plus financial exits*'. In other words, a first step will be to decide on what exiting means for DFID. This would for example open the possibility of staying in both health and education, but with a silent partnership in one of the sectors – as is also indicated in the CAP.
- 6.71 Nevertheless, work on choosing to exit from either health or education has been a 'piecemeal process'. A number of DFID's recent corporate commitments would appear to be contrary to a decision to exit completely from either health or education. In health, DFID has committed strongly to the IHP compact for Mozambique¹⁰⁰ and has also very recently begun a process of encouraging the government and partners to abolish user fees in the health sector. Both of these are on-going commitments – driven by corporate DFID agendas (but also supported by the Ministry of Health) and imply in themselves a continued commitment to the sector. In education, the CAP itself highlights that DFID has made a 10-year commitment to the sector, implying some form of engagement that will only end in 2016.
- 6.72 In other sectors, decisions to exit appear to rest on whether (i) there will be sufficient funding from others and (ii) how soon DFID can expect programmes to graduate to general budget funding (and thereby to receive support from DFID's PRBS). Given the slow progress in some areas (such as PFM/PSR), such graduation may not yet be realistic and targeted Common Funds may still be necessary to drive reforms. On the other hand, in light of the financial crisis and tightening of some donor budgets, exit decisions by others can happen quickly (as with, for example, Denmark and the Netherlands) and DFID may see itself overtaken by events if the exit/Division of Labour debate is not quickly brought on the dialogue agenda in a structured way.

Linking Central Reforms to Sector and Provincial Priorities

- 6.73 In terms of the PRBS, the PAF indicators illustrate the links to service delivery and tie budget funding to priorities in health, education, water and so on. But the nature of the linkage has yet to be clearly established as noted in paragraph 6.7. Both PFM and PSR have

⁹⁸ DFID planned "as part of wider donor efforts, to reduce the number of sectors each donor is involved in – we will consider the case for exiting or creating a silent partnership in one more sector" (CAP, p.17).

⁹⁹ Interview with the DFID West and Southern Africa Regional Director.

¹⁰⁰ Launched in September 2007, the International Health Partnership aims to harmonise donor funding, and improve the way agencies, donors and developing countries work together to develop and implement national health plans. The Compact aims to accelerate progress on the health MDGs, and calls for signatories to scale up coverage and deliver improved outcomes against the health-related MDGs and universal access commitments. The UK Prime Minister hosted the launch of the IHP and the initiative is led by the UK.

sought to link central reforms both with sectors and with local government. For example, through the PSR programme, Reform Units in Ministries of Education and Health were judged to be providing effective leadership for line ministry reform programmes, as illustrated by the production of the Ministry of Education's Institutional Development Plan and the Ministry of Health's Human Resource Development Plan. Nevertheless, recent reviews note that huge institutional barriers and weak leadership exist, and UTRESP has been unable to provide appropriate technical support to line ministries.

- 6.74 In terms of rolling out anti-corruption plans into five sectors, the plans have been assessed as too generic and not focusing on vulnerabilities specific to particular sectors, or on weak management in this area – although the Ministry of Health is seen as an exception.
- 6.75 In Zambia, the mission noted that e-SISTAFE was spreading from five to 10 districts in the past two years, while the remaining six needed internet connection, and the Provincial Permanent Secretary perceived the system reduced opportunities for corruption in her administration. In other areas, DFID's role is less obvious, as it withdrew some years ago from provincial and district programmes. In water and roads, DFID's work on Common Funds has not (and probably will not) lead to sector wide reforms, while procurement constraints and differing financial systems are delaying progress at provincial level.
- 6.76 Finally, within DFID's own programme management there have been efforts between those tackling central reforms (PRBS, PSR, PFM) and the other pillars to seize opportunities to adopt central reforms in sector programmes such as putting such programmes on budget and using government financial and procurement systems.

Cross-cutting Issues: Strategy and Results

- 6.77 **Strategy.** The CAP underscored its linkages with the '*clear cross cutting agenda and set of commitments*' of the PARPA II (CAP, para. E16). The PARPA II includes eight cross-cutting areas, namely HIV/AIDS, Gender, Environment, Food and Nutrition, Science and Technology, Rural Development, Natural Disasters and De-Mining. Progress on these cross-cutting issues is monitored through indicators in the PAF framework which specifically pick up these issues. It made sense given the range of these areas, for DFID to focus on a smaller number and it therefore chose to focus on HIV/AIDS, while stepping up engagement on gender and disaster risk reduction.
- 6.78 The CAP acknowledged the critique of the 2006 CPE regarding the limited emphasis that had been given to HIV/AIDS across the programme. The CAP was correct to then commit to addressing this by strengthening '*the response at all levels, aiming to help government reach its PARPA targets of reducing the number of new infections per day to 350, reducing the incidence in youth to 10% and increasing access to Anti Retroviral treatment and Pregnant Mother to Child Transmission services, and improving access of OVCs to basic services*' (CAP, para E17).
- 6.79 The CAP also acknowledged the limited work of DFID on gender, as recognised in the 2006 CPE, and identified two specific new entry points where gender would be mainstreamed, namely: a) the roads sector investment programme; and b) the support to poverty analysis and monitoring. The CAP further emphasises that – in view of the strong engagement of other donors – DFID would work on mapping out the range of gender activities that were on-going and identify new entry points for DFID. Finally the CAP mentions that '*new due diligence processes which reinforce the gender aspects of all our programming*' were to be put in place.

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- 6.80 For disaster risk reduction and climate change adaptation, DFID would appraise the case for closer involvement in these areas during 2008. Other areas of focus included supporting Mozambique on bio-fuels development and on the development of a regulatory framework for the industry.
- 6.81 **Results.** Overall the evaluation finds that DFID has made important progress on cross-cutting issues. In the implementation of the CAP, the evaluation finds that cross-cutting issues have been much higher on DFID's agenda and that progress has been made, although not uniformly across the different areas of expected attention.
- 6.82 HIV/AIDS has seen considerable progress. The PARPA's strong cross-cutting agenda and monitoring of HIV/AIDS has raised the profile of this disease nationally and within sectors. HIV/AIDS has also been an important area of attention within the health and education sectors. In education, a target of 10% of FASE funds to HIV/AIDS has been set. In health, an important component of PROSAUDE concerns HIV/AIDS, and in particular improving access to testing, to ARVs and to improving prevention of mother to child transmission. In addition, DFID has followed up on the concerns expressed in the previous CPE and the current HIV/AIDS programme is stronger and more strategic. HIV/AIDS is also mainstreamed in other parts of DFID's own programme including through the inclusion of HIV/AIDS management strategies, e.g. as part of the PSR programme.
- 6.83 Gender has also received attention in specific areas. Progress has been made in gender parity in education, as well as in maternal health. Gender sensitivity has also been integrated into the programming of the ITC after concerns were raised about the potential for marginalising women's input into land-use planning and effective management of natural resources at the community level. Gender has also received attention in the PSR programme, where outputs related to the mainstreaming of gender approaches in human resources management policies and strategies of the sector ministries have been included. Lastly, the GoM's cash transfer programme – supported by DFID and The Netherlands since 2008 as part of its Social Protection programme – targets households made vulnerable by inability to work due to age or other factors, and does include large numbers of (mainly older) women.
- 6.84 Addressing environmental concerns from a cross-cutting perspective, and climate change in particular, is still in the initial stages. DFID has paid more attention to these areas than it has to disaster risk reduction and de-mining, although there has been limited support to the latter areas. The government itself relies strongly on the Ministry of Environment to take the lead in this area, rather than seeing the Climate Change agenda as a cross cutting issue that requires the intervention of central planning mechanisms in order to achieve the mainstreaming of climate change across all sectors. However, the recent actor-mapping exercise on climate change across sectors and the drafting of DFID's Climate Change Strategy provide opportunities for a stronger focus in the future.

Summary on Results

- In terms of CAP headline targets, the overall picture is of uneven success. In health, water and education, the targets for 2010 have been reached. In contrast, there is no data on HIV incidence, though prevalence amongst the youth has been declining. Other indicators show some progress (roads, social protection, elections), but in voice and accountability there has been limited or no progress.
- PRBS has helped create a stable macroeconomic environment and has supported sustained levels of pro-poor expenditure within the agreed PARPA targets.
- An average growth per capita per annum of 5% indicates improvements in incomes of the poor. However, the nature and quality of the linkage between budget support, better services and improved livelihoods is only partially understood and awaits forthcoming survey results. Inequality of incomes and of service access may have risen.
- DFID's use of the PRBS has been a sound model in terms of predictability and transparency. However, the use of the small indicative or variable tranche has not been consistent or effective in achieving progress on the UK's concerns on corruption.
- In human development, DFID has had an effective presence in coordination and has had successes in persuading other donors to adopt government systems. However, DFID has sometimes been too doctrinaire in working to align vertical funds.
- PSR generally has performed poorly, despite some progress around human resource planning, revenues and financial management. E-SISTAFE has rolled out to all ministries and to 50 districts, and has reduced petty corruption. Together with progress in the CRA, this has helped domestic revenues to grow.
- Some progress in accountability has occurred through DFID's support for state audit bodies and the launch of an anti-corruption watchdog. While space is growing for civil society voices, efforts to improve their role in government processes have been slow and limited and did not match the ambitions or budget in the CAP.
- Government ownership of its resources is growing, although external organs (such as parliament) remain weak. Donors still hold the balance of power. GoM is yet to assert itself in the relationship and has been slow to set out an aid policy for this purpose. DFID is an important partner because of its lead role in PRBS and aid effectiveness. It also has a strong reputation amongst donors for alignment and Paris compliance and is seen to bring clear consistent messages, although this sometimes is driven by a corporate agenda.
- As a key actor in the G19 architecture DFID has supported the system strongly but has not been in a position to lead on reform (this will change from next year). The dialogue with GoM has been less effective on sensitive political issues, and the launch of strong aid policy is yet to be seen. The governance platform should improve this.
- DFID has delayed implementing the sector exits proposed in the CAP and has not sent clear signals to partners. Given DFID's strong and capable presence in those sectors where it has planned exits, its departure must be handled with care, especially as others have moved more quickly to exit.
- Gender has also received attention in specific areas, including in education access, maternal health, land, public service reform and social protection.

7. Process

Strategy Preparation

- 7.1 The previous CPE in 2006 noted that the earlier 2004–2007 CAP took over two years to prepare, something that was explained by the need for DFID to reach consensus on the marked change in direction inaugurated by that CAP, and by challenges in setting up a new office. The current CAP also took two years to finalise due to ministerial changes and new CAP guidance. A draft was available in 2006, supported by a wide range of good analysis, as well as issues and options papers, forming a good basis for the choices made. The draft CAP also benefited from the in-country peer review process (see 5.2).
- 7.2 Nevertheless, CAP finalisation was held up, principally because of changes in UK ministers and their fresh interest in having a strong voice in the strategy's approval as well as growing concerns around the need to justify the proposed budget support. This led to the request that the CAP be '*restructured and refocused*' and that it should include a '*real business plan*', an '*ex-ante analysis of impact*', including economic and financial analysis and an upfront statement of the '*real risks*'¹⁰¹. The DFID team responded well but, the West & Southern Africa Regional Director noted that the process was demoralising for the DFID team, as it was too lengthy and required several adjustments. The sometimes blunt questioning of DFID's strategy of providing large budget support resources to a government, regarded by some as inefficient and corrupt, meant that much energy was devoted to explaining the principles of budget support, and what measures were being taken to safeguard DFID's aid¹⁰².

Internal Working in Relation to the Strategy and Entry Points

- 7.3 Office restructuring took place in 2006 to align teams around the CAP pillars, with five teams replacing the previous three. The Head of Office was the Team Leader of the Aid Effectiveness (AE) pillar, reflecting the importance of budget support in the portfolio, and the associated aid coordination and aid effectiveness agenda. With 70% of the programme devoted to PRBS, the AE team consisted of the Head, an economist and a fast-streamer¹⁰³. This was a tight resource base for such a significant part of the DFID portfolio and one that was exacerbated in 2007 when there was a three month gap between the departure of the then economist and the arrival of his replacement.
- 7.4 Furthermore, in 2008 when the Head of Office was promoted and left suddenly, and the Senior Governance Advisor became Acting Head, the capacity of the AE pillar in particular was further stretched. From October 2008 to September 2009, the AE team was understaffed before the arrival of the current new Head of Office and the appointment of a new senior advisor in the AE team. Even though DFID was not a member of the Troika during the period, it intended to influence the aid coordination machinery, to raise the alignment and budget support funding of the large multilaterals as well as seeking to influence the government. The authority of the Acting Head position was limited, given that a new Head of Office had already been appointed, but would not be in post for over nine months¹⁰⁴.

¹⁰¹ Email to DFID Mozambique Head of Office from the Parliamentary Under Secretary of State's Office, 17 September 2007.

¹⁰² For example, see the Parliamentary Accounts Committee 27th Report of Session 2007–08. September 2008.

¹⁰³ Typically appointed on a two year posting and so with limited experience and language skills.

¹⁰⁴ Because of a pre-agreed six month posting to Iraq followed by three months language training, the Head would not be in office until the third quarter 2009.

- 7.5 Externally, several commentators remarked on the reduction in DFID's profile during this interregnum. DFID was seen to stand still and was less effective as a partner to the British High Commission (BHC) and to the World Bank. Internally, it appears that no decisions were taken on questions around exiting sectors, or on focusing the many different initiatives in the infrastructure portfolio. The governance team lost its full time senior adviser, because she was also Acting Head, and the delayed decision not to recruit a replacement at the same level meant that the team had no overall senior advisor in place to take a more strategic view of the pillar's direction and exits.
- 7.6 The focus on cross-cutting issues resulted in more horizontal linkages and better team work across the office. There was also better linking between the work at the level of central government and that at sectoral level, with for example the economist taking an active part in sectoral discussions¹⁰⁵.
- 7.7 The more strategic focus on HIV/AIDS in the CAP has gone hand-in-hand with the recruitment of specific advisory capacity in this area which has substantially enhanced DFID's capacity for engagement in the area of HIV/AIDS and is seen both internally (within the office) and externally (by other partners) as an important development.
- 7.8 The range and complexity of interventions especially in the governance and the regional / growth pillar have proved a challenge for the team. The loss of the Senior Governance Advisor referred to above has led to a rather divided approach to the portfolio with no clear team leadership and less cross-team working. The office has found it difficult to develop results frameworks, making progress hard to follow.

Monitoring and Evaluation

- 7.9 DFID responded well to the gaps in Monitoring and Evaluation (M&E) identified in the 2006 CPE¹⁰⁶. The office developed a tiered system of personal, team, and programme-wide indicators that then nested within the PARPA II framework. A system of business plans was elaborated to account to DFID management and the Director Delivery Plans. The PAF mechanisms provided an agreed shortlist of 40 indicators drawn from the more comprehensive list in the PARPA, which the G19 could agree as a basis for monitoring government performance and releasing budget funding. The traffic light based reporting system was followed which indicated whether CAP deliverables were on or off track (see 5.34)¹⁰⁷.
- 7.10 In 2009, DFID introduced a renewed corporate focus on delivering results and introduced a more elaborate, quantified logframe model that demanded baselines and time-bound targets/milestones, as well as elements such as output weighting, better data disaggregation and use of sources¹⁰⁸. This initiative has been a major challenge for all teams and many staff, in our judgement, are struggling to meet the more rigorous demands imposed by this new

¹⁰⁵ Several donors and GoM officials said that this was an important contribution. A number of training events and presentations have been conducted, both internally for programme teams and externally with working groups on using government systems, budgeting and putting projects on to the Treasury account.

¹⁰⁶ The CPE noted that 'Change Impact Monitoring Tables' were used but with insufficient attention to identifying DFID's contribution to the PARPA I outcomes and too much attention to processes and implementation.

¹⁰⁷ Although as noted earlier these reviews were not available to the CPE team for systematic assessment, the model appears to have been effective.

¹⁰⁸ *Making it Happen*, Value for Money Department, DFID, February 2009.

approach. The current programme results framework is some thirty pages¹⁰⁹ with much work still needed to identify appropriate outputs and outcomes and to complete milestones and specify sources. It is unlikely that limited HQ support from a statistics adviser¹¹⁰ will be sufficient to resolve this gap and the office would do well to complement this with sourcing external expertise (regionally there is a considerable pool of expertise in this area).

- 7.11 The current situation is therefore one of some frustration for the evaluation. While the PARPA PAF/PAP system provides a regular and standard assessment, the performance of DFID's own portfolio in terms of outputs and outcomes is rather fragmented and incomplete. In terms of review scores, only 12 budget lines (out of 56) have a rating and much of the portfolio is too small in value to be captured using DFID's performance system. Of the larger programmes, many have limited independent evaluations (for example of PSR or PFM), and given the critical decisions over future directions and possible exits, more rigorous and independent reviews are advisable.

Efficiency of DFID Disbursement

- 7.12 On major spend items such as PRBS, DFID has been a good performer. Its record on aid predictability has been exceptionally good, as recorded in the PAP reviews. At the other end of the scale, there are concerns over the Accountable Grant system (a DFID financing modality) whereby retrospective payments can only be made against recorded disbursements, and this has caused problems for several of DFID's smaller partners such as IESE and CIP. For small and new NGOs, cash flow is critical, and it is surprising that DFID, with its reputation for flexibility and its relatively more devolved authority, could not have arranged a better payment system.
- 7.13 On partners, the effects have been mixed although generally positive. In the case of the CRA, DFID clearly set a positive example by financing the common fund, and although other donors were slow to follow, they are now joining the fund. In contrast, an example of inefficiency in DFID disbursements is in the water sector. The water sector budget support funding of £7million was allocated in 2007 but by June 2009 there was no spend. The stagnation of these funds represents a considerable opportunity cost in that these funds could have been re-deployed in other areas or sectors with more immediate benefit.

Staff Quality and Deployment

- 7.14 The quality of the DFID team is recognised by both partners and the GoM. DFID also has a strong profile in the G19 architecture for staff having a consistent and clear position. The recruitment of specific expertise to the office (for example in HIV/AIDS and most recently Climate Change) has been of substantial benefit to an improved focus and scaling up of the work in this area.
- 7.15 Staff turnover may have affected programme performance, mainly as noted above around the appointment of an Acting Head of Office. While the fast track staff have valuable skills, their posting period of just one year in country is very short, and with language training means that their deployment can be too short to be effective. Most UK advisers have served three years, and this should be a minimum period given the importance of language skills and of building a sound knowledge of the complex aid system.

¹⁰⁹ The equivalent FCO Country Business Plan 2009-10 is a much clearer and short result framework, though indicators are not quantified.

¹¹⁰ The Regional Statistics Adviser based in DFID UK provides 20% of her time currently to Mozambique.

7.16 In terms of administrative costs as a proportion of programme expenditure, Mozambique falls in the middle of the range compared to other countries in the region, at 3.9% compared to Tanzania – the lowest at 1.7% – and South Africa – the highest at 5.7% – in 2007/08. In terms of potential savings, there could be a gain from co-locating the BHC and the DFID teams, as the former downsizes while the DFID office is likely to remain the same or grow slightly.

Table 5. Proportion of Administration to Programme Expenditure in Six Countries in Africa 2006/07- 2007/08

	Admin 2006/07 (£)	Prog 2006/07 (£m)	Admin/Prog %	Admin 2007/08 (£)	Prog 2007/08 (£)	Admin/Prog %
DFID Tanzania	2.5	109	2.8	2.3	120	1.7
DFID Ethiopia	3.0	89	3.4	3.0	139	2.2
DFID Sudan	4.0	109	3.7	3.5	137	3.0
DFID Mozambique	2.5	54	4.6	2.6	67	3.9
DFID Kenya	3.0	65	4.6	3.0	67	4.4
DFID South Africa	3.5	50	7.0	2.7	47	5.7

Source: DFID Statistics in Development

7.17 The 2006 CPE made firm recommendations on the balance of staff time between policy work, programme work and the field, on languages and maximising the skills and experience of SAIC staff. Most progress has been made on the latter area, where, through several promotions to advisor grade and the upgrading of other programme staff, several SAIC staff now have greater responsibility in both policy dialogue and programme management work.

7.18 A language policy was adopted by the office in 2006 and more extended language training for incoming UK-based staff took place (currently three months). Language skills have improved, particularly since the arrival of the new Head of Office, who has made this a priority, and there is a stronger commitment to using Portuguese across the office and also in external meetings.

7.19 The balance of work time remains largely unchanged – and although the former Head of Office introduced a rule of a minimum of 10 days per year field exposure – this has not been followed. A survey of current programme staff's field exposure by the CPE evaluation showed that over the past year an average of 5.3 days with only two of the twelve staff polled meeting the 10 days minimum. Given the location of Maputo, in the southern extremity of the country, the marked regional variations in poverty, the striking differences in growth potential plus the rising importance of local authority control over service delivery, the team need to ensure regular contact with citizens and organisations on the ground.

DFID Regional Linkages

7.20 DFID's contacts and joint working with DFID South Africa or other DFID offices in the region has been relatively weak, except in HIV/AIDS where collaboration was noted as having been useful in sharing experience and ideas. This is a real gap given the importance of linkages in areas such as trade, roads and mega projects. The regional programme, operated from Pretoria, has been characterised as a '*shot gun approach*' (according to a former DFID HOC) and '*insular*' (DFID Advisor) in perspective. The advisor felt that the Pretoria based regional office saw regional programming as a function of South African priorities rather than of the other countries in the region. Cohesive working in relationship to regional linkages has suffered from divisions of responsibility and sporadic communication between DFID

South Africa and DFID Mozambique. For example, DFID staff cited that they were unaware of what the regional offices were specifically doing in the area of climate change or of trade until they made a visit to Pretoria in 2008. Information flows on regional programming have also been characterised as sporadic and lacking focus.

Linkages with the Foreign and Commonwealth Office

7.21 Generally, the DFID–Foreign and Commonwealth Office (FCO) relationship has been close and well-coordinated. The High Commissioner has been in post since April 2007, and regards the development agenda as central to the FCO mission. Indeed the FCO business plan and DFID’s CAP are quite closely aligned around themes of poverty reduction, governance and climate change. As DFID and FCO are separate departments, the work of coordination has been demanding but judged effective, certainly in the period 2006–2008 around both analysis (for example in the Strategic Conflict Assessment, the Country Governance Assessment and around elections), and on presenting the UK case within G19 structures. With the departure of the Head of DFID in 2008 and the presence of an Acting Head until mid 2009, the strength of collaboration in terms of work with the G19 and with the GoM was reduced. With the new Head of Office in place, and the UK taking over the Troika chair in 2010, the DFID–FCO relationship will need to be strong and close. Co-location would help improve this, and the respective managements might review arrangements, especially as the BHC is reportedly reducing its staff complement.

Reporting and Communications

- 7.22 DFID has supported the PAP communications in order to make donor financial information and analysis available¹¹¹. The PAP website (www.pap.org.mz) contains relevant details of MoUs, joint reviews and PARPA documents and is reasonably comprehensive. The ODAMoz website also contains good aid data, although there are gaps¹¹².
- 7.23 For DFID itself, reporting has been largely internal and upwards to DFID management. The review of business plans and Africa regional targets has been helpful. However, the reporting system is neither particularly stable (with ongoing changes to indicators and results formats) nor well shared with the Mozambique donor community or wider public, and there is no complete document that summarises business plan progress by pillar.
- 7.24 The office has introduced a revised communications strategy for 2008, but this is more a work plan listing activities than a strategy that explains how DFID will ‘*improve understanding of its role and contribution to Mozambique’s development amongst key UK and Mozambique publics (sic), opinion makers and international media*’. The financial resources available for one year’s work is grossly inadequate (£2,700). The strategy focuses on outputs (fact sheets, case studies, press lines) and has no indicators measuring subsequent outcomes, such as changes in understanding or in awareness of DFID’s work.
- 7.25 The 2006 CPE evaluation stressed the need to improve DFID’s communication and reporting. However, the pattern of communications over the evaluation period continues to be limited in ambition and more focused on UK than Mozambique audiences. While the GoM and development partners understand DFID’s position well, this is mainly due to consistent staff messages. More needs to be done to proactively explain DFID’s strategy and

¹¹¹ *PAP Communication Strategy*, DFID Mozambique, 2005.

¹¹² The UK page lists only 18 projects compared to the 40 on DFID’s own list.

outcomes through press releases, media events or other channels, and more documents need to be published in Portuguese (so far only the CAP and short programme briefs). In addition, a dedicated DFID Mozambique bilingual web presence would improve the current corporate country page.

Summary on Process

- The two year delay in CAP finalisation led to improvements in the quality of the CAP, but it was time consuming and demoralising for some of the DFID team.
- The most significant mismatch between strategy and staffing was around Aid Effectiveness, where changes in Head of Office and staff gaps, stretched the team's capacity to deliver on the leading agenda of the CAP. Overall DFID continued to meet its aid effectiveness objectives as seen in the PAP scores, but during the interregnum, when an Acting Head was in post, the evolution of DFID's programme was held back in terms of moving on exiting or tackling slow progress in some programme areas.
- There has been better team working across the pillars and in terms of hardwiring overall programme objectives to team and individual outputs. Simple traffic light scoring helped measure progress. The recent corporate drive to introduce a more detailed log frame-approach has stretched office capacity.
- DFID has been a good performer in terms of its overall disbursement record. But it has faced difficulties in some of the common funds and rigidities in its financial grant system have affected smaller partners.
- The quality of the DFID team is recognised as strong by partners. Turnover has not been a major issue, but the period of service of UK staff should, where possible, be extended beyond three years to capitalise on language skills and institutional memory.
- Language skills of UK staff have improved, but field exposure has remained deficient.
- Regional linkages with DFID's programme in South Africa have not been very effective.
- Work with the FCO has been well harmonised for most of the period. Co-location would improve efficiency further.
- DFID's communications remains grossly inadequate and could benefit from a more pro-active and transparent engagement with Mozambique through more media and increased web-presence.

8. Conclusions

- 8.1 Overall Mozambique's development has shown a successful trend over the evaluation period, with strong GDP growth, despite the recent global recession and food price crisis. Progress remains on track for some MDGs although not for others. The UK, as a major, aligned and predictable donor has played a significant contributory role in this period of stable growth and improving services.
- 8.2 Budget support has been successful in promoting harmonisation and alignment and increased allocation of expenditure to pro-poor spending. DFID can take credit for contributing to the steady progress in poverty reduction as measured under the PAF, mainly through its leading use of PRBS but also through its increasing sector support that has offered an important balance. Up-to-date expenditure tracking and household survey data are still awaited to provide assurance that the funds are reaching the intended services and that better services are resulting in improved incomes and livelihoods. Regional income distribution is now the main challenge.
- 8.3 In the human development pillar, DFID has effectively pursued a common agenda for health, education, and HIV/AIDS around capacity, effectiveness and accountability. Overall, most significant progress has been made in harmonisation and alignment, and progress is also evident in enhancing accountability (although significant challenges remain in CSO involvement and in human resource development). Enhancing service delivery and ensuring that these address the needs of the poor continues to be a challenge, but there is recent evidence¹¹³, that this is being addressed by the Health Systems working group, and by the Minister's commitment to establish a commission on social determinants.
- 8.4 In infrastructure, although gradual progress on maintenance and fund sustainability in roads and water has occurred, DFID has seen little progress on its alignment agenda and was over-ambitious in its timeframe. Now, DFID's planned exit from roads and water need more detailed planning and management. In land, DFID has led an innovative strategy around community-based approaches and has garnered support from other major new donors, but the initiative, although important, faces several challenges and consumes much adviser time. The infrastructure and growth pillar in general carries a mixed range of agendas without a coherent strategic direction.
- 8.5 For the governance pillar, the reduction in democratic space and the inability and increasing nervousness of civil society to speak out and propose policy alternatives to government constitutes a threat to continued peace and stability. The situation calls for a major and imaginative increase in support from the international community to the stimulation of independent civil society organisations and to the media.
- 8.6 The performance of the public sector reform programme has been disappointing. The reasons for this are complex and include weak political will, inappropriate institutional arrangements, low human resource capacity and leadership, and an excessively broad reform programme. The temptation for DFID and others is to pull out of a direct supporting arrangement and to let the government deal with it itself, which is what DFID is planning to do when its funding ends in 2011. This may be necessary as DFID brings focus to its

¹¹³ DFID presentation of a paper on inequality to the Health Consultative Council, July 2009.

programme in future, but carries considerable risks given the central importance of administrative reform for sectoral service delivery and the complexity of the processes for the government to handle alone.

- 8.7 DFID has not made progress or provided much transparency on its CAP plans to exit certain sectors. A combination of new corporate initiatives, changes to Head of Office, and strong demands for DFID to stay involved in sectors have contributed to this. Others are making exits in pursuit of a stronger Division of Labour, although not all in a sufficiently consensual way, and these may pre-empt DFID's own actions.
- 8.8 In terms of leverage on sensitive governance issues, particularly corruption and human rights, the G19, because of its size and heterogeneity, have found it difficult to prioritise its messages, but there has been some progress mainly around agreeing action plans and less on concrete steps. As the UK moves to chair the G19 Troika, there will be a major opportunity to work with government on a more focused, but substantive agenda.
- 8.9 As the top scorer in the PAP monitoring, DFID is seen as a role model for aid effectiveness by the GoM and most donors, particularly in use of government systems and predictability. It has also done well in balancing PRBS with effective engagement at sector level, particularly in human development. In aligning its future programme, DFID must recognise that the GoM, while it prefers budget support, accepts the need for pooled funding and project modalities and seeks an inclusive and flexible partnership, with all aid at least on budget.
- 8.10 The working group system of the G19 is cumbersome and streamlining has been slow, although some sector groups are regarded as active and useful. The high-level political meetings conducted between the GoM and the Troika do not appear to be having the influence originally anticipated, although the prioritisation of issues has improved. This is partly due to the tendency of the Troika membership to pursue a dialogue around quite detailed technical issues.
- 8.11 The current PARPA M&E system has been an effective tool for building a coherent shared understanding of PARPA's performance. Nevertheless, it suffers from a number of weaknesses, especially in terms of weak district consultative councils and provincial development observatories as well as organised spaces for civil society involvement in the M&E process. DFID has become increasingly involved in supporting development and poverty monitoring via poverty and exclusion studies and through supporting the APRM. This work is well-targeted and appears to have been well-implemented. Supporting the 2007 census was another important contribution to this area of work.
- 8.12 The response to lessons and recommendations of the 2006 CPE is mixed. DFID responded well to the recommendations to scale up HIV/AIDS support, to using DFID's influence more widely (beyond budget support to its work in sectors, projects and in dialogue), and on furthering harmonisation. DFID also paid greater attention to cross-cutting issues in general, outlining how it would deal with gender and the environment. DFID also responded to the need to build language skills, make better use of SAIC staff, and set up a better M&E plan (at least until the new corporate Results Framework was introduced). Staff turnover, greater field exposure and improving communications remain a concern. DFID, in embarking on a three year programme in water and roads to build common funding, ignored lessons concerning the time needed to introduce new mechanisms and attain reform objectives. DFID did not follow up the recommendation to finding appropriate ways to work on decentralisation, a key challenge now in improving services and reducing regional inequalities.

9. Lessons and Recommendations

Lessons

1. Division of Labour arrangements (and consequent sector exits) need to be planned and managed more carefully and strategically timed to coincide with those of other partners so that balanced collective decisions can be made, and so that opportunities for making effective exiting decisions are not missed.
2. Common Funds can be an appropriate alternative to PRBS where fiduciary risks are too high or where more direct engagement can be generated through such funds, given institutional & capacity bottlenecks. However, Common Funds can also involve extensive planning and management for all partners, and realistic timeframes are needed and consistent influencing both globally and locally.
3. The dialogue around budget support modalities in relationship to multilaterals may most effectively take place at headquarters level rather than at country level. There is a limit to what can be achieved with dialogue at country level.
4. Entering a sector for a limited timeframe (three years, then exiting), with the objective of improving harmonisation and alignment, cannot be expected to achieve results, especially where other partners and the government prefer traditional funding instruments.
5. DFID needs to review carefully its use of indicative tranches in PRBS as part of its means to leverage a government response on corruption or other sensitive issues. Initial evidence suggests that it will not be effective if the tranche is relatively small and is part of a wider range of conditionalities that are uncoordinated. A broader programme of governance measures will also be needed if corruption is to be more effectively addressed.
6. The process of managing a complex aid architecture (such as the G19) can become an end in itself and can consume a great deal of time and energy in building agreement amongst very different partners. The high quality of DFID's staff means that they are drawn into too many working groups and too many agendas, and it is better to focus. DFID's consistency in approach is well recognised and appreciated, but this can appear too doctrinaire at times and lead to negative results.
7. Where DFID is a leading provider of PRBS, it is still valuable to have strong sector engagement to influence service delivery outcomes and reforms. PRBS can only be one of many tools used in conducting an effective policy dialogue on reform issues. Especially in the area of fighting corruption, more integrated and joined up approaches are necessary to provide the appropriate incentives.
8. PRBS can show benefits in promoting greater harmonisation and alignment across the entire aid landscape, but as the experience matures it is important to focus on ensuring better links between overall government spending and service delivery outcomes. This will require sound complementary reform efforts at sector and sub-national level.

9. Given the need to fully understand the complexities of the situation in-country, including in many cases language skills, UK-based advisers are more effective if recruited for tours of duty of at least three and preferably four years. Sudden staff changes should be avoided, especially at senior level where this results in combined Senior Adviser/Acting Head of Office positions.

Recommendations for DFID Mozambique

1. DFID should hold discussions with other donors and undertake a careful review of the effectiveness of past anti-corruption strategies and the effectiveness of graduated response mechanisms as part of underlying principles of budget support. The view of this evaluation (given that it not had time to study the issue in depth), is that DFID should consider reducing its PRBS core tranche and/or increasing the indicative tranche in order to send stronger signals on corruption and governance (6.24).
2. DFID should balance its lead role in provision of budget support and aid effectiveness with a stronger focus on sector outcomes (5.11). DFID must develop a stronger focus on service delivery and integrate this into the policy and M&E discussions at sector level. This brings with it, a stronger focus on the issue of decentralisation (including capacity building and monitoring at district level).
3. Influencing of key agencies (GFTAM, PEPFAR, World Bank, EC) needs further strategic thinking, good monitoring, and careful consideration of experiences (6.50). The influencing agenda should be informed by the priorities of the government and country. DFID should consider periodically monitoring its influencing role and ensure it is getting timely feedback from partners and independent assessment on the outcomes of influencing.
4. In making choices about sector engagement, DFID should learn lessons from the process so far and work more closely with partners, including the GoM. Exiting needs to be done in the spirit of the Division of Labour, although it is worrying that Division of Labour process in Mozambique has become an exiting process (i.e. the focus is on exiting rather than on the outcome of providing more effective support to the sectors). In this context, DFID should play a stronger role vis-a-vis the EC; in particular in pressuring for a more considerate and collaborative approach to the Division of Labour (6.60).
5. In choosing exits, DFID needs also to balance carefully the need for long term predictable financing to sectors, with the time and resources it takes to maintain even minimal involvement in a given sector (6.69-6.71). With respect to the decision as to whether to leave education or health, it will be important to take into account that the nature of the commitments is different. In education, DFID's commitment is essentially a financial and a long-term one. In the health sector its commitment weighs towards policy issues and therefore potentially requires a sustained technical involvement, although this could also be provided by other like-minded donors staying in the sector (6.69, 6.70).
6. The current infrastructure and regional linkages pillar needs to be more strategic and focused. DFID should develop clear rationale for its planned exits from roads and water, and this rationale should be complemented by an analysis of DoL in these sectors. Ensuring the long term effectiveness and sustainability of land law implementation should take priority. Land reform, coupled with the equitable growth agenda and

encompassing cross-cutting issues like climate change, bio-fuels and disaster relief, lends itself to increasing synergies within and between programming areas around a new pillar for growth in rural areas.

7. DFID, as incoming Troika chair, should focus on a small set of reform issues (perhaps concentrating on Division of Labour/sector exits, G19 restructuring and anti-corruption). DFID should support a review of the G19 PAP architecture and processes so as to increase the technical quality and efficiency of the working groups and the political effectiveness of the Troika process (6.59, 6.60). Pursuing as close a working partnership as possible with the High Commission would be vital in this respect (7.21).
8. DFID should increase support for strengthening the PARPA M&E system to include a significant improvement in sectoral and overall PAF indicators and accompanying monitoring mechanisms, and a much strengthened level of participation of civil society in M&E processes (6.64). DFID should hire a regional consultant to provide supporting expertise to further refine the PARPA and its own result frameworks (7.10).

ANNEX 1: TERMS OF REFERENCE FOR EVALUATION OF DFID COUNTRY PROGRAMMES 2009-2010

1. Introduction

DFID's performance management system is supported by periodic independent evaluations at project, programme, sector and thematic level. Evaluation Department (EvD) carry out a number of Country or Regional Programme Evaluations (CPEs or RPEs) annually. These terms of reference (ToRs) set out the scope of work for the 2009/10 period and should be read in conjunction with DFID's draft Evaluation Policy¹¹⁴. Bidders are invited to suggest how they will take this policy into account in their evaluation approach and methodology.

The CPEs provide important accountability and lesson learning functions for DFID. The primary audience for the evaluations is the UK government and DFID senior managers including heads of country offices. All evaluation reports are published externally.

Countries proposed for evaluation in 2009/10 are: Mozambique, South Africa and China. There may be a possibility of being involved in supporting a joint donor evaluation of the Joint Assistance Strategy in Tanzania, but we would not expect this to be addressed within the tender. Each evaluation will use the countries' most recent Country Plan (CP) or equivalent, and related policy documents. Where the five year evaluation period spans two country plans, or other strategy documents, the evaluation will relate to both. It is anticipated that the country field visits will take place approximately as follows: Mozambique inception June 2009; South Africa inception July 2009; and China inception October 2009.

While country-led approaches are central to the way that DFID works, socio-political and environmental contexts will influence the progress and form of the development process. The CPEs articulate the country offices' plans for operationalising corporate objectives within the country context, and in most cases they will build upon or reflect the national Poverty Reduction Strategy Paper (PRSP). These plans are therefore the logical starting point for the evaluation.

2. Overarching Objectives

2.1. The main objectives of the country programme evaluations are to assess:

- Country strategy and links to poverty outcomes and DFID's corporate objectives
- Choice of aid instruments
- DFID's role as a development partner
- DFID's success in implementing its country strategy.

¹¹⁴ The Evaluation Policy has now been approved by Ministers.

2.2 The CPEs will assess the DFID country programmes in terms of standard criteria although these may be customised to a degree for individual studies. The generic evaluation matrix is attached at Annex A but we welcome views and any suggested changes or alternatives. The evaluations are based on the standard DAC evaluation criteria although it is expected that it will be adapted to each individual context, and considers:

- The **relevance** of country programme objectives and the logic behind them given domestic policy objectives for poverty reduction, as well as DFID's own corporate level objectives
- The **effectiveness** of the overall programme in achieving the objectives set out in the country strategy, including DFID's choice of aid instruments, coordination with other stakeholders, policy dialogue and influencing and meeting our commitments to aid effectiveness under the Paris Declaration and Accra Agenda for Action.
- The **efficiency** with which programme plans are translated into activities, including human resource and office management, collaboration with other stakeholders and use of country systems, policy dialogue and influencing, the use of financial instruments
- **Coverage** - which groups are included in/excluded from a programme, and the differential impact on those included and excluded. Related concepts include equity (including gender equity and disability) geographic and social exclusion. How successful has the programme been in mainstreaming cross-cutting issues such as gender, HIV/AIDS and the environment/ climate change?
- **Coordination** - the intervention of a single agency cannot be evaluated in isolation from what others are doing, particularly as what may seem appropriate from the point of view of a single actor, may not be appropriate from the point of view of the system as a whole. Evaluating coordination includes assessing both harmonisation with other aid agencies and alignment with country priorities and use of country systems and accountability mechanisms. What was the impact on the achievement of wider programme objectives?
- **Coherence** - refers to the need to assess other policies and programmes which affect the intervention being evaluated, for example security, humanitarian, trade and military policies and programmes, as well as the intervention or policy itself. What were the variables influencing the process of inclusion?

And to the extent possible

- **Sustainability** - are the reforms/ changes supported by DFID's country programme moving in the right direction and are they likely to be sustained? Has local capacity been built? Has transparency, voice and accountability improved?
- **Impact** - Did the country programme achieve the objectives set? Did the positive outcomes DFID achieved justify the financial and human resources used in the programme?

- **Attribution** – Given external factors and the contribution of other stakeholders, overall how far did the country programme make a positive contribution to poverty reduction and the welfare of the poor? How good a development partner was DFID?

3. Methodology, Outputs & Timing

- 3.1. **Methodology:** Each evaluation will involve an ‘inception visit’ and ‘fieldwork mission’. EvD and the consultant team leader will undertake the inception visit. A team of 3–6 consultants will undertake the fieldwork, generally involving up to three weeks in country. In some cases the inception phase may be undertaken in the UK and the fieldwork may be organised a little differently depending on the country context.
- 3.2. The ‘inception visit’ has four key objectives:
 - i. Ensuring staff in the DFID country office are fully informed about the evaluation, its purpose and how it will work;
 - ii. Ensuring country/ regional office staff have an opportunity to feed in key questions they want the evaluation to address and contribute as appropriate to the process
 - iii. Determining the exact nature of the individual evaluation and resolving key methodological / practical issues.
 - iv. Ensuring the evaluation team has access to all relevant contacts and documentation - including all those who have worked in the country/ regional programme over the fieldwork period and all relevant partners.
- 3.3. Between the inception visit and fieldwork the consultants will amend the standard evaluation framework for the study to address any country-specific issues raised during the inception visit. An inception report containing this matrix will be signed off by the country office and circulated to the relevant regional director.
- 3.4. EvD will provide supporting documentation relevant to each CPE to the consultants in good time. This will include project documentation and relevant documentation about the design, implementation and monitoring/ evaluation of the country/ regional strategy and individual programmes (but not background policy information). Prior to undertaking fieldwork, the evaluation team need to be familiar with the DFID programme, the country context and the full range of DFID policy papers that are relevant to the country programme.
- 3.5. The consultant organisation is responsible for identifying and engaging a team of consultants appropriate to each country context from within their company/ consortium. The team must have strong evaluation skills, understanding of DFID and the local context and ability in the languages of the country.
- 3.6. The team should cover all the major sectors of the country programme, including as appropriate governance, economics, social and institutional development, humanitarian, conflict and human resource management. The team should include at least one locally based consultant as a full team member. In the interests of staff capacity development and training EVD may wish DFID staff members to accompany, or be a full team member of, the consultant CPE team, in such a case additional terms of reference specifying the roles and responsibilities will be developed.

- 3.7 The consultant organisation is responsible for setting up and planning the main field visit. They are also responsible for maintaining ethical standards in implementing the evaluation and managing logistics in country, with support from the DFID country office, to the extent mutually agreed in the respective Inception Visit.
- 3.8 During the main fieldwork the sector specialists and evaluation team leader will interview DFID staff (current and past) and partners (in government, multilaterals, other donors, NGOs and civil society etc.) about all aspects of the programme over the five year evaluation period – using checklists as appropriate. Web based surveys of staff and other stakeholders (e.g. other donors and NGOs) should also be considered. The evaluators will systematically scrutinise the available documentation and supplement this where possible, and then use all evidence gathered to complete the evaluation matrix. One matrix should be completed for each main sector, pillar or thematic area, and the evaluation team leader (and deputy) will use these to compile the final report. Fieldtrips outside the capital city to include some beneficiary analysis are not a standard part of a CPE but we would encourage consideration of where this may be possible and how it would be undertaken in relation to the countries proposed for 2009/10. This will be further developed during the inception phase for each study.
- 3.9 In terms of the countries proposed for 2009/10, we would welcome specific methodological proposals to cover:
- Mozambique: one of the first of the second generation CPEs to be undertaken.
- South Africa: taking into account regional perspectives and including beneficiary analysis or an in-depth evaluation of a particular sector.
- China: to include beneficiary analysis or an in-depth evaluation of a particular sector.
- 3.10 **Outputs:** The outputs required from this contract include, for each country:
- I. **Inception report** detailing the way in which each individual CPE is to be carried out and showing the updated evaluation matrix.
 - II. A **presentation** of preliminary findings to country offices before the end of the fieldwork for each study.
 - III. **Study Report** and **EvSum**. The report shall be no more than 50–60 pages long (excluding annexes) and will include detailed lessons and recommendations. The EvSum, should be no more than four pages, and will include the response from the relevant DFID office/Department, which EvD will obtain.

A first draft of the report should be sent to EVD within four weeks of the end of fieldwork (see para 3.11 on timing). Following initial checks within EvD the draft report will be sent to the country office. Staff there will be invited to correct any factual errors and make comments. Although country offices may challenge findings they disagree with, and sometimes have additional information to support a claim, EvD will support the evaluation team to ensure that the report remains a true independent evaluation. A second draft report and evaluation summary will be produced taking account of relevant comments. These will be subject to external

quality assurance against the criteria shown at Annex B¹¹⁵. All draft reports submitted should conform to the EvD style guide and checked for typos, formatting errors and consistency of data presented. The final draft should be of publishable quality.

- IV. A publishable **synthesis report** pulling together findings across individual CPEs. This Synthesis Report will be guided by a workshop scheduled for around April 2010 and a final report should be completed by September 2010. It is anticipated that there will be a further meeting between the authors and relevant DFID policy leads to discuss emerging recommendations, after the first draft report has been produced and considered by DFID. This will assist in building ownership for the synthesis report. The report should be finalised within three months of the date of the workshop - including an EvSum; a follow up dissemination event may be required.
- V. DFID also requires access to the evaluation team's interim evidence summaries, e.g. **completed matrices**, although it is not expected that these should be of publishable quality.

3.11 **Timing:** An indicative outline of the timeframe for a CPE is given below. We welcome alternative proposals, while recognising that a key strength of the CPEs is their timeliness and ability to deliver a high quality published report relatively quickly.

Inception visit – one week

Fieldwork – three weeks (to take place three weeks after inception visit)

Draft report – delivered to EVD within four weeks of the end of fieldwork.

Publication – three/ four months after fieldwork.

3.12 The consultants will work to the strict deadlines set out in these Terms of Reference and the timeliness of the delivery of reports is of the essence. Any changes to these deliverables for example issues arising from the inception visits must be agreed in advance with EvD. Team composition and timelines will be agreed prior to commencement of each of the country studies, including the necessity of any follow up visit to the country if major issues remain unresolved.

4 Reporting and Dissemination

4.1 The consultants will report to the Country Programme Evaluation Team Leader or the Deputy Programme Manager in DFID Evaluation Department.

4.2 Reports will be published and distributed, electronically and in hard copy, to a wide ranging internal and external audience. The consultants should be prepared to present their findings to DFID staff and others as appropriate. Specific dissemination arrangements will be determined on completion of each country report and synthesis.

Evaluation Department March 2009

¹¹⁵ This will be revised in accordance with new quality assurance guidelines and template currently under development and findings of the Quality Review being commissioned by IACDI.

Matrix For Country Programme Evaluations

Sector: _____

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)
(Chapter 1: Introduction and Methods)		
<i>Context</i> (to form Chapter 2 of report: Context: 2004 - 2009)		
<i>Political and post-conflict situation. Key events over period including factors beyond control of development partners, MDG progress (and variation by gender, rural/ urban, ethnic group etc.); progress with peace-building. Importance of aid to the country and no. of donors active in area. Key agreements / strategies / reviews that influenced DFID's work.</i>		
Relevance (to form Chapter 3 of report: To what extent was DFID's strategic approach relevant to the country context)		
Overall strategy and areas/sectors selected for intervention	<ol style="list-style-type: none"> 1. Throughout the evaluation period and as the context evolved, did DFID have clear and focussed country/ sector strategies that explained the rationale for interventions supported? (E.g. options considered, analysis done, choices made and why etc.) 2. Over the period, how far were strategies aligned with development needs and policy priorities of the country, (e.g. aligned with the PRSP where one available? Related to off-track MDGs? In line with peace-building strategy etc.) 3. How far were strategies aligned with or determined by broader HMG objectives? How were the links between political, security and development objectives addressed? 4. How far were strategies based on a realistic analysis of the country situation / PRS, including political economy analysis? 5. To what extent were strategies in line with corporate priorities? (e.g. Fragile states policy (2005), Conditionality paper (2005), conflict guidelines, cross-Whitehall working and relevant sector strategies) 6. Were changes to strategies appropriate given the context or were there too many/ too few adaptations? 	10 year MOU (DPA), CAP (or equivalent), Sector Strategies, PRSP, Govt. Strategies, DFID Policy Papers e.g. Conditionality paper, DAC? conflict guidelines

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)
Risk Management	<p>7. How systematically did DFID assess the external risks (i.e. political governance, conflict, economic and fiduciary) and the internal threats to the country strategy? Were regional factors assessed?</p> <p>8. How comprehensive were plans to minimise the identified risks? What tools were used – e.g. scenario and contingency planning</p>	
Portfolio profile	<p>9. What interventions did DFID support over the evaluation period? (Did these fit with the strategic priorities?)</p>	
DFID's choice of aid instruments	<p>10. What mix of aid instruments was intended and how did this change over the evaluation period? Was there a sufficient balance between use of long term and shorter term instruments? And between pooled funding, multi-lateral and bi-lateral funding?</p> <p>11. To what extent did choices about aid instruments reflect the political economy and governance / conflict context of the country and DFID policy? Was there an appropriate balance between support through government and non-governmental channels?</p> <p>12. Was funding shifted between instruments, or delayed / suspended? Was this in line with the DPA / conditionality policy?</p>	
DFID's partnership working	<p>13. How did DFID approach working with: a) government (central and local, b) civil society, c) multi-lateral organisations (WB, UN, EU), d) other bilateral donors? Were there explicit strategies? What was the basis of any influencing agenda? Was the balance among partners right?)</p> <p>14. How did DFID work with OGDs – FCO, MoD, No. 10. (Was there a joint HMG strategy? Was there pooled funding / staff / systems? Was security sector work integrated with OGDs?</p> <p>15. To what extent did DFID seek to strengthen harmonisation across the donor community? (was there joint analysis, pooled funding, joint reporting etc?)</p> <p>16. How well did DFID consult with and communicate its aims and objectives to development partners?</p>	
DFID's approach to cross-cutting themes	<p>17. Did DFID have a strategy for mainstreaming cross-cutting issues such as gender, social exclusion, human rights, HIV/AIDS and environmental protection? (and was this consistent with corporate policy on these issues?)</p>	
Level and allocation of resources	<p>18. Were strategies appropriate to the level of resources anticipated?</p> <p>19. How far did planned spending and use of staff time reflect strategic objectives?</p> <p>20. Was geographic coverage too narrow / wide for resources available?</p>	

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)
	21. Were other donor resources and plans in the country taken into account to avoid over / under-aiding and aid volatility?	
Results focus	22. How far were DFID's planned interventions sufficiently results-focused and monitorable? E.g. were there results frameworks? Was there a sufficient balance between quantitative and qualitative indicators to fully understand impact? 23. How far were the results of reviews used to reconsider design/ direction of work and resourcing and staff allocation priorities?	ARIES and PRISM/QUEST documents
II. Effectiveness and III. Efficiency (Chapter 4: How successful was DFID in terms of engagement in development and delivering results in a time of conflict?)		
Delivering on strategy	24. How far were objectives set out in strategies achieved in practice (CAP performance objectives and other strategic outcomes)? What explains any areas of divergence? 25. How effectively did the country office manage the strategic risks that emerged? To what extent did effective risk analysis allow DFID to remain engaged through the post-conflict transition?	
Results	26. How far were the objectives and performance indicators for individual DFID interventions achieved (drawing on data from project reviews and PRISM scores)? 27. How did individual DFID programmes function during the post-conflict transition? What explains key successes and failures with regard to programme objectives? What was the role of govt and non govt. actors?	
Efficiency	28. Was DFID's actual disbursement in line with expectations and plans? Were there any significant changes or delays? 29. How was staff time spent? (influencing/ policy work, project/ programme work, field work, corporate reporting/ activities, liaising with OGDs and other donors) 30. Was the skill mix and continuity of staff appropriate to the country context and strategy?	

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)
Aid effectiveness	31. How effective was the mix of aid instruments in achieving objectives? Were the different instruments used in a complementary way? 32. How effective has DFID been in pursuing its development agenda (including peace building) with partners including other parts of the UK government, the partner country government, Civil Society, NGOs? 33. Has DFID operated in accordance with its commitments to aid effectiveness under the Paris Declaration and Accra Agenda for Action, and emerging principles of aid effectiveness in fragile states? 34. How well has DFID communicated its results / lessons/ good practice?	
DFID's delivery on cross-cutting themes	35. How well were issues of gender, social exclusion, human rights, HIV/AIDS and environmental protection actually integrated across the programme? 36. Were results disaggregated by gender, social group etc. and what does the data show?	
Impact and Sustainability Chapter 5: What impacts has DFID helped to achieve?		
Outcomes and sustainability	37. To what extent has the policy and governance environment (e.g. accountability, action on corruption) been strengthened? 38. What is the evidence to show that DFID has helped contribute to specific development outcomes and PRS achievements? (PSA/ DDP/ direct project/ programme impacts and 'indirect' benefits around policy dialogue) 39. Are the development changes or reforms supported by DFID's country programme likely to be sustained / difficult to reverse? Have parallel systems been set up to deliver projects, and if so is there a plan to integrate them into government systems? To what extent has local capacity been built? Has DFID added value through gains in aid effectiveness? E.g. contributing analysis/ tools/ support on harmonisation?	
What lessons can DFID draw from the evaluation for informing future country, regional or corporate planning and operations?		

EVALUATION CRITERIA	KEY QUESTIONS	Evidence Base to consult (key documents to be identified in inception phase)
Chapter 6: Lessons and recommendations		
Strengths and weaknesses of DFID	40. What are the key strengths demonstrated by the DFID office? 41. What are the key weaknesses demonstrated by DFID?	
Lessons	42. What lessons (from positive and negative findings) can be drawn for DFID’s future work in the country?	
Recommendations	43. What recommendations can be made based on the evaluation findings?	

* poss DTL

ANNEX 2: QUALITY ASSURANCE TEMPLATE

Note for users: In this template a 'no' response denotes that the QA does not view the report as suitable for publication on account of the item(s) marked 'no'. This template should be used in conjunction with the wider 'Guidelines for Quality Assurance of CPEs'.

Question	Comments: For a 'yes' response please insert improvements suggested if any. For a 'no' response state what is required to turn the response into a 'yes'.
1. Is it clear why the study is being done, who for and who by? Are the evaluation questions, methods and data sources clearly set out? Yes No	
2. Is there a good concise assessment of the development environment donors were operating in? (context Chapter) Yes No	
3. Relevance – Is there appropriate and balanced analysis of DFID's strategic choices within the context of country plans and other donor activities? Yes No	
4. Effectiveness – extent to which key interventions and partnerships are analysed and explained, is the quantitative and qualitative data sufficiently credible and reliable to support findings and explain successes/ failures? Yes No	
5. Efficiency – is there a good narrative / operationally useful comment on the extent to which resource allocations (financial and staff) have impacted on programme quality & delivery? Yes No	
6. Impact – is there balanced discussion on DFID's influence and contribution to long term outcomes? Yes No	

7. Sustainability – is there any evidence to suggest progress, e.g. ownership of reforms, capacity development and resilience to risk?	
Yes	
No	
8. Are the findings/ lessons presented sufficiently fair and unbiased and consistent with the evidence cited?	
Yes	
No	
9. Are the recommendations sufficiently clear and targeted, e.g. operationally applicable, lead dept identified?	
Yes	
No	
10. Does the report satisfactorily respond to EvD's mandate to consider cross-cutting issues such as gender equality, HIV/AIDS and the environment?	
Yes	
No	
11. Is the Executive Summary clear, balanced and of appropriate length; and does it sufficiently reflect the findings and tone of the main report?	
Yes	
No	
12. Taking into account contextual sensitivities and constraints, is the overall report credible, balanced and consistent with the quality standards ?	
Yes	
No	
13. Are the appropriate annexes available and of sufficient quality?	
Yes	
No	

ANNEX 3: PERSONS CONTACTED¹¹⁶

DFID

Position/organisation
Statistics Advisor, Africa Region
Former HIV Adviser
Economics Advisor
Growth and Infrastructure Adviser
Governance Adviser
Director Africa South and West
Former Governance Adviser
Governance Adviser
Human Resources
Corporate Management
Former Adviser Aid Effectiveness
Infrastructure Adviser
Former Governance Adviser and Acting Head of DFID Mozambique
Adviser HIV/AIDS
Head of DFID Mozambique
Programme Officer
Programme Officer
Programme Officer
Governance Adviser
Adviser Health and Education
Former Adviser Health and Education
Aid Effectiveness Adviser
Former Head of DFID Mozambique
Climate Change Adviser
Head of Corporate Management
Programme Officer
Former Economic Adviser
Programme Officer
Programme Officer
Programme Officer

Government

Position/organisation
Director, Ministry of Planning
Director Roads Authority
Director, Health Ministry
UTRESP (Public Sector Reform Unit)
Aid Unit, MPD
SISTAFE, Public Finance Management Unit
Ministry of Finance
Ministry of Health
Director, Planning, Ministry of Education
Education Adviser, MINED (former Netherlands Embassy First Secretary Education)

¹¹⁶ An e-survey was also conducted using a list of 60 email addresses drawn from project and government lists of persons familiar with DFID's programme

Director, Planning and Finance, Zambezia Province
Director of Budget, Zambezia Province
Chief of Planning, Zambezia Province
Chief of Planning, Dept of Roads, Zambezia Province
Programme Manager, WaterAid
Permanent Secretary Zambezia Province
Health Director, Quelimane Municipality
Budget Director, Ministry of Finance
Director International Cooperation, Central Revenue Authority
Director, Central Revenue Authority
PARPA review team, MPD
National Director of Studies and Admin Procedures, Ministry of Public Service.
Senior Adviser, UTRESP
National Director, National Institute of Social Action, Ministry of Women and Social Action
Acting Head of HIV/AIDS nucleus – Zambezia.
Road Fund, Monitoring & Evaluation Advisor
National Roads Administration, PRISE Coordinator
DNA Head of Planning
Senior Advisor to DNA Director's Office
Deputy Director, National Aids Council

Donors

Position/organisation
Country Director USAID
Irish Aid
French Assistance (AFD)
Governance adviser, SIDA
Head of Cooperation SIDA
Former Head of World Bank, Country Office
Ambassador Irish Aid
Millennium Challenge Corporation
Country Director UNDP
Head of Cooperation, Finland
Economist, Finland
Health and Education Adviser, Finland
Agriculture trade and business adviser, USAID
Senior Economist, World Bank
Senior Financial Management Specialist, World Bank
Technical Assistance Coordinator, IMF
Focal Point Tax Reform, SDC
Governance Adviser – Danish Embassy
Focal Point Tax Reform, SDC
World Bank, Senior Sector Leader
FAO Senior Technical Advisor on Land Tenure
USAID Health Infrastructure Advisor
IFC Programme Manager, Mozambique Linkages Programme
AfDB Infrastructure Advisor
AfDB Principal Investment Officer
Irish Aid, Land Tenure Officer
DANIDA
Social Development Advisor, SIDA
MCA Land Tenure Programme

Health Sector Manager, World Bank
Education, World Bank
Former Development Specialist, Embassy of Ireland
UNAIDS Coordinator, Mozambique
Technical Advisor for HIV/AIDS in the Health Sector, Irish Aid
Health Advisor, Irish Aid
Senior Education Specialist, World Bank
First Secretary Health and HIV/AIDS, Netherlands Embassy
First Secretary Education, Netherlands Embassy
Health Sector Coordinator, Spanish Agency of International Cooperation and Development
Education Advisor and Gender Focal Point, Irish Aid
Education Advisor, World Bank
MCA Senior Advisor
Programme Officer, DANIDA

Others

Position/organisation
IESE
British High Commissioner
PAP Secretariat
EC MTR team, Ass Professor UEM
Resident Rep., Save the Children, Zambézia
IESE Director of Research
IESE Director of Research
Management Unit Director, CSSM
Former Governance Officer, Irish Aid (now representative of a Swedish NGO)
Coordinator of FONGZA (Federation of Zambezia NGOs).
Head of CCM (Mozambican Christian Council) – Zambezia office and local coordinator of Electoral Observatory.
Provincial head of Liga dos Direitos Humanos (LDH) Zambezia.
HIV/AIDS Technical Advisor, Tearfund Chimoio
Chairman, Moza Banco
EC MTR team, consultant
BHC, Vice Consul and Political Advisor
Director of Centre for Public Integrity (CIP)
BHC, High Commissioner
IESE Investigator
KPMG, Responsible for ITC implementation
ITC National Coordinator
Consultant, Water Sector
MONASO
Movimento de Educacao para Todos
Former Agriculture Advisor to Irish Aid

ANNEX 4: REFERENCES

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ANNEX 5: EVALUATION MATRICES: CPE II MOZAMBIQUE 2006-2009

The matrixes were developed by pillar:

Budget Support and Aid Effectiveness

Evaluation Area	Questions
<p>Strategy Design</p> <p>Approach Aid Effectiveness in DFID office</p> <p>DFID's own strategy</p> <p>PAP</p>	<p>How has DFID tried to strengthen the link between PRBS and poverty reduction?</p> <p>What are the benefits of complementing PRBS with other aid modalities?</p> <p>What has been rationale for continuing parallel sector budget support?</p> <p>How has DFID tried to encourage links between different programme areas (complementarity of interventions)?</p> <p>How has DFID tried to take into account political economy in the design of interventions?</p> <p>Was the balance between continuing budget support and strengthening accountability right?</p> <p>Was PRBS strategy appropriate to level of DFID financial and human resources?</p> <p>What is the rationale for introducing a graduated response mechanism for PRBS from 2009 onwards?</p> <p>Is PRBS adequately designed to promote appropriate policy dialogue and reform effort?</p> <p>Is PRBS designed in such a way that it complies with Paris Declaration (e.g. conditionality, predictability, mutual accountability, results focus, H&A)?</p>
Risks	<p>How have risks changed around budget support and how has DFID responded?</p> <p>How systematically and comprehensively has DFID addressed the mitigation of these risks?</p>
Accountability	What was the quality of DFID's rationale around accountability?
Cross-cutting issues	<p>How well did DFID address social protection, social exclusion and gender?</p> <p>Has PRBS provided a platform for addressing policy dialogue around cross-cutting issues?</p>

Economic growth	How well did DFID address the broad economic growth agenda – was DFID clear about its role? Was the link between stated objectives and proposed resources sound?
Public Sector Reform	How and why were entry points chosen? (SISTAFE, Revenue reform, PSR) What has been the rationale for exiting the PSR/PFM area? What mitigation strategies are in place for exiting sectors? How is DFID encouraging internal knowledge sharing and learning around exit strategies across various sectors? Is DFID engagement in PFM/PSR built on a credible government commitment and reform programme?
Aid effectiveness	Was DFID’s aid effectiveness role appropriately designed? Is there a clear understanding of the Division of Labour among donors? Who does what? How well did DFID communicate its strategy on aid effectiveness (e.g. aid modalities, Division of Labour, disengagement, engagement in certain sectors)?
Results	
Overall	To what extent were objectives set out in strategy achieved in practice? What are the major achievements & challenges during implementation? What lessons can be learned? What are the impacts of DFID programme on poverty reduction?
Continuation progress on alignment	Has DFID reaped or maximised the benefit from its strong achievements and leadership on alignment of aid? Has DFID stayed ‘ahead of the curve’ (i.e. strategic innovation, implementation of Paris commitments, leadership)?
PRBS	What has been DFID’s value added in PRBS? Has the strong focus on PRBS enabled DFID to engage in the overall reform process more effectively? What are the current benefits of staying engaged with other aid modalities and in other sectors? Were other aid modalities sufficiently complementary to PRBS? Has the PRBS operation been effective in promoting the Paris agenda?

	<p>How effective has DFID played its leadership role within the PRBS PAP group?</p> <p>Has PRBS been an effective tool to promote policy dialogue and reform effort/institutional capacity building?</p> <p>How effectively did DFID promote predictability and reduced transaction costs of PRBS?</p> <p>Has PRBS contributed to poverty reduction and improved service delivery? Where has it worked well, and where not so well (e.g. access/coverage of services, quality of services, regional imbalances, etc.)? Have rural poor/vulnerable groups benefitted?</p>
Capacity building	<p>To what extent was capacity of government institutions built?</p> <p>How effective was TA provision in filling short-term skill gaps vs. long-term capacity building?</p>
Governance – demand side	<p>Has civil society and parliament become more effective in holding government to account?</p>
Governance – supply side	<p>What evidence of impact is there on the maturing PFM/PSR/tax programmes?</p> <p>Is there sufficient access to public information and mechanisms for citizens to hold government to account?</p>
Sector exits	<p>Is DFID exiting well from sectors (PFM, PSR, water, roads)? How effectively is DFID managing the exit from the sector?</p>
Aid effectiveness	<p>How effective were the different aid modalities besides PRBS (SBS, pooled funds, project aid, TA)?</p> <p>How effective have donors been in the Division of Labour as regards donor aid? Does DFID's disengagement strategy take into account the Division of Labour?</p> <p>Has PRBS had a knock-on effect on promoting Paris principles in other donor supported sectors/modalities?</p>
External factors	<p>What factors beyond the control of development partners had a positive or negative impact on outcome of DFID interventions?</p>
Process	
Strategy preparation	<p>Why was CAP preparation /approval slow (similar to former CAP) and <u>what effect did this have on strategy and delivery?</u></p>
Influencing and financial support	<p>How effective was advisory / policy engagement role versus direct financial involvement in each sector?</p> <p>Has DFDIM made effective use of potential leverage from non-bilateral spend / engagement?</p>

Whitehall working	<p>Has working with FCO been relevant and effective?</p> <p>How did FCO /DFID divide the work?</p> <p>What joint achievements?</p> <p>What gaps?</p>
Partnerships	How well has DFID worked with multi-laterals and non-aligned partners?
Regional linkages	Has there been a close enough engagement between DFIDM and the regional programme? With what result?
Reporting	Does corporate reporting sufficiently address programme performance, efficiency and value for money?
Team-working & capacity	<p>How effective has team-working been in engaging across the CAP/PARPA pillars?</p> <p>Was the skill mix and continuity of staff planned and aligned with country strategy?</p>
Programme efficiency	<p>Where there any significant delays in disbursing funds?</p> <p>What was the ratio of administrative/programme spending?</p>
PRBS	<p>With the PRBS group now containing 19 donors, where WB, DFID and EC are clearly the biggest donors, have there been appropriate arrangements in place to manage the diversity in scale and like-mindedness of the different donors?</p> <p>How effective have DFID, WB and EC been in taking leadership within the PRBS group and promoting cohesion and joint working & responses?</p> <p>In a highly aid dependent country with a large share of PRBS, is there a clear understanding of what the notion of government ownership means and how effective have donors and DFID been in promoting it?</p> <p>How effectively is DFID monitoring results of PRBS on poverty reduction and service delivery?</p> <p>Has PRBS been adequately monitored and acted upon to make mid-course corrections where possible?</p>

Growth, Infrastructure and Regional Linkages

Evaluation Area	Questions
Design	<p>Was the decision to pull out of sectors correct and is it still relevant/appropriate?</p> <p>How relevant still are the CAP objectives to exit by 2010 in roads and water, and what progress has been made?</p> <p>Has DFIDM integrated accepted recommendations from CPE I into current CAP/Programming? If not, why not?</p> <p>Is DFIDM clear about its role in the major economic investments (mega</p>

	<p>projects)/ environment / climate change?</p> <p>How closely does current strategic thinking in the area of equitable growth match recent experience in Mozambique?</p> <p>Is the mix of programming in growth and regional linkages consistent with PARPA objectives/targets?</p> <p>Have DFIDMs objectives in terms of reducing its interventions across sectors been met?</p> <p>Did DFIDM develop a clear set of assumptions and risks regarding leadership in BS to Water? Has experience borne these out?</p> <p>Does DFIDM increasing reliance on global government statistics in areas of budget support (i.e. roads and water) provide a basis for appropriate strategic design in future?</p> <p>What corporate commitment is there that they should go into bio-fuels and climate change?</p> <p>Has DFIDM effectively identified partners to meet its overall objectives in the newer areas of bio-fuels and climate change?</p> <p>Were their objectives clear in relationship to engagement with multilaterals and change?? What leverage do they have with multi-laterals to make incremental change on the ground??</p> <p>Has DFID effectively engaged multilateral partners in roads, water, and land? If not? Why not?</p> <p>Is DFIDM evolving strategic approach on climate change and bio-fuels sufficiently focused on key areas i.e. job creation and environmental concerns?</p>
Risks	<p>Has DFID been successful at identifying and maintaining potential donor partners in roads, water and land?</p> <p>Have the current key constraints to progress on water sector support been clearly identified by DFIDM? What actions have been taken to mitigate these constraints?</p> <p>Has the delay in establishment of a BS group in the area of water and sanitation affected DFIDM objectives?</p> <p>Can DFIDM influence in the area of Climate Change ensure an effective institutional framework for dealing with climate change issues in Mozambique?</p> <p>Linkages with supporting agencies rather than influence as such.</p> <p>Is a strategy in place for DFIDM to effectively expand the land programme to national level?</p> <p>Is there sufficient support for land registration to ensure a long term sustainable institutional approach to this area?</p>

Accountability	Are M &E tools sufficiently well designed to ensure effective monitoring of progress in land registration?
Cross-cutting issues	Has DFIDM ensured sufficient integration of HIV/AIDS into programming?
Aid effectiveness	Has staff turn-over affected progress on exit strategies in roads and water? To what extent are PARPA goals being achieved in the roads and water sector? How effective has sub-contracting as a modality, in relationship to the land fund, proved? Why? Why not?
Results	Has DFIDM been able to establish effective and clear divisions of labour among donors in sectors it provides Budget Support? e.g. Roads & Water? Has there been clear, consistent progress on PARPA indicators in the infrastructure and land sectors? Has DFIDMs leadership in Land Right been cost effective in terms of value for money? Has expansion of land rights programme led to an increased burden on DFIDM staff? Have logical/results frameworks been sufficiently clear and focused? Has sub contracting of implementation in land rights/registration proved and efficient modality for achieving overall objectives? Have DFIDMs results in the area land met specified targets vis-à-vis programme design? Why/why not? How effective have common funds been in roads and water? Has BS support to the roads sector served to meet overall programme objectives?
Process	Did the delay in CAP approval negatively affect the implementation of overall objectives in the programme? Has DFIDM effectively identified partners to meet its overall objectives in the newer areas of bio-fuels and climate change? Has DFID effectively engaged multilateral partners in roads, water, and climate change? How effective was advisory / policy engagement role versus direct financial involvement in each sector? Value of playing lead role?
Regional Linkages	Has there been a close enough engagement between DFIDM and the regional programme? With what result? Are proposed interventions on regional linkages sufficiently defined and focused?

Climate Change	Has working with FCO been relevant and effective? Does DFIDM have a clear vision/strategy for increasing donor involvement in climate change?
	Does corporate reporting sufficiently address programme performance, efficiency and value for money?

Governance, Voice and Accountability

Aspect/Area	Question
Strategy	1. To what extent was the V&A strategy based upon a sound analysis of the governance situation in Mozambique (and also DFID's earlier experience and findings from the 2006 CPE)?
	2. To what extent was the CAP V&A strategy formulated as part of a longer-term strategy to address key V&A constraints?
	3. To what extent was the DFID V&A strategy developed as part of a broader multi-donor approach to addressing key V&A constraints and opportunities in Moz?
	4. To what extent has the V&A strategy been understood and integrated into the strategies of other programmes?
	5. Was an adequate M&E approach developed and applied for the V&A work across the Office's programmes?
	6. Is there any need to modify/update the V&A strategy in the light of results achieved to-date or the changing external governance environment?
	7. How did DFID address risks?
Results	8. Which areas of the V&A strategy are producing, or appear likely to produce results as expected, and why? (and delivered against CAP and PAF objectives)
	9. Which areas of the V&A strategy are not producing, or appear unlikely to produce results as expected, and why?
	10. What appears to be the level of ownership and integration of the project approaches and systems into the implementing/partner institutions?
	11. How influential have DFID's approaches been on other DPs and the GoM?
	12. How sustainable do the results achieved to-date appear to be?
Process	13. Has the implementation, effectiveness and continued relevance/adequacy of the V&A strategy been periodically reviewed across the DFID programmes?
	14. Has DFID provided a consistent and high-quality level of technical/knowledge support to implementing agencies in the area of developing V&A approaches and mechanisms?
	15. Has DFID contributed effectively to the harmonisation of donor support approaches in the area of V&A?
	16. To what extent has DFID been sufficiently responsive to the needs of partners in implementing its V&A-related programmes?
	17. How well has V&A mainstreamed HIV, gender and other relevant cross-cutting issues?

Human Development

Strategy design
<ul style="list-style-type: none"> • How relevant was DFID's strategy given the overall priorities of the country (as outlined in the PARPA II) and the specific priorities in health, education and HIV?
<ul style="list-style-type: none"> • Did Strategy respond to CPE 2006 findings and recommendations?

<ul style="list-style-type: none"> • Did strategy design adequately take account of the interventions and support by other donors? Were clear priorities for furthering the harmonisation and alignment agenda identified?
<ul style="list-style-type: none"> • Was the CAP strategy of balancing central level reforms with actions to improve service delivery clear and focused? How were synergies achieved between work at sectoral and at macro levels? Was the choice of aid instruments appropriate?
<ul style="list-style-type: none"> • Was DFID's strategy of following identical approaches for the three sectors appropriate?
<ul style="list-style-type: none"> • How was stronger accountability at sectoral level going to be achieved? Were clear priorities identified to promote this?
<ul style="list-style-type: none"> • What risks associated with the strategy were identified? Were these appropriate given the context? And what measures/actions were taken to mitigate against these?
<ul style="list-style-type: none"> • How far were DFID's interventions sufficiently results-focused and monitorable? Did this include sufficient attention to cross-cutting issues?
<p>Results</p>
<ul style="list-style-type: none"> • Was the balance of aid instruments used by DFID appropriate to the priorities identified in the sector and did it allow DFID to contribute in the manner which was envisioned in the strategy?
<ul style="list-style-type: none"> • To what extent were outcomes and impact adequately monitored? Process? Did this include sufficient attention to cross-cutting issues? What is the quality of data/evidence that is available?
<ul style="list-style-type: none"> • What evidence is there that DFID has been able to contribute to the specific development outcomes that are stated in the CAP? Are the changes and reforms that have been taking place likely to continue? Unintended outcomes?
<ul style="list-style-type: none"> • Is there evidence that civil society and Parliament have become more engaged in issues at sectoral level? Is there a more balanced involvement of the various partners?
<ul style="list-style-type: none"> • What has been DFID's added value since 2006 at the sector level? And what key factors have enabled it to play this role?
<p>Process</p>
<ul style="list-style-type: none"> • How did DFID seek to have an added value at sectoral level? How strategic was the choice of entry points in each of the sectors given the country's priorities, DFID's priorities, DFID's areas of expertise, and the needs of the sector?
<ul style="list-style-type: none"> • What was DFID's approach to linking sectoral priorities with macro level issues on financing, public sector reform, etc? Was this relevant given the context?
<ul style="list-style-type: none"> • How did DFID seek to advance the harmonisation agenda in the three sectors?

<ul style="list-style-type: none">• How was monitoring of sector and overall progress used to inform interim decision making on resources, staffing, and strategies? How were other stakeholders involved in this?
<ul style="list-style-type: none">• To what extent was DFID's internal way of working adapted in line with the demands of the new strategy and as a function of the entry points identified?
<ul style="list-style-type: none">• Were the implications of the priorities identified in the CAP for the nature of the partnerships between DFID and other stakeholders adequately reflected in processes for implementation?
<ul style="list-style-type: none">• Were there clear decisions (and follow up) on where the main focus of influencing should lie? How did this relate to ensuring improved accountability?
<ul style="list-style-type: none">• Was there a clear process for ensuring adequate attention to cross-cutting issues?

ANNEX 6: E-SURVEY

DFID Country Programme Evaluation Mozambique

The survey was open for 3 weeks between 17th September and 7th October 2009. It was sent out to some 85 email contacts and various emails were sent as follow-up reminders.

When the survey closed there were 14 respondents giving 13 usable responses (18% response rate). The numbers were too small to make any useful between-group inferences. However the data were checked to see if there was any consistent pattern of positive or negative responses according to type of respondent, and there was found to be none. Most of the questions also had a textual answer option and this has provided some useful insight into the fixed choice answers given. The responses and comments are summarized below on a question per question basis.

The respondents were from a variety of institutions, although more than half worked for another donor:

Government – 23% (3)

Civil Society – 8% (1)

Private sector – 15% (2)

Other donors – 54% (7)

There were no responses from DFID staff, either in Mozambique or elsewhere.

Questions:

1. Are you familiar with DFID's current strategy for Mozambique: Country Assistance Plan 2008-12?

Response option	No knowledge	I'm aware of the CAP but have not read it	I've read the CAP, but have limited knowledge	I'm familiar with the CAP
Number	2	4	2	5

54% of those taking part in the survey were familiar with, or had read the CAP 2008-12.

2. Whether familiar with the CAP or not, would you agree that DFID has had an appropriate support strategy since 2006, which takes into account national priorities (e.g. in the PARPA II) as well as the political, economic and social context of Mozambique?

Response option	Don't agree	Partially disagree	Partially agree	Agree fully	Don't know
Number	0	1	3	8	1

85% fully or partially agreed that DFID has had an appropriate support strategy. The GBS was seen as appropriate as it *'takes into account the GoM priorities'*, however the respondent who partially disagreed felt that GBS was not producing *'major improvements in terms of poverty reduction, health and social indicators'* and therefore was *'not convinced that the implementation of PARPA II has been efficient and effective'*.

3. Would you say that DFID has been *flexible and responsive* in implementing its strategy since 2006 given evolving circumstances in Mozambique? If so where has it done this well?

Response option	Don't agree	Partially disagree	Partially agree	Agree fully	Don't know
Number	0	0	3	8	1

91% fully or partially agreed that DFID has been flexible and responsive in implementing its strategy and it was suggested that this had been done well in the areas of governance, PFM, health, social protection and that the *'shift in focus on DRR and interventions related to climate change'* was also a good example of this. Another instance where strategy implementation had been seen to be done well was in provision of sectoral budget support to the roads sector, DFID being *'the only donor to do so despite lip service by others'*.

4. Would you say that overall DFID has had significant *impact* through its bilateral aid programme in Mozambique since 2006?

Response option	Very Limited impact	Minor impact	Moderate impact	Major impact	Don't know
Number	0	1	5	4	2

Please tick up to FIVE areas where you believe DFID's impact has been greatest:	
AREA	% response
Aid effectiveness / coordination	83%
Budget Support	92%
Civil society	17%
Economic growth	8%
Education	17%
Health	50%
HIV/AIDS	17%
Humanitarian aid / relief	17%
Land	8%
Public Sector Reform	33%
Roads	17%
Water	17%

75% of respondents felt that DFID has had moderate to major impact through its aid programme. Aid Effectiveness and Budget support were the areas where by far the most thought that DFID had had an impact, with Health being cited as another effective focus. One respondent noted that DFID had been a key actor in the area of HIV/AIDS while another also mentioned Governance as an area where DFID had also done a good job.

5. Would you agree that DFID has harmonized its work well with its partners in government and with other donors?

With government:

Response option	Don't agree	Partially disagree	Partially agree	Agree fully	Don't know
Number	0	0	1	4	1

With other donors:

Response option	Don't agree	Partially disagree	Partially agree	Agree fully	Don't know
Number	0	0	3	8	0

There was overall positive agreement (100%) that DFID has harmonized its work well with others. It was praised for having ‘generally avoided bilateral (i.e. outside of harmonized positions) activities and worked through the troika+ system for budget support, and worked within sector programmes’. Other examples of good partnered working were cited as; ‘DFID in G19, best performer in the PAPs PAF, good participation in the WGs architecture’, while the difficulties of harmonized working were shown to be appreciated by the comment, ‘the only reason I don't agree fully "with other donors" is that it would be impossible to coordinate with the incoherent programs of others.’

6. Would you agree that DFID’s quality of advice and policy dialogue have been influential?

Response option	Don’t agree	Partially disagree	Partially agree	Agree fully	Don’t know
Number	0	1	5	3	2

73% agreed or partially agreed that DFID’s quality of advice and policy dialogues have been influential. However, it was felt by one person that this had been more of an indirect influence, and was additional to the existing strength and organisation of G19. The respondent who disagreed commented that ‘DFID was a leader in promoting sector budget support in roads. Unfortunately, some of its efforts were naive and ultimately misguided’.

7. Would you agree that DFID’s mix of aid instruments (projects, budget support, technical assistance etc) been effective?

Response option	Don’t agree	Partially disagree	Partially agree	Agree fully	Don’t know
Number	0	2	4	4	1

73% of respondents thought that DFID’s mix of instruments had been reasonably effective but qualified this with the following comments. It was felt by some that GBS has been given too high a share of funding and that it can be ‘a fairly blunt tool when you have to reach consensus with 18 other partners before taking a position.’ However ‘if all 19 agree, can be very effective. But this is rarely the case’ and therefore ‘influence on larger issues can be limited’. It was suggested that ‘flexibility and decentralisation of decisions (ex/ possibility of DFID Maputo to commit funds for studies without referring to HQs) are important for aid effectiveness.’

One person stated that the DFID mix was ineffective because the predominant use of GBS was seen to reduce funding for a broader range of measures. A more general disagreement was based on the opinion that ‘a case can be made that all aid is counter-productive’.

8. Was DFID's approach of devoting the majority of its country programme funding to general budget support justified?

Response option	Unjustified	Partially unjustified	Partially justified	Fully justified	Don't know
Number	1	2	5	3	0

Despite the reservations voiced above, nearly $\frac{3}{4}$ (73%) supported the predominant use of GBS. It was thought that GBS was helpful in '*minimising transaction costs and engendering independence*' and was therefore '*fully justified on efficiency grounds*', although, '*less so if DFID wants to make the case that it can influence at political level, as again, unless all 19 agree on a strong stance on something, the nature of the G19 means that messages to government are inevitably reasonably soft*'.

Another commentator felt that '*It is justified if it is evident that GBS is the "best" modality, which has to be demonstrated. Less GBS and more common funds could have been a good option too.*'

The 27% who felt that the emphasis on GBS was not justified were concerned about '*Too high share in GBS to a system with too weak accountability and partly dubious prioritisation of resource allocation*' and the '*Possible costs: Misuse of government funds/corruption, politicisation of the use of funds by government institutions and government's inefficiency in service delivery*'.

9. Has DFID adequately balanced its support to central government and local government development?

Response option	Don't agree	Partially disagree	Partially agree	Agree fully	Don't know
Number	2	0	2	0	7

The majority did not feel able to respond to the question of whether DFID has adequately balanced its support to different levels of government. However, of both those who agreed and disagreed, some felt that there had been '*Too much [support] to central government (I don't even remember ANY DFID-support to local gvt)*', and '*More could be done for local gvt support.*'

10. Has DFID's support to its priority service sectors (health, education, roads and water) been effective in terms of ensuring service delivery improvement?

Response option	Don't agree	Partially disagree	Partially agree	Agree fully	Don't know
Number	0	0	4	3	3

70% felt that DFID support to priority sectors had been effective in enhancing service delivery, as DFID has ‘*pushed for reforms in these sectors*’ and that ‘*DFID should be encouraged to continue its investment in these areas.*’ Nevertheless, another respondent commented that ‘*There is a clear limit to how much donors can achieve when Govt de facto has other priorities.*’

11. Has DFID been sufficiently relevant and effective in strengthening internal government accountability and transparency mechanisms?

Response option	Don't agree	Partially disagree	Partially agree	Agree fully	Don't know
Number	0	4	4	1	1

Half of those answering this question were in agreement that DFID had helped to strengthen internal government accountability and transparency, although it was thought that ‘*procurement needs more attention*’. More generally, one person had doubts about how effectiveness could be assessed as ‘*Not clear if any partner has been truly "effective" or relevant. . . most studies on this issue are commissioned by one of the funding partners, and come up with generic "half-way" recommendations or positions.*’

Of the 40% who disagreed with this question, one person was concerned about the potential for lack of accountability incentives within GBS; ‘*The attention to this in the policy dialogue is partly undermined by the very large share in GBS which Govt (rightly) consider as guaranteed almost irrespective of its own performance (de facto)*’ while another respondent cited a specific sectoral example where accountability and transparency could have been better; ‘*The Dfid staff dealing with roads have been quite aware of the GOM deficiencies on this score and have not but sufficiently attentive or vocal about them.*’

12. Has DFID's support been relevant and effective in strengthening the accountability of government to the electorate and for strengthening the voice of the general population in policy-making and execution?

Response option	Don't agree	Partially disagree	Partially agree	Agree fully	Don't know
Number	1	3	2	1	3

There was only 30% agreement with the effectiveness of DFID support in the area of government accountability to the electorate as it was questioned as to whether ‘*DFID or any other international partner is able to do this effectively. Certainly the pressure exists and does have some effect, but it's difficult to quantify or say it's more than partially effective.*’

One respondent who disagreed summed up the situation as follows; *‘What we are witnessing during this electoral campaign and the way district government resources are allocated shows the contrary. The general population has very little voice and the allocation of government resources is politicized, including at district level.’* It was also felt that the issue had *‘Not been given very much emphasis in practice’*.

It was however acknowledged that *‘This is a very difficult area, and I'm not sure DFID or any other donor can really be effective’*.

13. In the sectors where its support has been focused, has DFID been effective at promoting and supporting donor coordination?

Response option	Don't agree	Partially disagree	Partially agree	Agree fully	Don't know
Number	0	1	1	7	1

DFID scored well in being perceived as effective in promoting and supporting donor coordination, with the majority agreeing (70% agreeing fully) that this was the case, despite the difficulties of this being acknowledged in the following comment; *‘For a long time the DFID representatives to the road sector were the champions of donor coordination and harmonisation of procedures etc. but it is almost impossible to be effective in this regard as donors are an independent and generally incompetent lot.’*

14. Where DFID has chosen to withdraw support from a sector (e.g. such as small business, public finance management, public sector reform, water and roads), would you agree that it has done this well?

Response option	Don't agree	Partially disagree	Partially agree	Agree fully	Don't know
Number	0	2	1	1	6

The withdrawal of sectoral support was an area where many respondents did not feel able to answer, with 60% selecting ‘Don't Know’.

The respondent that agreed fully that withdrawal had been done well commented that *‘The withdrawal has been financial, but DFID remains active in the policy discussions and in WGs (currently chair of the BAG)’*

Those in partial agreement and disagreement were concerned about areas that continue to need support, e.g. *‘The WASH Sector is a key one that continues to require DFID support (particularly as DFID have had a critical role in the establishment of a sector wide approach in the rural water area, and given the low level of access to water and sanitation in the country. This continues to be a key area that requires DFID support and investment’* although it was noted by another that the *‘Process [of withdrawal] has been OK in the sense that long warning was given.’*

15. What will be the overall impact of DFID exiting or reducing support in certain sectors (e.g. such as PFM, PSR, water and roads)?

Response option	Positive	Negative	Neutral	Unclear	Don't know
Number	1	5	0	3	1

50% of interviewees thought that the overall impact of DFID's exit from certain sectors had been negative. This was in several cases to do with the other benefits and influence that engagement brings in addition to financial support;

'Its not just about the overall level of finance to a sector or program, but also the role a large donor can play in encouraging best practice, monitoring activities and providing non-financial support such as technical support, information on experiences in other countries etc.'

'I believe that it is not just about the total volume of resources, but also the role a large donor such as DfID can play in advocating good techniques and encouraging both government and other donors to act efficiently.'

'DFID is an important donor with pol. weight in MOZ, and by withdrawing from the areas (unintentionally?) gives a message that donors put less emphasis on the area/sector. Reduces the pressure for important reforms'

Again , specific examples were also given, *'Particularly in WASH as per the above (there are very few partners in this key sector and a SWAp - when established - will be quite nascent and will continue to require DFID's support particularly as sector support/common fund is established in 2010.'*

On the contrary, one respondent felt that the impact of withdrawal had been positive and commented that, *'The objective of being more active in less sectors has been reached, even if DFID remains vocal in exit sectors via G19 or sector WGs.'*

16. Would you agree that DFID has operated in an efficient and cost-effective way compared to other development partners?

Response option	More efficient	Same as others	Less Efficient	Don't know
Number	5	1	0	2

In comparison to other development partners, DFIF was ranked as being more efficient by 63% of interviewees.

DFID was praised for being *'more focused on strategies and policies than other donors'* and was seen as being *'the model we should aspire to'*.

Where DFID was seen as being the same as others the reasoning was that *'focusing on budget support is not necessarily the most efficient approach'*.

17. In its support to specific sectors that you are familiar with, do you feel that DFID has used its influence sufficiently to ensure effective and efficient programme implementation by national partner agencies?

Response option	Very ineffective	Somewhat ineffective	Somewhat effective	Very effective	Don't know
Number	0	0	6	0	2

75% felt that DFID had been somewhat effective in its influence on programme implementation by national partners and in two cases this was explained in the following ways;

'DFID tried to engage in some meaningful dialogue, as opposed to the completely ineffectual efforts of most donors. But the true scope for effective influence in the political environment in Mozambique currently is severely constrained.'

'Given the solid technical team and policy level access the Organisation has had, it is heard on issues relating to programme implementation by most line ministries.'

18. To what extent do you feel that DFID has been effective at sharing good practices, experiences and knowledge in the development areas it has focused on over the last 3 years?

Response option	Very ineffective	Somewhat ineffective	Somewhat effective	Very effective	Don't know
Number	0	1	3	3	1

In relation to sharing good practice 75% thought that DFID had been somewhat, or very, effective. This was through efforts such as *'Strong support to seminars, policies definition, governance issues, documentation, sharing of ODI reports, etc.'* and the fact that *'Individual people from DFID have been open to finding and sharing information with government on specific topics, often informally, which is very helpful to under-resourced technical staff.'*

19. What are the three main strengths and weaknesses of DFID as a partner? (7 respondents)

Strength 1

- *General vision of development*
- *Predictability of activities and financial commitments*
- *DFID is a "corporate" org. with quite uniform messages*
- *Staff with strong technical skills and well trained*
- *Clarity of purpose*

- *Commitment to budget support*
- *Predictability*

Strength 2

- *Quality of staff*
- *Often genuinely supportive of government ownership*
- *High level of professionalism; staff above average competence*
- *Creative and innovative*
- *Organized to achieve purpose*
- *Commitment to harmonisation and using common procedures*
- *Consistency in policy and practice*

Strength 3

- *Homogeneity of staff (same vision)*
- *Leader in GBS and aid effectiveness*
- *Capacity for staff to do good analysis + follow up well the priority areas*
- *Flexible*
- *Resources allocated to achieve purpose*
- *Well qualified and informed staff*
- *Balanced approach with government and Non-governmental partners*

Weakness 1

- *Some staff have a tendency to be "corporate DFID"- very direct and to the point, which can go down badly with government and other partners*
- *The corporate drilling may at times be too uniform*
- *Strong focus on budget support*
- *Use of local staff? not sure if this is true or not*
- *Small size reduces impact*

Weakness 2

- *Insufficient information sharing about what DFID does*
- *Sometimes so far ahead of others it can seem impatient*
- *Ultimate unwillingness to hold government and agencies accountable*

Weakness 3

- *Donor hubris, although clearly better than almost all others*

20. Please provide below up to three suggestions as to how and where DFID could do maximise its effectiveness in the future in terms of strategy and at programme implementation level? (7 respondents)

At the strategy level:**Suggestion 1**

- *Decide on exit strategies on the basis of the overall situation of Division of Labour and not on AfDB strategy*
- *Focus on support to the press*
- *Complement the strong engagement at central level with some support to & direct interaction with local level actors, first and foremost far from the capital*
- *Less focus on budget support; diversify use of resources*
- *Maintain the "high road" and keep working to hold all donors to a high standard.*
- *Provide more frank and honest criticism of government strategies, especially when they are clearly incoherent or inconsistent*
- *Place stronger focus on chronic malnutrition in conjunction with other partners (particularly in the health and HIV/AIDS areas)*

Suggestion 2

- *Avoid leaving too many sectors*
- *Provide independent advisors to assist in the formulation of coherent strategies.*
- *More structured emphasis on sharing best practices (from other countries) of how coordination models are working effectively to further enhance coordination mechanisms in Mozambique*

Suggestion 3

- *Consider whether GBS really delivers given the nature of trying to reach agreement with 18 other partners*
- *Continue to use budget support tied to simple straightforward (and limited) performance indicators.*
- *Work with other partners to bring more substantive issues to the donor policy dialogue fora (which are lacking substance and more process/budget oriented)*

At programme implementation level (please specify programme):**Suggestion 1**

- *Environment/climate change : bring new financing and not only support to the definition of strategy/plans*
- *Continue to use budget support tied to simple straightforward (and limited) performance indicators*
- *A stronger brokering role in the area of HIV/AIDS - particularly in relation to the coordination and funds management mechanisms where the views of other partners seem to be taking the sector on a negative path*

Suggestion 2

- *More emphasis and budgeting for health and nutrition (particularly nutrition)*

Suggestion 3

- *Continued focus and expanded budgeting for social protection*

21. In future, are there any newer challenges / areas of growing importance in terms of Mozambique's future development that DFID is particularly well placed to engage in (for example, mega-projects, the climate change agenda, regional integration and trade) ? How should DFID engage? (6 respondents)

Area	How should DFID best engage?
Respondent 1	
<i>Macro-economy (incl. mega-projects)</i>	No comment
<i>Social protection</i>	No comment
<i>Climate change</i>	No comment
Respondent 2	
<i>Support to press</i>	<i>Workshops, one-page policy briefs, hire local economists or lawyers to produce technical info (e.g. all the confusion re elections was exacerbated by the fact that no one actually knew what the law was).</i>
<i>Support to aid coordination activities of government</i>	<i>Work with MPD/MINEC to ensure capacity for aid coordination more generally- not just coordinating reviews and JSC, but true capacity to support sectors and partners in aid effectiveness activities (OECD-DAC monitoring, developing an aid effectiveness action plan, developing expertise in this area).</i>

Respondent 3	
<i>Mega-projects and CSR in general</i>	<i>Through analytic work, policy dialogue and direct support stimulate tax policies and other policies to maximise MOZ' benefits from FDIs + from any kind of CSR investments</i>
Respondent 4	
<i>DRR and responses to climate change</i>	No comment
Respondent 5	
<i>Regional integration seems to be an area that DFID has strength and interest in</i>	No thoughts
Respondent 6	
<i>Nutrition</i>	<i>Programming and budgeting in the context of health and HIV/AIDS</i>
<i>Social Protection</i>	<i>Is already engaging - the issue is continued and expanded engagement</i>

ANNEX 7: TRAFFIC LIGHT TABLE: REACHING THE PARPA TARGETS AND MDGS

MDG	Baseline (2005)	2009 PARPA target	2015 MDG target
Extreme poverty			
Poverty	54%	45%	44%
Hunger			
Under-weight children under 5	24%	18%	17%
Education			
Primary net enrolment	83%	93%	100%
Primary completion rate	34%	59%	100%
Gender equality			
Primary net enrolment of girls in class	56%	70%	100%
Primary completion rate	28%	50%	100%
Child mortality			
Under 5 mortality	178 per 1000	140 per 1000	108 per 1000
Maternal health			
Maternal mortality	408 per 100 000	340 per 100 000	250 per 100 000
Births assisted (institutional deliveries)	49%	56% (45% in all districts)	n/a
HIV/AIDS			
Reduction in HIV prevalence in 15-19 year olds and 20-24 year olds	5.4% (15-19) 13.9% (20-24)	4.2% (15-19) 10.4% (20-24)	Halt and reverse (15-49 year olds)
ARVs - % eligible receive	1.5% (15,900)	39% (165,000)	n/a
Malaria			
Reduce incidence of malaria in children under 5	55 per 10,000	44 per 10,000	Reduce overall prevalence and death rates
Water / sanitation			
Improved water – rural	41%	53%	70% (overall)
Improved water – urban	37%	53%	
Improved sanitation – rural	35%	37%	60% (overall)
Improved sanitation – urban	38%	40%	

KEY

	Govt policy and capacity and/or donor support makes achievement probable
	Govt policy and capacity and/or donor support makes achievement possible
	Govt policy and capacity and/or donor support makes achievement unlikely

ANNEX 8: AID STATISTICS FOR MOZAMBIQUE¹¹⁷

Table 1. Total Aid Flows of Donors / UN Agencies 2005-2010 in US\$

Total Aid Flows of Donors/ UN Agencies 2005 - 2010 in US \$						
	2005	2006	2007	2008	2009	2010
	Total	Total	Total	Total	Total	Total
Donors						
ADB	163.186.957	121.923.030	46.033.332	152.209.003	191.640.581	109.318.841
AUSTRIA	3.318.482	5.582.930	3.947.227	3.880.314	2.600.675	2.508.198
BELGIUM	8.971.068	10.319.635	11.642.046	9.193.184	5.568.183	3.181.819
CANADA	34.352.922	39.011.613	42.433.117	38.805.880	25.089.189	1.839.344
DENMARK	40.157.505	37.325.226	62.241.330	62.071.649	55.965.730	55.965.729
EC	148.906.247	135.618.259	201.124.761	141.013.569	0	0
FINLAND	21.363.231	22.992.772	21.804.901	32.364.058	37.580.028	0
FRANCE	14.998.610	38.968.520	29.013.229	15.250.000	14.190.375	4.312.500
GERMANY	25.617.811	35.753.766	60.141.496	65.299.337	67.329.647	55.022.918
IRELAND	31.619.344	36.906.441	23.170.199	53.948.865	0	0
ITALY	19.977.435	25.675.346	20.181.384	41.359.204	41.342.648	24.924.242
JAPAN	423.810	14.392.679	34.995.780	24.900.379	29.818.347	2.453.676
NETHERLANDS	45.122.669	53.143.831	69.419.806	90.893.319	52.199.715	19.047.841
NORWAY	54.984.284	55.402.374	61.751.783	69.334.992	61.040.225	32.277.527
PORTUGAL	20.615.444	9.586.932	2.592.327	1.750.000	0	0
SPAIN	19.276.276	20.059.494	18.259.688	21.249.937	14.662.390	8.801.136
SWEDEN	70.420.142	85.326.882	100.501.662	110.601.684	38.864.458	22.121.917
SWITZERLAND	21.007.329	19.992.367	16.362.208	15.061.070	14.175.673	6.839.696
UK	65.760.930	87.788.921	111.733.621	104.553.446	105.922.412	112.837.930
USA	58.348.343	79.337.636	91.321.037	0	0	0
WORLDBANK	240.820.000	223.405.000	221.592.000	201.480.000	110.320.000	118.130.000
SUM	1.109.248.839	1.158.713.653	1.250.242.934	1.255.219.880	868.309.874	579.383.312
UN Agencies						
FAO	4.404.106	8.331.852	7.325.129	2.925.695	0	0
UNDP	5.121.052	6.651.592	16.986.156	11.948.070	7.490.000	0
UNESCO	107.044	516.320	3.256.086	3.266.112	1.025.739	0
UNFPA	0	0	1.913.830	0	0	0
UNHABITAT	442.992	161.581	0	0	0	0
UNHCR	0	0	450.750	0	0	0
UNICEF	7.466.660	8.110.257	25.904.143	27.808.000	27.995.000	250.000
UNIDO	101.212	1.874.700	0	0	0	0
WFP	27.248.000	28.784.000	7.172.400	14.326.000	13.029.000	0
WHO	0	2.283.509	7.198.493	4.433.500	4.433.500	0
SUM	44.891.066	56.713.811	70.206.987	64.707.377	53.973.239	250.000

Note: Figures for USA are not reported for 2008 and 2009, but US assistance makes them the largest donor, when Millennium Challenge Corporation, GFATM and PEPFAR funds are added to those of USAID.

¹¹⁷ Drawn from Official Development Assistance to Mozambique (ODAMoz) database, 'Full UK Disbursements Extract 2006, MTEF Forecasts 2007-10'

Table 2 Aid Flows by UK by Province and Sector 2005-2010 (US\$)

Aid Flows of UK by Province 2005 - 2010 (US-\$)						
	2005	2006	2007	2008	2009	2010
National	65.191.640	84.319.250	106.945.173	103.518.964	105.405.171	112.837.930
Cabo Delgado	117.028	856.358	1.382.356	172.414	0	0
Inhambane	117.028	856.358	1.382.356	172.414	0	0
Maputo City	218.207	172.414	210.345	0	0	0
Maputo Province	0	728.183	431.034	517.241	517.241	0
Nampula	117.028	856.358	1.382.356	172.414	0	0
Sum	65.760.930	87.788.921	111.733.621	104.553.446	105.922.412	112.837.930

Aid Flows of UK by Sector 2005 - 2010 (US-\$)						
	2005	2006	2007	2008	2009	2010
11000 Education	2.959.052	2.959.052	15.517.242	7.758.621	7.758.621	7.758.621
12000 Health	4.495.702	10.428.729	12.767.758	9.137.930	8.620.689	8.620.689
13000 Population policies/ programmes and reproductive health	3.228.876	2.427.103	3.387.586	0	0	0
14000 Water supply and sanitation	0	0	431.034	431.034	431.034	431.034
15000 Government and civil society	2.066.968	5.620.471	8.945.345	8.777.585	6.353.447	5.768.965
16000 Other social infrastructure and services	0	1.724.138	3.103.448	2.586.207	3.448.276	3.448.276
21000 Transport and storage	0	2.633.793	0	0	0	0
24000 Banking and financial services	694.855	424.836	666.379	0	0	0
31000 Agriculture, forestry and fishing	20.703	536.316	1.034.483	862.069	862.069	862.069
32000 Industry, mining and construction	211.912	517.241	0	0	0	0
51000 General budget support	51.724.138	60.344.828	62.068.966	70.689.655	74.137.931	82.758.621
73000 Reconstruction relief and rehabilitation	0	0	0	0	0	0
99000 Unallocated/ Unspecified	358.724	172.414	3.811.380	4.310.345	4.310.345	3.189.655
Sum	65.760.930	87.788.921	111.733.621	104.553.446	105.922.412	112.837.930

Figure 1. Total Aid Flows of Donors 2005-2010 (US\$)

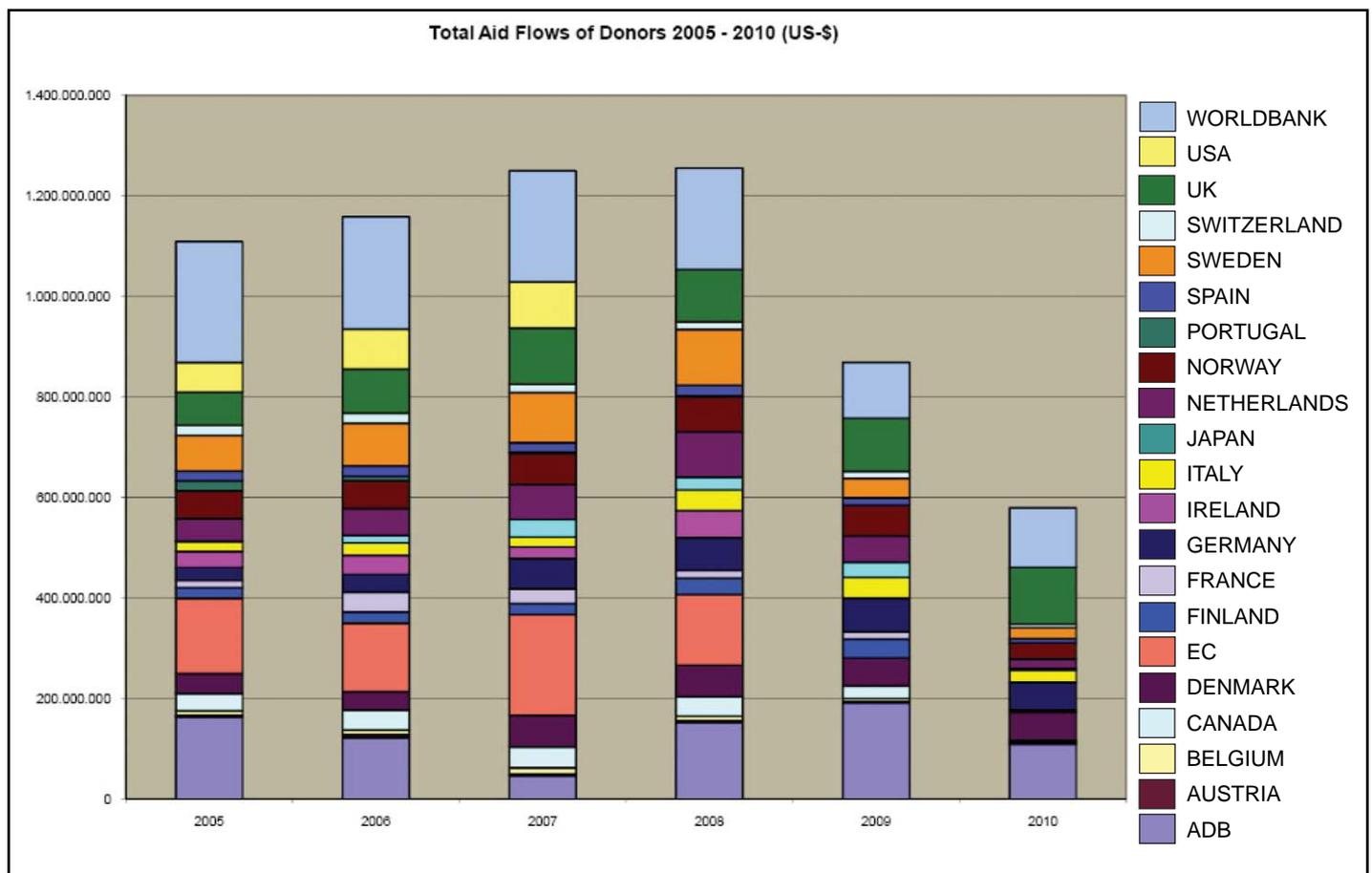


Figure 2. Total Aid Flows of Donors 2005-2010 (in %)

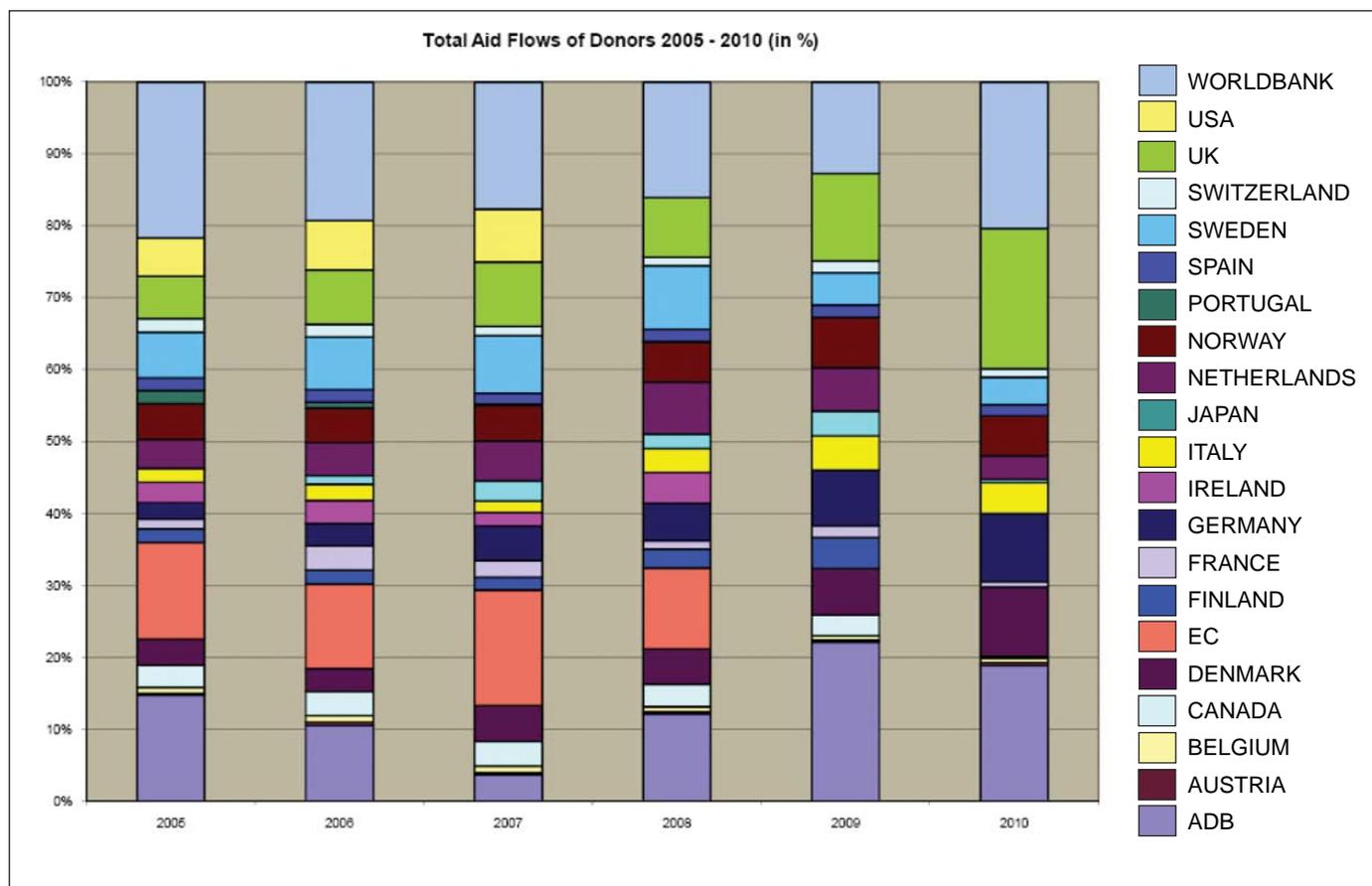


Table 3. DFID Budget and Actual Expenditure 2006-2009 (£m)

Sum of Current Project Budget	Year				Grand Total
Funding Type (T)	2006	2007	2008	2009	
General Budget Support	36,000,000	41,000,000	42,000,000	44,000,000	163,000,000
Non-budget support financial aid	6,500,000	20,405,123	15,669,842	23,548,313	66,123,278
Procurement of Services	1,467,069	2,684,832	3,457,142	10,428,852	18,037,895
Not for profit organisation	383,440	516,570	1,131,515	2,675,835	4,879,565
Procurement of goods	620,465	763,623		349,195	1,733,283
Humanitarian assistance	500,000		969,202	154,271	1,623,473
Multilateral organisation			69,930		69,930
Grand Total	45,470,974	65,370,148	63,297,630	81,156,467	255,467,424
Percent of General Budget Support	79%	63%	66%	54%	64%

Sum of Spend	Year				Grand Total
Funding Type (T)	2006	2007	2008	2009	
General Budget Support	36,000,000	41,000,000	42,000,000	-	119,000,000
Non-budget support financial aid	6,500,000	20,405,123	15,842,189	5,860,000	48,407,313
Procurement of Services	1,469,394	2,684,832	3,511,455	1,794,842	9,460,523
Not for profit organisation	383,440	516,570	1,130,988	760,702	2,791,700
Procurement of goods	620,465	763,623		349,195	1,733,283
Humanitarian assistance	500,000		969,202	-	1,469,202
Multilateral organisation			69,930		69,930
Grand Total	45,473,298	65,370,148	63,323,765	8,764,739	182,931,951
Percent of General Budget Support	79%	63%	66%	0%	65%

Source: DFID Mozambique.

*Note: Figures for spend in 2009 are incomplete as payments have not yet been released during the current financial year.***Table 4. DFID Mozambique : Bilateral Budget Allocation by Year and by Sector (£m)**

Pillar	Year								Grand Total
	2002	2003	2004	2005	2006	2007	2008	2009	
PRBS	10,000,000	15,062,008	30,059,697	35,039,675	38,184,332	41,077,922	42,013,128	44,279,019	255,715,781
Health	5,517,765	4,394,836	3,923,942	-1,545,895	1,512,434	12,836,889	9,055,680	12,144,229	47,839,881
Public Sector Reform	2,528,941	6,130,857	5,587,882	5,362,459	2,655,514	2,694,559	3,180,314	1,865,156	30,005,682
HIV/AIDS	2,833,039	5,739,177	4,884,631	7,324,892	2,189,283	1,865,651	508,354	1,646,646	26,991,674
Infrastructure	559,184	735,996	101,239	2,317,189	2,537,085	2,914,025	4,729,766	9,975,979	23,870,464
Education	656,143	328,589	389,377	2,779,052	5,616,599	4,514,066	91,413	4,845,587	19,220,827
Voice & Accountability	152,694	401,403	416,928	632,068	649,832	1,027,106	3,164,166	5,125,346	11,569,544
Emergency Aid	2,911,906	1,108,909	275,373	501,207	1,551,467	192,434	2,022,526	298,210	8,862,031
Other	1,602,437	620,128	225,085	-35,174	104,505	254,511	66,417	365,170	3,203,079
Agriculture	2,179,307	325,741	154,000	15,156	3,721				2,677,925
Private Sector support	589,725	254,929	929,345	361,029					2,135,028
Finance Sector	520,904	194,633	644,844						1,360,381
Poverty surveys	184,894	2,435	175,302						362,631
Other			738		4,065	0	69,930	0	74,732
Grand Total	30,236,938	35,299,642	47,768,383	52,751,658	55,008,836	67,377,164	64,901,695	80,545,342	433,889,659
% of BS	33%	43%	63%	66%	69%	61%	65%	55%	

Source: extracted from DFID's financial system (Aries).

Table 5. Government of Mozambique Expenditure by PARPA Sectors 2001-2008

	2001	2002	2003	2004	2005	2006	2007	2008
Education (millions MTN)	4874	4217	5734	6252	6542	9109	13111	14110
Education (millions USD)	280.1	180.8	240.4	330.8	270.3	350.3	507.0	534.8
% of GDP	6.4	4.4	5	4.5	4.3	5.2	6.5	6.2
% of total expenditure	23.3	18	17.8	21.3	19.9	20.1	20.4	18.4
Health (millions MTN)	2190	3141	3094	3434	4159	6628	8397	9892
Health (millions USD)	125.9	134.7	129.7	181.7	171.9	254.9	324.7	375.0
% of GDP	5.2	3.9	2.7	2.4	2.7	3.8	4.2	4.4
% of total expenditure	10.4	13.4	15.2	11.8	12.7	14.6	13.1	12.9
Infrastructure (millions MTN)	3643	3861	3917	4142	6131	7435	11991	13420
Infrastructure (millions USD)	209.4	165.6	164.2	219.2	253.3	286.0	463.7	508.7
% of GDP	4.8	4	3.4	3.3	4	4.3	60	5.9
% of total expenditure	17.4	16.5	11.8	13.8	18.7	16.4	18.7	17.5
Agriculture (millions MTN)	707	1243	1391	1318	1290	1522	3965	5751
Agriculture (millions USD)	40.6	53.3	58.3	69.7	53.3	58.5	153.3	218.0
% of GDP	0.9	1.3	1.2	1	0.9	0.9	20	2.5
% of total expenditure	3.4	5.5	6.9	6.3	3.9	3.4	6.2	7.5
Governance and Judicial (millions MTN)	1615	1900	2668	2881	2913	5671	4214	6595
Governance and Judicial (millions USD)	92.8	81.5	111.9	152.4	120.4	218.1	163.0	250.0
% of GDP	2.1	2	2.3	2.3	1.9	3.3	2.1	2.9
% of total expenditure	7.7	7.7	8.9	9.7	8.9	12.5	6.6	8.6
Other priorities (millions MTN)	745	962	1135	1212	727	510	1016	3451
Other priorities (millions USD)	42.8	41.3	47.6	64.1	30.0	19.6	39.3	130.8
% of GDP	1.4	1.3	1	0.5	0.5	0.3	0.5	1.5
% of total expenditure	3.6	4.5	5.1	2.1	2.2	1.1	1.6	4.5
Total PARPA priority sectors (millions MTN)	13774	15323	17996	19134	21762	30875	42694	53219
Total in PARPA priority sectors (millions USD)	791.6	657.1	754.5	1012.4	899.3	1187.5	1651.1	2017.2
% of GDP	18.5	18	15.8	15.7	14.3	17	21.8	23.5
% of total expenditure	65.8	65.6	65.7	65	66.3	65.1	68.1	69.4

Source: IMF & DFID PAC hearing.

ANNEX 9: MOZAMBIQUE COUNTY PROGRAMME EVALUATION: RECOMMENDATION TRACKER FOR EVALUATIONS IN 2006/7

Rec. No.	Recommendation	Lead Dept	Accept or Reject	Current Status on Follow Up
1	With greater awareness in government and development partners emerging, DFID should build its next programme on the concept of mutual accountability. This would extend the existing CAP framework to build a more comprehensive approach to development strategy. Weaving it through the entire programme would both clarify and strengthen the Budget Support (BS) intervention logic.	DFID Mozambique Rachel Turner	Accept	DFID Mozambique has enhanced economist post to ensure compliance with AE agenda (Paris and Accra) Mutual accountability key component of new CAP
2	Although focused on BS, the importance of donor influencing must also be recognised and exploited in non-BS forms of aid such as SWAPs, common funds, projects, and technical assistance.	DFID Mozambique Rachel Turner	Accept	DFID Mozambique has 10 year commitment to social protection & TA also influencing and negotiation training for staff
3a	Gender, equity and HIV/AIDS need to move higher up DFID's agenda in Mozambique. Concrete strategies and targets need to be identified with explicit links made to the contribution that various interventions will make addressing these areas; 1. To meet the challenge of addressing HIV a realistic assessment of human resources needs in the DFIDM office is essential.	DFID Mozambique Rachel Turner	Accept	Gender & AIDS issues being addressed through Human Development work. DFID Mozambique taken on focal partner lead role on AIDS with clear targets
3b	2. Build skills particularly in the other key sectors to address HIV/AIDS. This is essential to ensuring that the other socio-economic drivers of the pandemic such as poverty, illiteracy and unemployment - in particular among young women - are addressed	DFID Mozambique Rachel Turner	Accept	See above. Progress underway to address main HIV vulnerability factors & give greater focus to HIV prevention efforts

Rec. No.	Recommendation	Lead Dept	Accept or Reject	Current Status on Follow Up
3c	3. This implies that within the DFID programme it should be the office as a whole and not just the HIV/AIDS sector that is held accountable on progress towards preventing and mitigating HIV/AIDS.	DFID Mozambique Rachel Turner	Accept	10 year commitment to support social protection. Progress underway to integrate HIV resources for health systems HRH (Human resources and Health); Education and HIV
3d	4. OPRs and PCRs of all projects and initiatives should include specific space for addressing progress related to HIV/AIDS.	DFID Mozambique Rachel Turner	Reject	
3e	5. HIV/AIDS needs to be brought to the forefront of the discussions in SBS and GBS. Equity indicators and progress on gender and poverty need to become more central to DFIDM and to the development partners dialogue with government.	DFID Mozambique Rachel Turner	Accept	HIV identified as priority in (CAP, PARPA and Joint Review) planning and review documents. Some progress on equity indicators but more needs to be done
3f	6. DFID should support further research into the wider socio-economic effects of HIV, and in particular into modelling the results of the disease in all relevant MDG targets and timelines.	DFID Mozambique Rachel Turner	Accept	In 2007 new work started on gathering evidence on social/economic effects of HIV. Data slowly emerging and more work planned
3g	7. Identify entry points for strengthening government and civil society leadership on HIV/AIDS in a transectoral manner. This includes placing funding where it is needed but also a much broader and in-depth commitment to finding creative ways of strengthening systems to address the challenges of HIV/AIDS.	DFID Mozambique Rachel Turner	Accept	Govt & Civil Society leadership on AIDS still relatively weak. Getting funds out quickly and effectively to civil society remains a priority
4	Involvement of provinces and districts is absolutely key to ensuring that government spends money in an accountable manner. Strategies and targets for decentralisation should be discussed in the context of the CAP.	DFID Mozambique Rachel Turner	Partially accepted	Point should be taken with caution as Mozambique is highly centralised country. Decentralisation agenda slow and politicised. Does not prevent implementation of DFID Mozambique projects and programmes
5	Build further the twin track approach that both strengthens government capacity through strong support to the budget and to central reforms, and also addresses urgent poverty needs in key under-performing areas, such as HIV/AIDS, water and sanitation and food security.	DFID Mozambique Rachel Turner	Accept	Strong focus on capacity building & policy influencing essential. DFIDM ensure TA is provided in support to sectoral common funds by having complimentary TA lines
6	DFID country offices need to communicate their	DFID	Accept	Now have more proactive communications approach with B1 (D)

Rec. No.	Recommendation	Lead Dept	Accept or Reject	Current Status on Follow Up
	own strategy, achievements and priority areas as well as underscore the links with the poverty reduction strategy and available poverty analysis. The strategy needs to be communicated to decentralised structures of government as well. Better media, publications and web presence would help. At the same time more could be done to build communications, and thus the transparency of the poverty forum and working group activities. (Mozambique might model their efforts here on the Local Consultative Group example from Bangladesh).	Mozambique Rachel Turner		lead and B2 Comms officer, updated website and corporate products in Portuguese. Comms strategy been shared with BHC and BC. On transparency all programme documents on website
7	Donor influencing needs to take place beyond BS, and should include non-BS forms of aid such as SWAPs, common funds, project and technical assistance. Progress has been made in harmonising approaches in some areas, but a substantial agenda remains. DFIDM needs to maintain a focus on harmonisation at all levels.	DFID Mozambique Rachel Turner	Accept	Strong focus on alignment and harmonisation in aid effectiveness, Division of Labour and CS19 (19 donors harmonising country strategy)
8	Advisor time and management support should be allocated more evenly between policy work, implementation and M&E. Time should be more balanced between on the one hand, internal meetings and programme development work and on the other, great field exposure and interaction with locally influential bodies at regional as well as national level.	DFID Mozambique Rachel Turner	Accept	Getting balance right is the challenge. All staff now have 10 days of field visits in objectives to ensure reality checks and interaction at local level.

Rec. No.	Recommendation	Lead Dept	Accept or Reject	Current Status on Follow Up
9	Senior staff should be expected to have good language skills where, as in Mozambique, these are necessary for doing effective business. Staff should also remain in country for at least three years, with appropriate career development support during this period.	DFID Mozambique Rachel Turner	Accept	Portuguese a must for all UKB and policy posts. DFIDM has language policy which allows pre-post and ongoing language training
10	National expertise and experience should be used in a more structured way to build greater institutional memory and local knowledge in the current team. For DFIDM, local staff play a valuable role in this area, which should be fully used through creative interaction (retreats, thematic working sessions, joint field visits).	DFID Mozambique Rachel Turner	Accept	Local staff play crucial role and number of UK post localised including creation of new SAIC posts at A2(L) and policy adviser job at A2
11	Develop further the CIMT framework by identifying the measurable intermediate outcomes arising from 70+ programme / Key Change Processes currently captured in the annual reporting. During the next CAP preparation period, DFIDM could examine more closely how their planned annual activities and processes can be linked in a more sequenced way to achievable and measurable intermediate outcomes over the life of the CAP period in order, in turn, to deliver on the PARPA II and millennium development goals.	DFID Mozambique Rachel Turner	Accept	New CAP does this
12	Monitoring and evaluation of BS and public financial management needs to be strengthened so that early achievements or signs of success can be captured. A useful framework for further thought on intervention logic of aid, designed originally for BS but adaptable to include other modalities, is the causality map included in the GBS evaluation.	DFID Mozambique Rachel Turner	Accept	At time of evaluation this was weak. Current budget support submission completed M&E framework and full logframe which addresses yearly performance of M&E done through PEFA and Fiduciary Risk Assessments.

ANNEX 10: DFID PILLAR RESULTS

1. Human Development Pillar

HIV/AIDS

2008 Target	2008 progress	2009 target	2009 progress
GMA stalemate resolved and if needed effective alternative channel for NGO funds identified	GMA stalemate not yet resolved. Consultant is developing a proposal for an alternative channel for NGO funds	New costed strategic plan (PEN 3) informed by evidence of what works and strengthens links between MISAU and CNCS coordinated implementation of PEN	Drafting of new strategic plan is currently on-going but behind schedule
Strong prevention strategy on AIDS agreed and operationalised	Prevention strategy has been finalized	Improved results based monitoring framework	Largely achieved
AIDS funding aligned to one national planning process			
Civil society voice and influence on AIDS increases	Some indication this is improving but still considerable weaknesses exists		

Health

2008 Target	2008 progress	2009 target	2009 progress
Approval of Costed Plan (not met last year)	Achieved	Improved planning and allocation of resources in health sector demonstrated through quality of 2010 – 2012 MTEF	
Ambitious costed national HR strategy used to mobilise significant additional financing for health for 09/10 and beyond	Attempts have been made to obtain additional funding but in the current economic climate this has proven difficult	DFID supported HR implementation delivering increased numbers of health workers	HR continues to be a priority for MoH and partners. However, financial crises have affected capacity to mobilise additional resources for this critical area.
IHP road map agreed, financing secured and compact agreed	Achieved, in terms of road map and compact agreement. Mobilisation of additional funding has been disappointing.	Health PETS (expenditure tracking) and PFM diagnostic work completed, with resulting action plan developed and being implemented.	PFM diagnostic completed, health PETS outstanding
Malaria Consortium progress influences national policy/targets set in 2009 QAD/PAF and documented increased coverage in 3 focus provinces		Evidence based interventions for maternal mortality applied nationwide, increased skilled birth attendants and contraceptive prevalence	
		New Malaria strategy implemented	

2008 Target	2008 progress	2009 target	2009 progress
		GFATM demonstrating full IHP principles with no-in year conditionality and scaled up support.	Not achieved, and not likely to be achieved in the near future. GFATM funding has been frozen pending submission of accounts for the 2007/98 period when GFATM funding was merged with PROSAUDE

PRISM scores: MONASO – 2 (2008) and 3 (2009), SWAP – 2, Insecticide Treated Nets = 2

Education

2008 Target	2008 progress	2009 target	2009 progress
Comprehensive HR Strategy designed and costed for MEC	Work on-going, considerable delays because of lack of approval initially by the MoE	Multi-donor fund for civil society accountability work in education established	Not established
Education PETS (tracking survey) successfully completed	Report still outstanding	Secondary education teacher reforms successfully implemented	Reforms being implemented at a promising pace
Civil Society contributed to addressing barriers to girls' EP2 completion	Progress made mobilising CSO – difficult to measure precise contribution		
Primary School construction programme reinforced, classroom targets met	Programme still under discussion and receiving		
Increased proportion of sector funding channeled through FASE and Paris compliance ensured	Largely achieved		

PRISM Scores:

Sector budget support = 2 (2008), Education sector support 2 (2007) to 3 (2008), Support to the implementation of the Sector Strategy = 3 (2008) September 2008

2. Growth and Regional Linkages Pillar

WATER & SANITATION			
2007/8 Target	2007/8 Progress	2008/9 Target	2008/9 Progress
1055 new widely distributed rural water sources constructed (PARPA)	Met	1400 new widely distributed rural water sources constructed (PARPA)	Met
DNA disburses over 60% of budget	Met. 64.6%	Wat San strategy agreed with results based PAF	Strategy in Place. Changes required to PAF indicators.

DNA restructuring agreed and plan in place for institutional strengthening.	In place, progress slow.	Financing strategy agreed to mobilise financing to fill the gap.	Not met progress slow.
		DNA disburses over 90% of realistically negotiated budget	Results Pending
		Timetable for AfDB to take over as silent partner agreed	Not met. Progress Slow.
Roads			
2007/8 Target	2007/8 Progress	2008/9 Target	2008/9 Progress
76% of roads in good and reasonable condition (PARPA)	Not met. Original targets revised downward.	77% of roads in good and reasonable condition (PARPA)	Not met. But progress. Increase to 67%
12% of rural population within 2km of an all-season road (PARPA)*	This indicator has been revised recently using methodology based on GIS data and the road network.	13% of rural population within 2km of an all-season road* This target will be updated by ANE in September 08 (PARPA)	This indicator has been revised recently using methodology based on GIS data and the road network.
Implement ANE and RF organisational restructuring of head offices and provincial delegations	Slow progress made	3 donors agree to harmonised support to Roads	Not met. DFID currently alone on harmonised support.
20% of sector funding provided through sector budget support.	Not met. DFID currently alone on SBS in the sector	Regular visits to Niassa under collaboration agreement with Ireland to demonstrate effectiveness of district roads' maintenance	Met
AfDB represent DFID's interests in the roads sector from March 08	Silent partnership agreed but not fully implemented due to constraints around SBS and other DPs.	Gender Audit of road programme.	Progress slow.

Land & Natural Resources			
2007/8 Target	2007/8 Progress	2008/9 Target	2008/9 Progress
220 Local communities delimited and recorded in the cadastral maps. (PARPA)	Met. 226	242 Local communities delimited and recorded in the cadastral maps. (PARPA)	Met. 245.
The Community Land Use Fund is fully operational in five Districts of Gaza, six of Manica, and five of Cabo Delgado. (DFID Milestone)	Land fund operational but coverage not as wide as predicted.	ITC operational and having major impact on communities in all northern provinces plus Manica and Gaza (DFID Milestone)	ITC in inception phase in northern provinces.
MCC adopts the Land Fund Project Document and signs.	Met.	Successful restructuring of corporate governance	Progress Slow
		Land Policy Forum – way forward agreed with Government	Progress Slow, but initial efforts begun.

3. Governance Pillar

	Objective	Progress (September 2009) (CPE 2009)
Social Action		
PARPA Target 2009/10	294,400 vulnerable people benefiting from social protection programmes.	184,000 beneficiaries from Food Subsidy Programme
Summary of Targets -2008/09 and 2009/10	<p>INAS and MMAS capacity to manage, implement, monitor and evaluate PSA is strengthened.</p> <p>Budget allocation for 2009 and beyond (in CFMP) for social protection programmes increases significantly.</p> <p>Policy of government is increasingly supportive of social protection.</p>	<p>Various capacity-building processes are ongoing with technical support from ILO and UNICEF.</p> <p>A three stage impact assessment study is also ongoing.</p> <p>Due to the current pressures on public expenditure the government is committing less to social protection than originally expected.</p> <p>The level of commitment of the government to the policy and PSA programme is being questioned in some quarters.</p>
Country Plan results framework	Potential of social assistance programmes for reducing poverty demonstrated	<p><u>Indic 1: Social Protection Strategy completed by 2010.</u></p> <p>Status: Not completed yet.</p>

		<p><u>Indic 2: MoF agrees further increases in real PSA cash transfer levels by 2011.</u></p> <p>Status : Too early to assess, but INAS is having to reduce its other programmes in order to maintain the PSA at current levels for 2010 and has still not received commitments from MoF for 2010.</p>
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Governance and Accountability

1. Reduced Corruption and Improved Service Delivery

PARPA Target 2009/10	Improved quality of public service delivery.	Generally service coverage and access indicators are improving but the trend in quality is less clear.
	Public service human resource management systems significantly improved.	The completion of the public servant census and creation of the related database are major achieved outputs. This and the associated data management processes are expected to lead to a significant reduction in the scale of the ghost worker problem. Significant progress has been made on civil servant training through the SIFAP.
	Corruption reduced	It is generally believed that the gradual adoption of the e-SISTAFE is resulting in the reduction of opportunities for those types of smaller-scale corruption related to financial management processes. However there is a general perception of a worsening situation with respect to major government procurement processes. If the corruptions perceptions survey planned by the government for publication in 2010 could be effectively and neutrally governed then this would provide clear evidence of the trend.
Areas of DFID focus (from Business Plan)	<p>New public service salary policy adopted.</p> <p>Anti-corruption plans implemented in 5 key sectors.</p> <p>Monitoring arrangements in place to measure public sector service delivery</p>	<p>The new policy has been developed and is currently awaiting cabinet approval. However serious concerns regarding its fiscal impact and general quality have been raised by informed observers outside of government.</p> <p>Of the 5 sectors there is only clear evidence of significant progress being made in the case of the Ministry of Health.</p> <p>No systematic monitoring of service delivery is being conducted on a multi-sectoral basis. The periodic perceptions survey on corruption and service-delivery is supposed to be conducted every four years. The next one is now planned for completion in 2010.</p>

Accountability		
2009/10 Objectives	<p>Increase in state accountability and responsiveness levels.</p> <p>Increased capacity of citizens and CSOs to demand and secure their rights.</p> <p>PARPA II results information available to all key stakeholders.</p> <p>Increased efficiency and integrity of the legal system.</p> <p>Free fair and conflict free elections.</p>	<p>The accountability of the executive to parliament is perceived to have improved somewhat through improved and timelier annual socio-economic plan reports. The oversight of the TA and IGF of sector financial management is also deemed to have improved somewhat although follow-up by the justice system is still very poor.</p> <p>Gradual but slow progress achieved.</p> <p>PARPA results information is still weak in terms of governance, and the level of access of the general population to this is very poor.</p> <p>Some minor progress noted.</p> <p>Steady progress noted but serious setback caused by recent CNE decisions on accepting opposition candidate registrations.</p>
Areas of DFID focus (from Business Plan	<p>APRM process progresses satisfactorily, with adequate civil society involvement.</p> <p>CSSM functioning efficiently and effectively in supporting civil society to hold government to account and to provide citizens with voice.</p> <p>Institutional capacity for poverty monitoring increased.</p> <p>Improved political governance monitoring and dialogue between donors and the GoM.</p> <p>CIP operating effectively in pressurising government to address corruption.</p>	<p>The process has progressed despite many delays and problems encountered. The national report issued in early 2009 was quite robust. Civil society has complained of weak and insufficient consultation processes by the technical unit.</p> <p>CSSM functioning efficiently and is gradually expanding its level of financial support and capacity-building to CSOs. It has had problems finding appropriate beneficiaries and projects however. Hence the scale of CSO support provided to-date is less than anticipated at this time.</p> <p>CMI poverty monitoring studies are being conducted in collaboration with local institutions.</p> <p>The creation of the governance platform has aided the governance dialogue work of the donors with the GoM. No clear and agreed framework exists for monitoring governance outcomes. Significant weaknesses are reported to exist within the functioning of the political dialogue system, with the donors experiencing capacity issues.</p> <p>CIP is generally recognized to be performing well in bringing corruption issues and potential solutions fully into the public consciousness.</p>

4. Public Financial Reform and Public Sector Reform

	2006	2007	2008	2009
PFM				
N° of Provinces with OPPs carried out	11 - Met	Not met, but progress	Met, but quality concerns	
Aggregated expenditures with % of OE approved; ≥95% and ≤105%		Met	Met	
Allocation in the OE in line with the MTFP	Not met, but progress	Not met, but progress	Not met, but progress	
Public Expenditures Tracking Surveys initiated and carried out	Not met	Not met, but progress	Not met, but progress	Survey carried out
No. of Ministries, State institutions and UGEs	N/R	Met	Met	Goal to be defined
Total revenue in % of GDP	14.2% - Met	Met	Met	Goal: 16.2%
Procurement system operational		Met	Met but quality concerns	
% of organs at central and provincial level with operational internal control units		Not met, but progress	Not met, but progress	Goal: 100.
No. of financial audit reports approved by TA	Met (155)	Met		
Coverage of State Budget audited by the TA according to INTOSAI technical standards and according to Mozambican legislation			Met	Goal: 144 (?)
PSR				
% of the budget transferred to the: - provinces - districts - municipalities		Met	Met	P:27.8% D:3.6% M:1%
% of operational District Consultative Councils (at least 3 meetings per year) with government accountability		Not met, but progress	Not met, but progress	Goal: 100%
Approval and implementation of the salary policy and harmonisation of the 3 Databases		Met	Not met, but progress	
Proposals for the increase in the number of municipalities deposited in the AR (parliament)	Study concluded - Met	Not met, but progress Goal: Legislation on criteria approved by the Council of Ministers. Met	Met	

Assessment of PARPA Targets and DFID Milestones March 2009

(DFID's own assessment from an End of Year Minute from Head of Office to Africa Director)

	TOTAL	GREEN	% ACHIEVED	AMBER	%	RED	%
A. PARPA TARGETS & DFID MILESTONES							
HIV/AIDS	4	2.5	62.5%	1.5	37.5%	0	0.0%
HEALTH	4	3	75.0%	2	50.0%	0	0.0%
EDUCATION	5	2	40.0%	3	60.0%	0	0.0%
WATER & SANITATION	4	1	25.0%	2	50.0%	1	25.0%
ROADS	3	1	33.3%	2	66.7%	0	0.0%
SOCIAL ACTION	3	0	0.0%	3	100.0%	0	0.0%
LAND & NATURAL RESOURCES	3	0	0.0%	3	100.0%	0	0.0%
CLIMATE CHANGE, BIOFUELS & DSS	4	2	50.0%	2	50.0%	0	0.0%
GROWTH & SPATIAL DEVELOPMENT	2	0	0.0%	2	100.0%	0	0.0%
GOV. & ACCOUNTABILITY							
- Reduced Corruption & improved service delivery	3	1	33.3%	2	66.7%	0	0.0%
- Improved PFM	5	2	40.0%	3	60.0%	0	0.0%
- Accountability	6	1.5	25.0%	2.5	41.7%	2	33.3%
B. MANAGING RESOURCES							
EFFICIENCY & PORTFOLIO PERFORMANCE							
- Successful restructuring of the office	2	0	0.0%	2	100.0%	0	0.0%
- Improve Aid Effectiveness	5	3.5	70.0%	0	0.0%	0.5	10.0%
- Portfolio performance	2	0	0.0%	1	50.0%	1	50.0%
- Implement prioritisation & focus in CAP	2	2	100.0%	0	0.0%	0	0.0%
PEOPLE MANAGEMENT							
- DFID Mozambique improves as workplace	3	3	100.0%	0	0.0%	0	0.0%
- DFID maintains low stress levels	2	2	100.0%	0	0.0%	0	0.0%
- Support for learning & development	1	0	0.0%	1	100.0%	0	0.0%
- Line management quality improved	1	0	0.0%	0	0.0%	1	100.0%
C. MANAGING PARTNERS							
AID EFFECTIVENESS IMPROVES TO MEET PARPA FINANCING NEEDS	9	0	0.0%	8	88.9%	1	11.1%
MULTILATERAL EFFECTIVENESS IMPROVED	6	2	33.3%	4	66.7%	0	0.0%
EFFECTIVE JOINT ACTION ACROSS HMG	1	0	0.0%	1	100.0%	0	0.0%
D. BUILDING FOR THE FUTURE							
LEADERSHIP & PROFESSIONAL SKILLS	1	0	0.0%	1	100.0%	0	0.0%
HEALTH, SAFETY, & SUSTAINABILITY	3	1	33.3%	2	66.7%	0	0.0%
COMMUNICATIONS	3	3	100.0%	0	0.0%	0	0.0%
TOTAL	87	32.5	37.4%	48	55.2%	6.5	7.5%

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