

Annex F - Portfolio analysis report

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Abbreviations and Acronyms

ABR	Advocacy and business research
ADIPSA	Development of private Sector Initiatives in the Agricultural Sector
AGIR	Action Programme for Inclusive and Responsible Governance
Agro-Garante	Commercial Bank Guarantee Facility for Agricultural Lending
AGRO-INVESTE	Agri-business development
ANAMM	Mozambican National Association of Municipalities
ANE	National Roads Administration
ASCA	Accumulating Savings and Credit Associations
ASPS	Agricultural Sector Programme Support
B2B	Business-to-Business
CDS	Centre for Sustainable Development
CEDSIF	Centre for Development of Information Systems for Finance
CEP	Citizen Engagement Programme
CFJJ	Training Centre for Juridical affairs
CIP	Center for Public Integrity
CNCS	National Aids Council
CPR	Project Completion Report
CSO	Civil Society Organisation
CUT	Treasury Single Account
DKK	Danish Kronor
DNE	National Energy Directorate
DOE	Directorate of Economy
DPA	National Energy Directorate Agriculture Province Directorate
DSESSP	The Danish Programme Support to the Education Sector Strategic Plan
EDM	Electricidade de Moçambique
ERG	Evaluation Reference Group
EQ	Evaluation Question(s)
EPS	Environmental Sector Programme
ESPS	Energy Sector Programme Support
ESPS II	Environment Sector Programme Support Second phase
ESAN	Strategy for Food Security and Nutrition
ESSP	Education Sector Strategic Plan
ET	Evaluation Team
e-SISTAFE	Electronic financial management system, also referred to as SISTAFE
Eval	Evaluation Department
FAN	Business Environment Fund
FASE	Education Pool Fund
FUNAE	Energy Fund/Fundo de Energia
GBS	General Budget Support
GCCC	Central Anti-Corruption Office
GEP	Growth and Employment Programme
GOM	Government of Mozambique
HN-SPS	Health and Nutrition Sector Programme Support
HRBA	Human Rights-Based Approach
IM	Inception Mission
IPAJ	National Institute for Legal Assistance
MADER	Ministry of Agriculture and Rural Development
MAE	Ministry of State Administration and Public Service

MAP	Ministry of Agriculture and Fisheries
MASC	Civil Society Support Mechanism
MFA	Ministry of Foreign Affairs (Denmark)
MFM	Municipal financial management
MICOA	Ministry of Coordination of Environmental Action
MIREME.	Ministry of Mineral Resources and Energy
MITADER	Ministry of Land, Environment and Rural Development
MISAU	Ministry of Health
MoU	Memorandum of Understanding
MS	Mellemfolkeligt Samvirke
MTR	Mid-Term Reviews
NGO	Non-Government Organisation
NORAD	Norwegian Agency for Development
ODA	Official Development Assistance
PAF	Performance Assessment Frameworks
PAMRDC	Multi-sectoral Initiative on Chronical Malnutrition
PAP	Programme Aid Partners
PCR	Project Completion Report
PDA	Municipal Development Programme
PES	Economic and Social Plan
PFM	Public financial management
PFMU	Project Financial Management Unit
PROAGRI	Agricultural Sector Public Expenditure Program Project
PRODEM	Municipal Development Programme
PSI	Population Services International
PSO	Private Sector Organisations
RDE	Royal Danish Embassy in Maputo
SBS	Sector Budget Support
SETSAN	Technical Secretariat of Food Security and Nutrition
SHRH	Sexual and Reproductive Health and Rights
Sida	Swedish International Development Agency
SISTAFE	State Financial Management System
SME	Small and Medium-sized Enterprises
SPS	Sector Programme Support
SUN	Global Scaling-Up Nutrition
SWA	Sector Wide Approach
TA	Technical Assistance
ToR	Terms of Reference
UEM	Eduardo Mondlane University
UTRAFE	Technical Unit for the Reform of State Financial Administration
UTREL	Technical Unit for Legal Reform
WB	World Bank
WLSA	Women Lawyers in Southern Africa

1. Introduction

This portfolio analysis forms part of the Evaluation of the Danish engagement in Mozambique 1992-2016¹, commissioned by the Danish Ministry of Foreign Affairs (MFA). The report provides an overview of the Danish country programme in Mozambique and the development of sector programmes during this period. Based on the available documents and stakeholder interviews it analyses the trends and strategic choices for the last 24 years of cooperation with Mozambique.²

The introduction (Chapter 1) is followed by a brief and broad presentation of Danish strategies and priorities for the cooperation with Mozambique and the general trends over the period between 1992-2016 (Chapter 2). Chapter 3 provides an analysis of the different sector programmes, with focus on the major contributions. The analysis is based on five main sources:

- 1) Analysis of documents provided by MFA to the Evaluation team;
- 2) Evaluation of Development Cooperation between Mozambique and Denmark, 1992–2006,³
- 3) “An overview of the Mozambique-Denmark Development Cooperation” over the period 2006-2016, internal document produced by MFA in 2016⁴
- 4) Information provided during consultations with key informants during the field missions;
- 5) Additional information on interventions under the Framework Agreements between MFA and Danish Civil Society Organisation (CSO).

The portfolio overview presents the overall features for the evaluated period. However, it is not a comprehensive study of all support during the evaluated period. The analysis is mainly based on a desk review. As far as possible, the evaluation team (ET) has tried to capture the rationale behind strategies and priorities within and between sectors and aid modalities. The evaluation insights that are included in the report rely on previous and available evaluations reports.⁵ Hence, the results were not validated by the team. However, the conclusions in available evaluation have, as far as possible, been validated with consulted stakeholders during the field missions.

2. Danish Country Programme in Mozambique

The Danish-Mozambican cooperation spans over more than four decades and has developed from being mainly humanitarian assistance to long-term development cooperation. Danish support to Mozambique dates to the early days of the independence, and contributed to support the political and economic changes of the recent history of the country. Since Denmark decided to work in selected “programme countries” in 1988, Mozambique has been one of the countries receiving the highest volumes of Danish development aid.

When the bilateral cooperation with Mozambique started, the support had a humanitarian focus and scattered interventions targeting primarily on water supply, fisheries⁶ and agriculture, rehabilitation of infrastructure and vocational training. The bilateral governmental support has been accompanied with a long-term engagement from Danish CSOs, researchers, private sector

¹ The objectives of the evaluation focus on Results; Added Value, and Lessons learned.

² TANA provided a first version of the Portfolio analysis based on the documentation provided by MFA and the inception mission. This final version of the report also includes findings from the implementation mission and a deepened desk review of different supports.

³ Evaluation of Development Cooperation between Mozambique and Denmark, 1992–2006, Evaluation 2008.5, Ministry of Foreign Affairs, Danida, conducted by Mokoro and ECORYS Research and Consulting, September 2008.

⁴ The figures in the overview are derived from data downloaded from the Ministry of Foreign Affairs’ financial report STRAM (abbreviation in Danish: Samlet Tilskudsramme).

⁵ In some cases, the ET did not have access to Project Completion Reports (PCR), Mid-Term Reviews (MTR), programme end reports, and/or final evaluation reports.

⁶ The water and fisheries sectors were phased out in the 2000 strategy.

actors and consultancy firms. Since the peace agreement in 1992, the Danish cooperation shifted to long-term development programmes and has aimed at supporting “*the development of Mozambique into a stable and democratic society with improvements in living conditions for its people*”.⁷ Denmark has provided general and sector budget support (GBS and SBS), sector programme support (SPS) to agriculture, education, energy, environment, health, good governance, including civil society support, justice sector reform, decentralisation and public financial management (PFM) and growth and employment programmes.

2.1 Strategies and policy priorities during the evaluated period

Poverty reduction and democratic development have been overarching objectives for the long commitment with Mozambique before and during the period evaluated. This focus was enhanced in the Danida 1994 aid strategy.⁸ The Danish aid policies and strategies⁹ during the period evaluated have continued to prioritize aid to Mozambique until the decision of the Danish government in 2016, to phase out the country programme. Other overall priorities for Danish development cooperation policies during the period evaluated, have been gender equality, HIV/AIDS and Sexual and Reproductive Health and Rights (SRHR), environment and climate change, with a continued strong focus on the health sector, good governance, human rights and justice reforms and an increasing focus on private sector development. The focus for gender equality has been on policy reform and legislation, and supporting governmental structures to use a gender mainstreaming approach, including strategy development. As part of Denmark’s strong focus on governance, support to international and national CSOs was channelled through the bilateral programmes and Non-Governmental Organisation (NGO) framework agreements with the MFA. Support to civil society spans over many sectors and has developed from complementing the roles and responsibilities of the government as primarily service providers to increasingly focusing on accountability issues and mobilisation and supporting the organisation of rights-holders that are discriminated against.

Denmark did not develop country strategies for all the years included in this analysis. The strategy documents, of which only some are country strategies, were published in 1988, 1995, 2000 and 2012. The country strategy from 1995 aimed to gain a stronger focus and coherence within a portfolio with many smaller and disparate interventions. From 2000, the focus has been on strengthening the state administration and extending public service delivery in sectors with Danish aid. This has included direct cooperation with international and national CSOs and private sector actors. The water and fisheries sectors were phased out in the 2000-2004 strategy, giving priority to agriculture, energy, education and public sector reform.¹⁰ From 2003, Danish bilateral cooperation has been decentralised to the Danish embassies, which means that the RDE has steered most of the priorities in the country programme since then. As already stated, there was no new Danish country strategy for Mozambique developed between 2005 and 2012 and the Mozambique country programme was then still guided by the 2000-2004 strategy¹¹ as well as the aid effectiveness agenda aligning assistance to the PARPA I and II and PARP.

The Partnership Policy 2012-2015 envisioned that the cooperation with Mozambique was “*to expand the opportunities of the poor to take part in and benefit from Mozambique’s considerable economic*

⁷ Terms of Reference Tender for Evaluation of the Danish engagement in Mozambique 1992-2016.

⁸ A Developing World: Strategy for Danish Development Policy towards the year 2000. (1994).

⁹ Idem; Denmark’s Development Policy 2000 (2000); A World of Difference: Government’s Vision for New Priorities in Danish Development Assistance 2004-2008 (2003), and The Right to a Better Life: Strategy for Denmark’s Development Cooperation (2012).

¹⁰ It is worth mentioning that the focus on public sector reform in the 2000 Danish strategy was well aligned with the GOM’s own focus on reforming the public sector, as mentioned earlier, in 2001 it launched its Global Strategy for Public Sector reform (2001-2011), that would be followed by a strategy covering the period 2012-2025.

¹¹ Mentioned in Annual Country Assessments from the RDE to the 2005-2008. The 2008 and 2009 assessments mention that a new Danish Country strategy was planned for 2009.

growth”. The partnership should be based on political dialogue, stronger commercial ties and assistance to a limited number of priority sectors, with a focus on efforts related to (i) budget support and good governance; (ii) sustainable and inclusive growth; (iii) reproductive health and rights; and (iv) climate change adaptation and environmental management.

The Danish policy on a Human Right-Based Approach was adopted in 2012 with a focus on the accountability and transparency issues, and on the role of organised rights-holders through civil society, presently engaged in monitoring the performance of the state and its institutions. However, Denmark supported civil society and other actors within the justice sector in their role as watch-dogs and work on raising awareness on rights was in place also in earlier periods.

As will be discussed in the next chapter, the portfolio shows a consistent concern in creating synergies with different areas of Danish support. For example, Denmark contributed to strengthening PFM in the sectors it supported (e.g. environment and energy), channelling its funds through the State Financial Management System SISTAFE, and in some cases promoting the decentralisation of funds up to the district level, as was the case of the environment sector. Another example is the combination of education, health and agriculture to tackle malnutrition, whose reference point was the province of Tete. The rehabilitation of rural roads to improve access to markets and mobility to smallholder farmers is another case of successful establishment of synergies between different areas (agriculture and public work), embodied in the agricultural SPS.

The Danish support has increasingly aligned with country strategies and priorities of the Government of Mozambique (GOM) during the evaluated period. As an active member in the donor coordinating group, Denmark has been a strong advocate for the Aid Effectiveness agenda and has made a great effort to align its cooperation with the development strategies of the GOM and coordinate its effort with other development actors. This approach was implemented prior to the agreement on the Aid Effectiveness agenda and in several sectors Denmark has promoted greater donor coordination, taking the lead or delegating its support to likeminded donors. Denmark has progressively channelled a larger part of its aid through GBS and SBS through the governmental system SISTAFE and the governmental Single Treasury Account (CUT) for the financial disbursements. Denmark played a positive role in taking the lead in supporting the development and the roll-out of SISTAFE and in channelling GBS, SBS and sector programme funds through CUT and SISTAFE. The budget supports have been the most important instruments of support, combined with technical assistance (TA) to PFM.

2.2 Focus and size of the cooperation

The Danish cooperation with Mozambique consisted in 1992 of a large number of project and programmes supporting different sectors and initiatives, but only one sector support programme, in the area of Health.¹² As table 1 shows, at the end of the 1990’ies and the beginning of 2000, the portfolio composition changed considerably, by 2006 the portfolio included five SPS (Agriculture, Education, Health, Environment and Climate Change, and Energy) and the number of projects and specific programmes had reduced. In addition, the Justice sector, public sector reform and other governance initiatives continued. By 2016 the number of SPS had decreased to three; Health, Environment and Climate Change and Private Sector. This reduction of sector programmes was a result of the MFA policy to focus on fewer sectors in the bilateral country programmes.

¹² 1992–1995 (1996) Rehabilitation and strengthening of health services in Tete Province Phase I.

Table 1. Overview of sector support 1992-2016

Sector	2	3	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
Agriculture	Project support				ASPS I						ASPS II														
Education	Project support										DSESSP														
Energy	Project support										ESPS														
Environment	Project support													ESP 1			ESP II								
Health	Phase I			Phase II					Phase III				Phase IV			Phase V									
Justice	Project support										ProJustica I & II										Project support				
Private Sector	Project support, B2B						ADIPSA I & II									GEP									
GBS									Joint macro-finance progr		MoU GOM and PAPs														

The total disbursement to Mozambique during 1992-2006 amounts to approximately DKK 4.5 billion.¹³ The Tete, Inhambane and Maputo provinces accounted for the largest proportion of Danida's subnational funding during that period. The disbursement for the period 2006-2016 amounts to approximately DKK 3,7 billion. As table 2 shows¹⁴, at the beginning of the period evaluated the annual total was less than DKK 150 million; in 2006 it was closer to DKK 400 million. The synthesis report from the Evaluation 2008 concluded that there was a general upward trend in the annual disbursement of Danish aid to Mozambique with small dips for specific years.¹⁵ The last decade shows a period with financial support maintained at high levels from 2007 to 2012 and then a descending trend from 2013. Several SPS were phased out during the last 5-6 years of the studied period, and the levels of disbursement to the remaining sectors are at much lower levels than the previous years.

Table 2. Annual disbursement (in DKK '000) 1992 – 2016

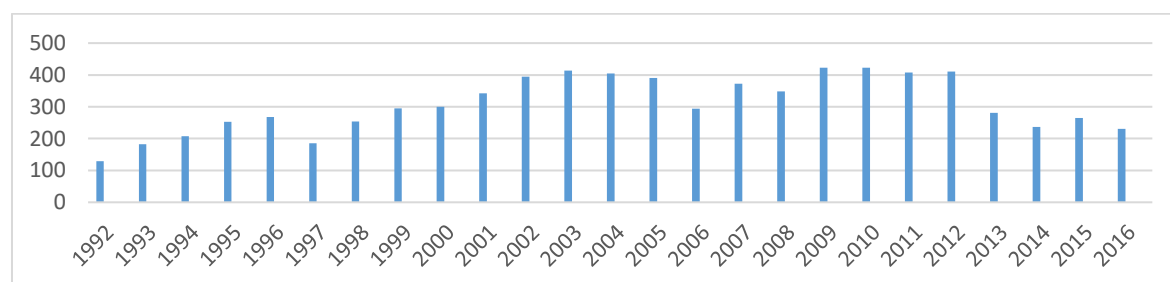


Table 3 shows the share of the aid to Mozambique of the total Danish bilateral aid for the period 1998—2016.¹⁶ The fluctuations in the size of the bilateral aid has not had any bigger effect on the cooperation with Mozambique which has remained on a rather steady volume. The general decrease of the aid the last four years is also reflected in the lower disbursement to the Mozambique country programme.

¹³ Evaluation of Development Cooperation between Mozambique and Denmark, 1992–2006, 2008.

¹⁴ The table is based on the figures in the 2008 Evaluation and Excel sheet over the period 2006-2016 provided by the RDE in February 2017.

¹⁵ Evaluation of Development Cooperation between Mozambique and Denmark, 1992–2006, Synthesis report, 2008.

¹⁶ The period is due to the available data provided by the MFA.

Denmark’s share of the total aid to Mozambique was just over 4% in the period 1992-1999 and just over 5% for the 2000-06 period.¹⁷ As a comparison the correspondent percentage for 2015 was 3,6 % of the total Official Development Assistance (ODA) to Mozambique.

Table 3. Relation between Denmark’s total bilateral aid and bilateral aid to Mozambique 1998-2016

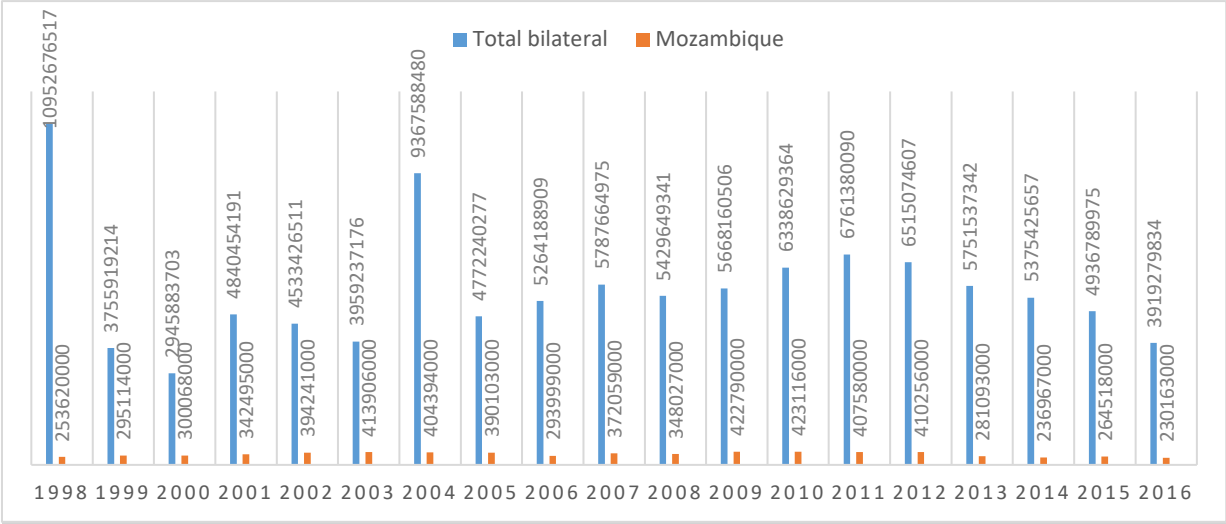
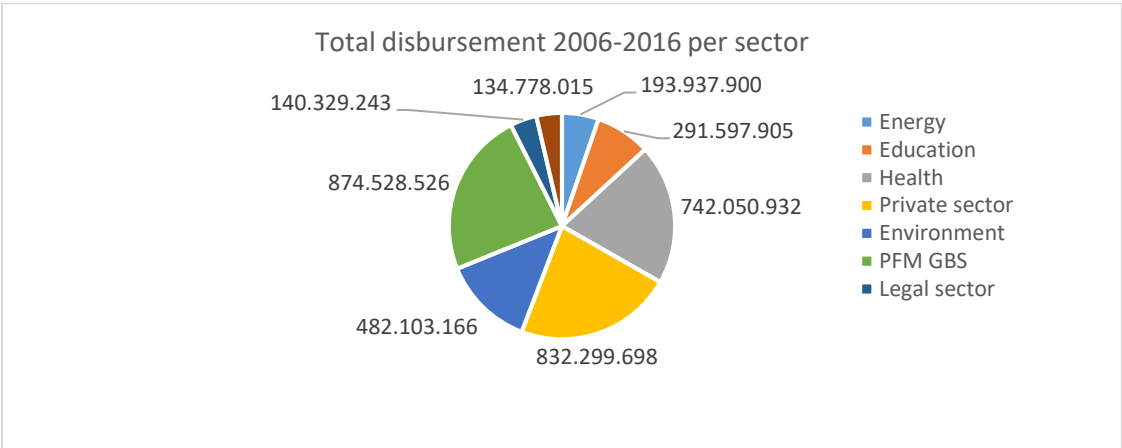


Figure 1. Total Disbursement in DKK per sector during the period 2006-2016¹⁸



As Figure 1 shows¹⁹, four sectors dominate the overall disbursed support, namely PFM and GBS, Private sector support, including Business to Business (B2B) initiatives and the support to the Health and Environment Sectors. These sectors dominated the period also annually together with the energy sector between 2006-2008 and 2013, and the education sector the years 2006, 2008-2011. The share of the environment SPS of the portfolio increased substantially first during the last years of the period. The support to the legal sector was relatively small but constant throughout the full period.

2.3 Geographical focus

In the early 1990s, most of Danish cooperation concentrated on the coastal towns of Maputo, Beira and Quelimane due to the security situation. The decision to focus on Tete was based on several reasons, including the level of poverty. The relatively easier access to Tete from Zambia,

¹⁷ Evaluation of Development Cooperation between Mozambique and Denmark, 1992–2006, Synthesis report, 2008.
¹⁸ Overall and sector specific data over the disbursement has been provided by the RDE.
¹⁹ Diagrams over the sector specific disbursement per year are presented in Annex 1.

after the end of the civil war, allowed Danida to provide emergency support to the war refugees. It was also based on the decision of many donors to avoid overlap in their support and focus on different provinces. Danish cooperation has focused on Tete and at the central level, however, some sector programmes have provided substantial support to other provinces as in the case of education (Zambezia and Cabo Delgado), rural roads (five provinces), and decentralisation processes and municipalities (centre and northern provinces). Environment SPS (2006-2016) also had a local focus, facilitating the setting up of provincial directorates of environment and Centres of Sustainable Development located in three provinces but with national responsibilities in specific areas: Gaza for coastal zones, Nampula for urban zones and the Manica branch was responsible for natural resources.

2.4 Aid modalities

The 2008 evaluation concluded that the use of aid modalities continued to be mixed even though Denmark gave priority to sector programme support over projects already in the 1990s. This is also true for the last decade, though GBS and SBS have been the dominating modalities. The funding of SPS has progressively been channelled through the CUT, and in 2013 and 2014, the use of national systems was close to 100% of the funding provided.²⁰ Denmark has supported the governmental Single Treasury Account system, CUT, and the development of an electronic financial management system (e-SISTAFE), which facilitates disbursements at provincial as well as central government levels. Denmark, opted to channel funds through this system together with a continuous technical support at both central and provincial levels.

All SPS have made use of mixed aid modalities, though project support was scarce during the last decade, except for the Justice sector²¹ and the local grant mechanisms. The portfolio has included specific project support (mainly smaller initiatives within the local grant mechanism managed directly by the RDE), programme grants, core funding of SETSAN, and earmarked technical assistance through expert advisors and consultants allocated to central and provincial levels).

The technical advisors have been part of the country programme throughout the evaluated period. Denmark has made significant use of this form of support both at central and provincial levels, with long-term technical assistance to key sectors. The modality has had relevance for the support to PFM where advisors have supported the development of the public financial system e-SISTAFE, providing on the job capacity development of public officials working with the system. The technical advisors, together with experts at the RDE, have also contributed to an in-depth knowledge at the RDE on the SISTAFE. The advisors have also been instrumental in strengthening strategic planning in the supported sectors, and during the last years of the evaluated period also in putting an increased attention to the monitoring of results. The number of technical advisors decreased from around 40 in 2005 to 6 in 2015. Some of the technical support through long-term advisors was replaced by consultant services (e.g. SETSAN and support to municipalities).

Programme grants have, in some cases, been replaced with joint funding mechanisms, e.g. in the case of Education, or complemented with joint donor funds, as in the case of the support to civil society within the health SPS. After phasing out the SPS, the energy sector has been supported with soft loans. Direct project support from the MFA and Framework agreement grants with Danish CSOs have also been provided.

²⁰ Avaliação Final do Governo de Moçambique ao Desempenho dos Parceiros de Apoio Programático (PAPs) em 2013 no âmbito do Processo de Revisão Anual 2014. Maputo: República de Moçambique; Avaliação do Governo de Moçambique ao Desempenho dos Parceiros de Apoio Programático (PAPs) em 2014. Revisão Anual de 2015. Maputo: República de Moçambique. Ministério de Economia e Finanças, 2015, pages 41 and 42.

²¹ Several of the different partners in the Justice programme were provided with institutional support/core funding, but as support modality they can be characterised as “projects”.

3. The development of different sector supports

The following presentations of sector and cross-sector supports are developed on the basis of the available documentation and the information shared by consulted stakeholders during the data collection in the field. The sub-sections do not pretend to give the full analysis of all aspects of the different sector programmes but present the main features of the included sectors. Each sector overview includes a presentation of the objectives and the programme components, aid modalities, reported results, added value of the Danish support and cross-cutting issues.

3.1 Agriculture²²

	2	3	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
Agriculture	Project support							ASPS I					ASPS II												

Mixed aid modalities: direct budget, sector and project support. Technical assistance was provided at central and provincial level through seven TA (phase I), and one TA at central level (phase 2).

Support to the development of sustainable agriculture in a country with 80 percent of the population occupied by small-scale subsistence farming is highly relevant. Only 20 percent of the population can afford the minimum costs for an adequate diet and almost two thirds is food insecure, partly due to low agricultural productivity, but also to natural disaster and unequal distribution of economic and other resources within the country. A consequence of this, coupled with high rates of infectious diseases and poor access to health services, water and sanitation, is that currently approximately 40 percent of children under five are chronically undernourished and 42 percent are stunted.²³

Danish assistance to the sector started shortly after Mozambique's independence in 1975, and was for a long period crucial for the rural development strategy, corresponding to over a fifth of the international cooperation to the sector.²⁴ During the evaluated period,²⁵ Denmark supported two consecutive Agricultural SPS (ASPS I [1999-2004] and II [2005-2010]). Apart from the Central level institutional development activities linked to the government's National Agricultural Programme (ProAgri), the ASPS focused on the provinces Tete, Cabo Delgado, Nampula and Manica. The support was granted through a mixture of support to institutional development to the Ministry of Agriculture and Fisheries, a roads programme and support to the agricultural private sector. Although formally discontinued in 2010, the support to the sector continued in the Growth and Employment Programme and through the focus on food security and nutrition under the Technical Secretariat of Food Security and Nutrition, SETSAN.

ASPS I and II shared the same overall development objective, namely to achieve “*Sustainable and significant improvement in the living conditions of agricultural smallholders and their families*”, with three more specific objectives:²⁶ (i) To increase the capacity of smallholder farmers to produce beyond family subsistence, organise themselves and exercise their rights; (ii) to increase the access of smallholder farmers to credit, agricultural inputs and markets; and (iii) to improve the delivery of public services and resources to smallholder family farmers by the GOM in general, and in

²² The provided data over disbursements does not specify the support to the agriculture sector why no overall table for the evaluated period is included in the sector presentation.

²³ World Food Programme, <http://www1.wfp.org/countries/mozambique> and data from SETSAN and MISAU.

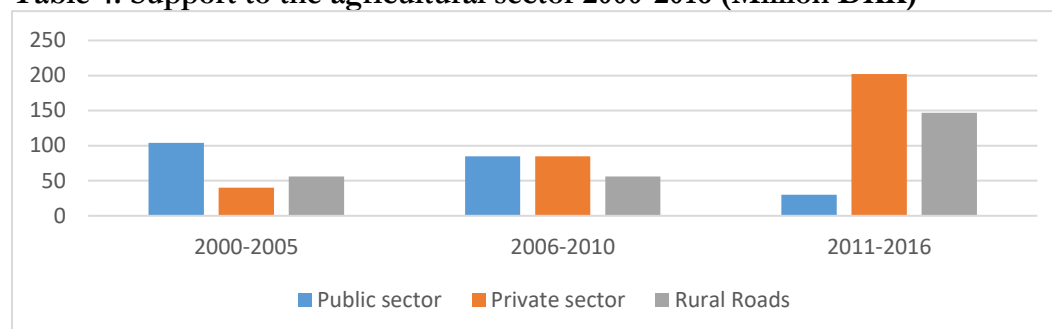
²⁴ Evaluation of Development Cooperation between Mozambique and Denmark, 1992–2006 Working Paper 02 Agriculture, Rural Development and Fisheries, Martin Adams, Final, September 2008.

²⁵ It is also relevant to mention the Tete Agricultural Project (1985-1999) that played an important role at a time when the province faced extreme difficulties as it facilitated a better relation between the farmers and the provincial government, as reported in the Working paper on Agriculture in the 2008 Evaluation, Adams, 2008.

²⁶ The objectives of the components are presented in Annex 3.

particular, by the Ministry of Agriculture and Fisheries (MAP) at all levels.²⁷ The ASPs I and II were developed along the government's ProAgri I and II, in cooperation with the government and sector donors.²⁸ A considerable part of the support was channelled to the mentioned provinces. In the two phases, the programme components were: ProAgri, Rural Roads²⁹ and Private Sector. The ASPs II also included a budget category of unallocated funds, to support a few *interventions improving smallholder farmers' access to resources*.³⁰

Table 4. Support to the agricultural sector 2000-2016 (Million DKK)³¹



As table 4 shows, support to the public sector and institutional development of the Ministry of Agriculture has continuously declined in the period of 2000 to 2016, whilst the roads and private sector components funding increased. Funding to the private sector from the 2006-2010 to the 2011-2016 period soared due to the Danish focus on the agribusiness in the latter period, a central part of the Growth and Employment Programme, with more focus on the private sector.

Main results ASPs I and II

One of the most salient result of the Danish support to the sector is the piloting of the sector wide approach (SWA). Denmark was instrumental in setting up ProAgri as one of the first sector programmes in which all donors joined the basket fund, through the PFM system. It is an important contribution since it convinced other donors to follow the Danish initiative and abandon much of the project oriented funding to the sector. The ProAgri fitted nicely into what would be the Aid Effectiveness process. This was a very donor driven process and the GOM was rather inactive during the inception of the programme and did not show any strong political leadership during the first phase of ProAgri. Also, the second phase was characterised by delays and little political will.

The main results of the agricultural programmes were mixed. The two PCRs state that the support to ProAgri I was successful at the central level in terms of its positive impact on capacity of MAP (systems, infrastructure), but its impact on improved service delivery to the smallholder sector was not convincingly demonstrated. This improved relatively with ASPs II. The funds to the districts slightly increased during ProAgri II, but without evidence of significant change of its

²⁷ The second phase included support to farmer producers' associations, but also to several individual agri-enterprises, and gave support to business centres that would be a major component in the later Growth and Employment Programme (2011-2016).

²⁸ DANIDA (1999). *Agricultural Sector Programme Support Phase: Programme Document for Mozambique*.

²⁹ The support to the Rural Roads continued as the District Roads Component of the Growth and Employment Programme (GEP). The GEP also includes business advocacy as well as an agri-business component.

³⁰ GOM/Danida (2005). *Agricultural Sector Programme Support Phase II: Programme Documents*. Reference: Ref. No. 104.Mozambique 805-200.

³¹ The overview of the division of funds between public sector, private sector and the support to rural roads illustrated in the table stems from data provided by the RDE. The RDE informed that the shift towards increased focus on the private sector, meant initially that no funds were to be assigned to the public sector for the last period. However, after negotiations it was agreed that DKK 30 million were to be disbursed to the public sector. Despite that these funds are at a rather low level the very small part of the funds has been used due to low capacity at central level.

actual impact on smallholder farmers' lives. Generally, monitoring the impact on poverty reduction was a critical weakness of the programme. On the rural roads' component, in the first phase of the programme, the weak capacity of the Directorate of Public Works and Housing to supervise the contractors' work compromised the results and contractors often did not complete planned activities on schedule. The second phase showed better results, with reported improved road access for 220,00 rural families, of which 100,000 were smallholder farmers, and 2,007 km of all-weather accessible district roads in 5 provinces (30 districts).³² In the component of the private sector, the programme gained considerable recognition in the three provinces where it operated together with public and private sector stakeholders for bringing agri-business development services. However, in the first phase, due to the weak business environment in Mozambique, the number of companies and/or individuals in the three provinces to whom business development services could be provided, was limited and the component did not perform as expected with regards to farmers' associations development. The PCR for phase II states that there was slight increase (25%) of farmer association members' use of improved seeds, fertiliser or pesticides. Credit to small- and medium-sized enterprises (SME) increased, but small-scale producers still lacked capital for investments or covering running costs, due to lack of capacity and/or business knowledge.

At a provincial level, Denmark also contributed to:

- Stakeholders in the Tete Province confirmed the reported contribution to increased capacities and enabling conditions. They informed that Danida funded vehicles and infrastructure³³ are still in use, and most staff that benefitted from capacity development³⁴ are still working for the Agriculture Province Directorate (DPA) institutions or in the sector.
- The private sector support within the agriculture programme, Development of private Sector Initiatives in the Agricultural Sector (ADIPSA), started in 2001. There were private sector advisors in Cabo Delgado, Tete and Manica, but according to interviewees, a more elaborated idea of value chain was missing, something that was overlooked by most actors at that time. (The component and its results are further described in the next section on the Private Sector.)
- The Rural Roads component has contributed to much improvement for the rural population and their access to available social and technical services as well as better connection to local markets and commercial intermediaries. In coordination with Ministry of Public Works and Housing small dams for agriculture purposes were constructed and rehabilitated, those are still used by the communities.³⁵

The evaluation of the first phase of the SWA (2007) concluded that its impact on the agricultural production and income in the family farming sector had been negligible. This was also confirmed in the 2008 Evaluation report: "Beyond the institutional reform of Ministry of Agriculture and Rural Development, the benefits of Denmark's efforts in the ProAgri arena have yet to bear fruit."³⁶ The same evaluation also concluded that the initial Danish leadership was not maintained under the phases of the ProAgri.³⁷

Added value of the Danish approach

³² Component Completion Report, Second Phase of Agricultural Sector Programme Support (ASPS II) / Rural Roads Component (RRC) File Number: 104.MOZ.805-200-2.

³³ Creating adequate working conditions in the districts and building residences for extension service staff.

³⁴ Workshops, seminars, and courses in Zimbabwe, Kenya, Denmark, which wouldn't have been possible without Danish funding. The DPA officers acquired know-how on new production technologies.

³⁵ The evaluators had the possibility to visit one of these dams in the Changara district.

³⁶ Working Paper 02 Agriculture, Rural Development and Fisheries, Adams, 2008.

³⁷ Idem.

As the 2008 Evaluation states Denmark was one of the front runners among the donors to develop the sector-wide approach towards the agriculture sector and Denmark played a crucial role in pushing the idea of SWA, This is an example of an early initiative of Denmark promoting alignment with GOM policies and stronger donor coordination. However, with a line ministry showing almost reluctance to the idea, with low ownership, and a programme that did not impact the service to smallholder farmers in a substantial manner, and consequently did not challenge the main problems of the sector and the poverty in rural Mozambique, the gain of the SWA becomes somewhat of a technical success story. Many of the main challenges in the sector remain today, the ASPS II did not impact this situation.

In relation to support to state building, the Danish cooperation to the two sector programmes contributed to improved planning and monitoring capacity of the MADER, including the information system, research and natural resource management.

Some of the GOM respondents did not see that Denmark responded to the most pressing needs of the country. There were some critical voices on why Denmark had such a small share of their ODA to the agriculture and why it handled the sector as a marginal issue. This view was also supported by some of the external stakeholders and former advisors. On the other hand, current and former RDE staff raised questions³⁸ on the difficult relations with the governmental agriculture institutions and whether Denmark should have pulled out even earlier. There were real challenges with ProAgri and the RDE had instructions to limit the number of sector supports. The choice to support agriculture sector through private sector development initiatives and enabling conditions for commercialisation (through support to the rehabilitation and construction to rural roads), are valid strategies, but it could have been relevant to support the development of small-holder farming also through other channels (e.g. increased CSO support).

Cross-cutting issues mainstreamed in plans but no follow-up on the effect of the approach.

Gender, HIV/AIDS and environment, have been mainstreamed in the sector plans, and special action plans were developed. There were focal points for gender and HIV/Aids in ProAgri II, but the sector programme reports state that the capacity to put these strategies and plans into action was weak. The interviews did not give any further information on results from the mainstreaming strategy.

When Denmark in 2010 decided to phase out the direct support to the ASPS II, the focus private sector support was developed in close cooperation with the Danish agriculture advisors, developing the already existing focus on agribusiness and maintaining the component of rehabilitation and construction of rural roads to strengthen access to markets and enhance rural development. This is one of the examples where Denmark has demonstrated some persistence despite instructions to limit the number of sectors and focus more on private sector development. Several of the Danish respondents claim that the development of the private sector programme was donor driven, and not on request by the GOM, and with a lot of push from the Danish MFA.³⁹

3.2 Private sector

	2	3	94	95	96	97	98	9	00	1	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
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³⁸ Conclusion also made in the PCR.
³⁹ One interviewee involved in the phasing out of the agriculture programme said that the phasing out could have gone more gradually to get the connectors between agriculture and the private sector better in place and that Denmark could have made greater efforts to connect with other development partners to ensure a more developed approach to the value chain. Another interviewee saw the increased focus on the private sector as a critical juncture of Danish aid, but the fact that practically all advisors came from the agriculture sector had the result that the new programme never became a real private sector programme; it was simply too rooted in agriculture sector programme according to this respondent.

Private Sector	Project support, B2B	ADIPSA I & II	GEP
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The programmatic support to private sector development (PSD) was instituted in 2001 through the component of ADIPSA in the Agricultural SPS. In the earlier period, Danida supported individual projects in the provinces of Tete, Manica and Sofala, namely modernization of machine factories, support to a soap industry, semi-industrial fishing⁴⁰, support to rural artisans and projects for handicrafts and small industries through and was relaunched in 2005 as B2B, aimed at matching Mozambican businesses with Danish companies for technical assistance and transfer of know-how, and support to start-ups.⁴¹

Mixed aid modalities: Project support in the early years of the period; B2B funds with assistance from Danish companies and service providers; Direct project funds to CSOs; Funds to commercial banks and microfinance institutions, and the non-profit organisation GAPI; sector budget support through the National Roads Administration (ANE), the Roads Fund and District Governments, using government systems, CUT. The ASPS included TA.

The Private Sector Development Programme also known as **Growth and Employment Programme (GEP) 2011-2015**, continued the focus on agriculture. The programme objective was *“Increased economic growth and pro-poor employment in Mozambique through enhanced competitiveness and productivity of targeted small and medium-sized private sector enterprises”*. The GEP’s three components⁴² were: Advocacy and business research (ABR) through a dedicated fund managing and implementing entity (Business Environment Fund, FAN); Agri-business development (AGRO-INVESTE) and Rural roads. In the context of Danish country Exit Strategy, support to the private sector was extended to 2019.

The private sector support in the agricultural sector was mostly aimed at addressing problems in the production and marketing chains, and to scale up smallholder farmers to produce beyond family subsistence. In this regard, the ASPS included a rural roads component to promote access to production and commercial areas, as well as access to agricultural technical and rural financial services, and promotion of smallholder farmers’ associations to promote their rights. This background provides the linkage between private sector development and poverty reduction.

Table 5 below provides an overview of the disbursement of the 2006 to 2016 period. The private sector portfolio has been divided between SPS and B2B. It is not possible to provide an overview over the full period since the data is not categorized in the same way.

Table 5. Annual disbursement: Private Sector and B2B 2006-2016 (DKK 000’)

⁴⁰ On fisheries, the information was provided in the interview with GAPI, Maputo, 21 March 2017.

⁴¹ Evaluation of Development Cooperation between Mozambique and Denmark, 1992–2006, 2008.

⁴² The objectives of the components are presented in Annex 3.



The total disbursement for Business and Industry for the period 1992-2006 was, according to the previous evaluation, DKK 85,3 million, with an annual average of DKK 6 million per year. The total disbursement for the 2006-2016 amounts to DKK 832,3 million, including sector programmes and B2B under the Danida Private Sector Instruments. The average for the latter period is 75,6 million per year. The increased focus on private sector development and support to business partnerships was initiated from Copenhagen and is coherent with the trend of the Danish development cooperation the last decade.

Main results

The 1992-2006 Evaluation report states that, before ADIPSA, the Danish contribution to the private sector was modest and with a small number of companies benefitted.⁴³ Until then the private sector reform programme was considered a standalone with a few linkages to the GOM and other donors. Support through Danish companies was also considered of limited usefulness and relevance to Mozambican companies and of high cost. The programme was criticized for not addressing the constraints faced by the private sector in Mozambique, and for its unclear linkages with the overall objective of Denmark's programme, to "reduce poverty by promoting economic growth and social development in the developing countries". Moreover, lack of analysis of the mechanisms through which the programme expected to achieve this objective and of monitoring, rendered the visibility of these linkages more difficult.⁴⁴

ADIPSA was integrated to the ASPS and in line with the country development objectives, but the progress in the first phase was considered slow, with a few successes, due to a weaker business environment than expected (e.g. lack of companies and smallholders able to benefit from the business development services and weak management skills and practices), difficulty to reach out to the smallholder farmers and weak performance in the promotion of farmers' associations. The second phase tried to address these problems, and resulted in more visibility of the public and private sector stakeholders in the provinces where it was implemented, for bringing agri-business development services closer to the producers. In this phase, there was a slight increase in the farmers' associations members use of improved seeds, fertilisers, pesticides and in access to credit for SME. ADIPSA contributed to improved crops yields per hectare and

⁴³ From 1992 to 2005 the share of the overall Danish programme disbursement for "Business and Industry" fell from 6.5% to 1.6%. Total disbursement in the 1992-2006 period amounted to DKK 85.6 million and subsequently increased almost ten-fold in the 2006-2016 period, to a total of DKK 832.3 million. Sources: 1992-2006 Evaluation Report, Ministry of Foreign Affairs of Denmark, 2008, and Excel sheet over disbursement 2006-2016 provided by RDE in Maputo.

⁴⁴ Evaluation of Development Cooperation between Mozambique and Denmark, 1992-2006, 2008, page 90.

better prices.⁴⁵ However, small scale producers continued facing problems of capacity and lack of business knowledge, which influenced in their capacity to mobilize capital for investments or covering running costs.

Drawing on lessons from the above-described experiences, the 2008 Evaluation recommended that Danish support should focus on developing partner institutions to facilitate the enabling environment for private sector development, instead of continuing to provide direct support to enterprises. The suggested approach was substantially adopted in the GEP. The programme combined the empowerment of private sector actors through the promotion of business development mechanisms managed by the private sector, in this case access to credit, with multiple credit lines for smallholder farmers, young entrepreneur⁴⁶ and women, managed and co-financed by a non-profit organization with experience in business development (GAPI). This model is aimed at ensuring sustainability, since GAPI use the amortization of the conceded loans to continue providing credit to agribusiness, thus consolidating this line of private sector financing. The programme also tackled the business enabling environmental issues through the creation of the mentioned Business Environment Fund (FAN), and a credit guarantee scheme to help companies to access credit, and support to Private Sector Organisations (PSO) to have more influence in policy-making, through research and advocacy.

The 2016 Programme Review report states that the capacity of the business sector to influence governmental policies improved. The strong participation of private sector in the management of FAN, boosted the PSO's visibility and credibility. As one interviewee of the sector confirmed;⁴⁷ a reason for the success of this initiative was the involvement of private sector actors and their empowerment to advocate for their interest with the GOM. The creation of a business support mechanism managed by the beneficiaries was also a factor behind the success. Echoing the soundness of this vision, the 2016 review recommend the transition of the current mechanism (FAN) to a foundation, to boost the existing results and to ensure sustainability.

In agri-business development, the main results were the increase in the demand of the credit (Agro-empreender) by small-holders and related business-development services, and the creation of the Commercial Bank Guarantee Facility for Agricultural Lending – Agro-Garante. Giving time for this guarantee mechanism to mature is one of the reasons that it is recommended to extend this component until 2019. The partnership between Denmark and GAPI has resulted in strengthening the latter institution in supporting the creation and management of ASCA (Accumulating savings and credit associations) within communities through the provision of an appropriate financial management software. So far, the experience has shown that small-business women have shown most interest in the ASCAs. GAPI is helping some of the more successful ASCAs to formalise and legalise their activities as small credit institutions.

Improvement of rural roads network and the quality of work was deemed from satisfactory to good, in a technical review of 2015.⁴⁸ The process of rural roads construction contributed to the capacity building of technical personnel from the relevant District Authorities and staff from local contractors. Influence in policy-making is evidenced in the GOM Road Strategy, which

⁴⁵ As is the case of sesame, groundnut and soybeans and horticultures in Cabo Delgado, Nampula, Manica and Maputo. See Agricultural Sector Programme Support: Component Private Sector Development (second Phase of ADIPSA). Final Report. Copenhagen: Ministry of Foreign Affairs of Denmark, 2011

⁴⁶ GAPI's programme Agro-Juventude, which aim is to support the young university graduates to start their business in Agriculture sector.

⁴⁷ Interview carried out on 20 March 2017.

⁴⁸ Final Technical Review Report Technical Review of the District Roads Component, Growth & Employment Programme, Mozambique, Contract Notice: 104 Mozambique 809-3, NIRAS, June, 2015.

designates 30% of future resources to districts.⁴⁹ However, most of the capacity and institutional development activities to improve the business enabling environment at this level were not implemented, since district government tend to favour roads/infrastructures than these elements.⁵⁰

The ADIPSA II Final Report claims that its projects have resulted in improved income for large groups of its beneficiaries, who are basically farmer associations and their members, considered poor.⁵¹ The 2016 review⁵² argues that it is fair to say that Danish sector support contributed to poverty alleviation due to its focus on the roads' sector. This finding, although plausible, lack evidence, since there is not monitoring and analysis of the mechanisms that links activities and results to broader development results.⁵³ Taking the example of the Tete province, although it is argued that there is a joint planning of the relevant sectors – agriculture, public works (responsible for roads and infrastructures) and industry and commerce (responsible for agricultural marketing), there is neither a joint monitoring structure nor a set of indicators to assess the impact of the roads improvement on agriculture production and marketing. The monitoring is rather partial/sectorial and sometimes impressionistic.

Although the new approach seems promising in terms of its potential to reduce poverty, the problems of design and monitoring that blurred the understanding of the linkages between the overall development objectives and the programme activities of the previous programmes, continue. So is the problem of linkage between the programme, GOM and other donors' initiatives. For example, when asked to comment on the impact of ADIPSA in agribusiness development, an interviewee argued that it was more focused on production and contributed to improve it.⁵⁴ However, marketing the production was difficult since most farmers would tend to produce the same cash crops and the prices would consequently drop in the harvest season.

The change from focusing on increased agricultural production to an agribusiness value chain approach, with the market driving the development was valid in the view of poverty reduction, job creation and sustainability, but important lessons learnt may have gone lost in the abrupt change. Primary producers still form the basis of the value chain, and their thriving and economic growth is a precondition for the business development. The three programme areas are all crucial in this development, but other areas also need to be addressed, such as access to improved seeds, access to fertilizers at a reasonable cost, water for irrigation, technical assistance and market information. A cooperation with CSO extension efforts might have helped this situation, if realized from the start of the programme. Thus, the development effort may have been limited to areas where the remaining factors were covered incidentally through other actors.

⁴⁹ The road component has been aligned with outstanding Government policies within the Road sector like the Road Sector Strategy (2007-2011), the Integrated Programme for the Road Sector (PRISE, 2007-2009) and the Programme for District Roads (2010-2015), Ministry of Foreign Affairs and Cooperation (MINEC) of Mozambique, Danida, and Ministry of Foreign Affairs of Denmark, 2012

⁵⁰ According to a key stakeholder the Road Fund informed that they “forgot” it. The funds did not disappear but were used for road improvement as all other Danish financial support to the Road Fund.

⁵¹ Agricultural Sector Programme Support: Component Private Sector Development (second Phase of ADIPSA). Final Report. Copenhagen: Ministry of Foreign Affairs of Denmark. 2011, page 33.

⁵² Review of Growth and Employment Programme: Final Report. Copenhagen: Ministry of Foreign Affairs. Technical Advisory Services. 2016.

⁵³ A former advisor to the sector informed the Road Fund (Fundo de Estradas) does not count on specialists in social and business development, who can take charge of monitoring social impacts. Their main indicator is “km of road repaired and recovered”. The need for a unit for cross sectoral impact monitoring was realized, and planning from late 2014 of the coming programme included the identification of an institution or a consultant, primarily based at a national university for setting up a cross-sectorial monitoring system, including the effort of GAPI and the Road Fund of identifying a joint pilot area for testing. However, when the focus changed to a limited phasing-out programme, and the rules of obligatory international tendering for consultancies were imposed from January 2016, the idea was dropped, realizing that there might be no time left for measuring impact.

⁵⁴ In fact, ADIPSA included support to marketing. See Agricultural Sector Programme Support: Component Private Sector Development (second Phase of ADIPSA). Final Report. Copenhagen: Ministry of Foreign Affairs of Denmark. 2011.

It is also worth mentioning that during 2014-2016, plans were made to change the directions of the GEP, with a planned merge with the Environment SPS for the upcoming 5-year programme (including improved monitoring systems and cross-sectoral cooperation). The MFA 2016 decision to phase out the bilateral cooperation with Mozambique obviously changed these plans.

Added value of the Danish approach

Denmark was one of the earliest donors to support the private sector, and support has been provided throughout the period evaluated through different modalities, showing persistence in responding to the needs of private sector actors. Danish support has played an important role by providing multi-year support, e.g. support in access to credit, through the combination of private and public funds. More than twenty years ago, Denmark, provided support in the setting up of the semi-industrial fisheries sector, through GAPI, which included purchasing fishing ships that are still operational. Flexibility in providing multi-year support is another distinctive factor. Examples of these initiatives are the support in access to credit through the combination of private and public funds. The early phase was based mainly on public entities, as was the case of support to the smallholder farmers in the ASPS, in which the Ministry of Agriculture and Fisheries and the Ministry of Agriculture, played a more central role. In the latter phase, the support focus was on empowering the beneficiaries, i.e. the private sector was encouraged to take the lead to ensure more sustainability. The move to support FAN and its transformation into a Foundation managed by private sector actors (instead of the previous approach with a public entity or a management unit running the project), as well as its partnership with GAPI, and thus sharing the funding responsibilities were seen, by interviewees from the sector, as distinctive features of the flexibility of Danish support, learning from previous experiences and willingness to support and test innovative approaches to sustainable business development. Through the approach implemented by GAPI, the beneficiaries' payment of loans became the source of funding for further interventions, which was not considered by previous approaches.

Differently from other sectors, which experienced delays between RDE's disbursement and the availability of funds, resulting in delays in the implementation of the projects, the roads sector (taking the example of Tete) did not experience the same problem, which renders this mechanism the most efficient one. The adoption of different modalities throughout the various programmes of PSD also shows a high level of responsiveness of Danish support to a changing environment and to the lessons learnt in the process of support to PSD.

Private sector development has maintained a focus on agri-business from the earlier agriculture sector programme. The change from focusing on increased agricultural production to an agri-business value chain approach, with the market driving the development, was valid with regard to poverty reduction, job creation and sustainability, but consulted stakeholders stressed that important lessons learnt may have got lost in the move from one programme to another, given the rather rapid phase-out of support to production. Primary producers still form the basis of the value chain, and their thriving and economic growth is a precondition for business development. The three programme areas are crucial in this development, but other areas also need to be addressed.⁵⁵ A cooperation with CSO extension efforts might have helped this situation, if realized from the start of the programme. In this context, it is also worth mentioning that during 2014-2016 plans were made to change the directions of the GEP, with a planned merge with the Environment Programme for the upcoming five-year programme (including improved monitoring systems and cross-sectoral cooperation). The MFA 2016 decision to phase out the bilateral cooperation with Mozambique changed these plans, and the limited time before phasing

⁵⁵ Such as access to improved seeds, access to fertilizers at a reasonable cost, water for irrigation, technical assistance and market information.

out the programme implementation might not produce the changes the shift in the approach was meant to attain.

Cross-cutting issues, specifically gender, were improperly addressed in the programme and sometimes in a simplistic and superficial manner. Human rights, HIV/AIDS and climate change were absent in most of the PSD implementation.

The ADIPSA included environment, HIV/AIDS and gender elements in its design and implementation, such as mitigating measures to control erosion and the negative impact of pesticides, as well as non-use of genetically modified plant material and HIV/AIDS analysis. The programme had a participation of 30% women, and a special effort was made for women to take positions in the administrative and financial posts of the agricultural

associations. However, the results of these measures are not presented clearly in the available reports.⁵⁶ The GEP includes a credit component targeted to women, but despite that GEP started in 2011, this area is still being developed. Hence, there are no results to report.⁵⁷ On the positive side, this entity has been working with women Accumulating Savings and Credit Associations (ASCAs) to strengthen their internal governance and to support the registration of their members’ businesses. GAPI is also working with some of these associations with a considerable volume of resources for loans in their transformation to formal micro-finance institutions.⁵⁸ Also, inspired by the RDE, FAN initiated contact with female entrepreneurs in 2015-2016, to identify particular gender related support needs. Due to the organisational change under way, the design of corresponding component(s) was postponed until the establishment of the FAN Foundation.

3.3 Energy

Sector	2	3	94	95		96	97	98	9	00	1	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
Energy	Project support											ESPS														

Mozambique has diverse energy resources like hydroelectric energy, gas, coal, petroleum, and wood, capable of covering the present and future needs, if they would be explored in sustainable way. The Cahora-Bassa Dam, at the Zambezi river, also supplies energy to Zimbabwe, South Africa and Zambia. The GOM has granted the energy sector high priority since its potential of bringing income in foreign currency, and as a catalytic development agent to other economic sectors.⁵⁹

Mix of aid modalities, including minor project supports, loans and budget support. The main modality during the studied period has been programme grants. After phasing out the sector support, soft loans (mixed credits) have been granted.

The support to the energy sector started in 1992. The first two major contributions were the construction of the transmission lines in Xai-Xai and Inhambane. Denmark supported Electricidade de Moçambique (EdM) to expand electric energy countrywide, including to Inhambane, which was one of three provinces that were not covered by the national electricity network of Cabora-Bassa. The project consisted in connecting

Inhambane to the nearest point of the national electricity network substituting the diesel generator that had so far supplied the province with energy at a high cost. Denmark was first reluctant to engage in the huge investment that building a 200 km electricity line to the national network would entail. The EdM convinced Danida that the network would be the most

⁵⁶ Danida, 2011.
⁵⁷ The ET was informed that an analysis of potential gender barriers in lending by GAPI was implemented in 2016, which shows that actions were made to strengthen the approach. The ET had no access to the report.
⁵⁸ The ET visited one of these initiatives in the Changara district in Tete, the Association of Development of Women of the Changara District (ADEMUCHA).
⁵⁹ FUNAE, Strategic Plan, 2003.

sustainable solution, which showed the willingness to meet the real needs. Denmark also gave substantial support to the rehabilitation of power stations. In the Central and North part of the country a few smaller energy projects were carried out, which consisted of construction of energy distribution lines and energy management training. Since then the electrification of the country constitutes high priority in all five-year GOM programmes.

After the cyclone followed by flooding of 2000 there was an emergency project on electricity generation. The focus then shifted to the **Programme support to the Energy Sector (ESPS)** (2002-2006), which was developed giving priority to institutional support and capacity building.

ESPS had focus on the use of energy as an instrument of reducing poverty, which was aligned with the Poverty Reduction Strategy for Mozambique (PARPA), which has elected the Energy sector as a priority area, capable of speeding up the rural development, establishment of urban centres of trade, construction of communication and education infrastructures, which have impact on fighting socioeconomic exclusion of the populations with low incomes.⁶⁰ The overall development objective of ESPS was *“to contribute to economic and social development by promoting access to appropriate and competitive energy services that enhance the livelihood and welfare aspects of urban and rural communities in all provinces of Mozambique”*, through assisting the GOM in the implementation of its National Energy Strategy from year 2000. The ESPS comprised three components:

1. Support to capacity building in the central institutions in the energy sector: The Energy Directorate (DNE), the Energy Fund (FUNAE) and the Directorate of Economy (DOE) in the Ministry of Mineral Resources and Energy (MIREME).
2. Support to the national electricity utility (EdM) concerning expansion and strengthening of the Maputo backbone system, rural electrification, a transmission control centre, as well as a comprehensive organisational restructuring of EdM, known as ‘Separation of Accounts’.
3. Support, in a more direct manner, to the poverty reduction efforts of Mozambique, by providing support to decentralised energy systems through the provincial administrations supported by FUNAE and DNE.⁶¹

As a result of the decision of the MFA to limit the number of sector programmes, and as recommended in the 2006 review of the programme, ESPS was not extended with a second phase as foreseen when the agreement for ESPS phase I was signed. As the table 6 shows⁶², disbursement continued as project support until 2011. The support to the energy section was rather short and experienced big fluctuations in the disbursement levels. The sector experienced a minor increase in the Danish contribution in 1997 and from 1998 until 2006 where it constituted approximately between 15% to 30% of the annual disbursement of Denmark’s country programme for Mozambique. However, during the first 14 years of the studied period the Danish support corresponded to 25% of the bilateral funding to the sector.⁶³ The disbursement for the period 1992-2001 amounted to approximately DKK 258 million, while ESPS disbursed DKK 454 million.

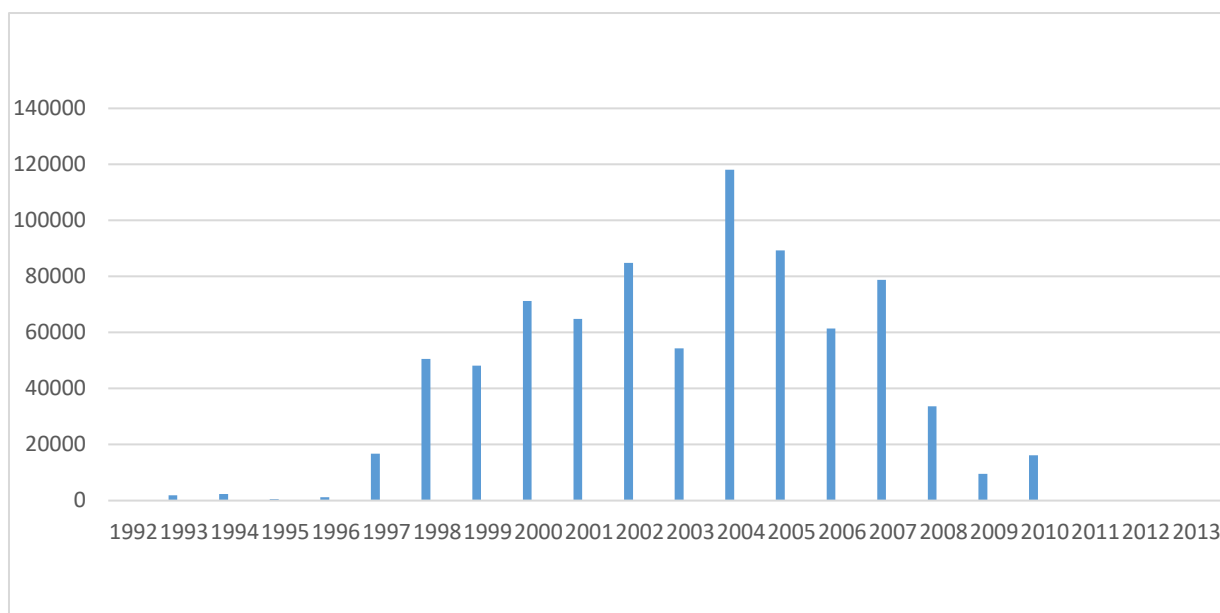
Table 6. Annual disbursement: Energy 1992-2016 (DKK '000)

⁶⁰ Evaluation of Development Cooperation between Mozambique and Denmark, 1992–2006, Mette Visti. Working Paper 05 Danish Aid to the Energy Sector, 2008.

⁶¹ ESPS Mozambique, Annual Sector Review 2003.

⁶² The disbursement for year 2012 is actually negative DKK -803 644 but recorded as 0 in the table.

⁶³ Evaluation of Development Cooperation between Mozambique and Denmark, 1992–2006, 2008.



Main results

According to the 2008 evaluation, the Danish support contributed towards ensuring policy coherence within the energy sector, e.g. by strengthening EdM’s institutional performance in ways that would enhance its ability to serve, and to cross-subsidise, rural consumers. The intention of the ESPS to work with different players at different levels and support different complementary strategies for more effective energy management appears also to have been effective. The RDE contributed to the establishment of a Donor Forum within the sector, primarily chaired jointly by the RDE and the National Directorate of Energy, which improved coordination in donor programmes.⁶⁴ The 2008 evaluation also concluded that staff and systems were strengthened at the EdM, contributing to increased transparency and accountability and the electrification projects in Maputo and in rural areas have significantly contributed towards increasing the rate of electrification from approximately 5% to 14,5% during the programme period. These findings were supported by the stakeholder interviews. The support to the EdM included capacity building in how to manage complex electric systems, which according to one interviewee resulted in transfer of know-how from Danish to Mozambican staff. The support to capacity building has resulted in that EdM today has competent staff, capable of managing, operate and maintain complex electric power systems, and there is a decentralized management of electricity.

The PCR reports also on significant contribution to “the improvement of the institutional structure and capacity for formulation and implementation of energy policies. Danida has through its support for the power sector reform and for the energy fund contributed to the clarification of roles and development of a more rational structure in the energy sector. The support for capacity development and setting up physical infrastructure has been key for the changes to become effective.”⁶⁵ Staff and systems were strengthened at EDM, contributing to increased transparency and accountability and the electrification projects in Maputo and in rural areas have significantly contributed towards increasing the rate of electrification from approximately 5% to 14,5% during the programme period. At the output level, the Danish support contributed to a Low Cost Rural Electrification Plan, emergency repairs of damaged electrical infrastructure, rural electrification of Chibabava and Buzi Districts of Sofala. Another result was the overall awareness of the importance of wood fuel as a strategic resource and as a means for employment and local development. Energy efficient use and production of biomass

⁶⁴ Working Paper 05 Danish Aid to the Energy Sector, Visti. 2008.

⁶⁵ PCR, File Number 10.Moz.802, no date.

was key to the Danish assistance and increased acknowledgement of the importance among both decision-makers and researchers in the country. ESPS also contributed to eliminate the huge deficits of EdM and Danida financed a construction of a Control Centre for online monitoring of operations and central management of the EdM's transmission system for the south region to improve the efficiency.

Through FUNAE mechanism investing in alternative sources of energy, the Danish cooperation contributed to a local base of professionals in the energy field. Sofala was planned to be a pilot province for the work with FUNAE but due to lack of relevant projects the support was also expanded to other provinces. The PCR states that this flexibility in implementation increased the efficiency and relevance of the programme.

Another change that can be attributed to the Danish support is the environmental awareness within the sector. Danida supported the cleaning of contaminated land from oil from the power plants. The introduction of the environmental perspective led to the establishment of an Environment Department at EdM, funded by Denmark.

Added value of the Danish approach

The support to the Energy sector during the transition period was a strategic choice from a development perspective. The support to both rehabilitation and development of the electricity network were crucial also for developing government basic services. Generally, Danish support to the Energy sector contributed to improvement of institutional capacities at all levels.⁶⁶ At policy level the development of the sector called the attention of the Government to establish a separate Ministry for this sector in 2005. The Danish contribution strengthened the successive umbrella ministries in strategic planning, policy and legislation production. The FUNAE increased its policy development competence and the ability to undertake sustainable energy projects. The technical competence of EdM staff developed to a level that the institution today is self-sustainable in terms of training new personnel. The Phase-out Review 2006⁶⁷ and the PCR⁶⁸ highlighted that the good sectoral donor coordination that Denmark engaged in worked well and was key in achieving good results in electricity sector reform, electrification and improved quality of supply. In 2003, the RDE launched the EU Energy Initiative Task Force with participation of GOM and a few donors. This Task Force quickly developed into a key forum for coordination between donors and consultations between donors and GOM during the programme period, Denmark acted as lead donor in the sector. Also, the EU supported capacity building efforts in energy planning during 2011-2012 at ministry level, as a follow up to the Danish support.

According to the 2008 evaluation, the ESPS enhanced efficiency of aid delivery and the alignment with Mozambican policies and strategies. The choice to support has been beneficial and relevant to the needs of the sector. The SPS was a step forward in terms of the coherence and efficiency of aid delivery.”⁶⁹

Cross-cutting issues: Environmental perspective can be attributed to Danish aid. No evidence of results from the gender mainstreaming.

A special gender short term project was part of the sector support: “Women and Energy” (October 2002 to December 2003): leading to increased awareness (sector directors, staff, technicians and gender focal points), a diagnostic study on the gender situation in the energy

⁶⁶ Ibid, Review and phase-out strategy for Energy SPS (ESPS), Final Report, 2006, Peter Haag / Wolfgang Mostert, Ref. No. 104.Mozambique .802., Visti, Danish Aid to the energy Sector, Working Paper 05, September 2008.

⁶⁷ Review and phase-out strategy for Energy Sector Programme Support (ESPS), Final Report, 2006, Peter Haag/Wolfgang Mostert, Ref. No. 104.Mozambique .802.

⁶⁸ PCR File Number 10.Moz.802, no date.

⁶⁹ Evaluation of Development Cooperation between Mozambique and Denmark, 1992–2006, Synthesis Report, Appendix F, 2008.

sector, the development and the implementation of two strategies for integrating gender into the energy sector’s Annual Activity Plans and Budgets and for strengthening the gender aspects in the institutional human resources policies. The policies served as a basis for FUNAE to include gender aspects in its energy projects. Despite the long Danish partnership with EDM, the implementation of the gender policy at the company is weak, and one of the interviewees acknowledged that there has been little focus on women’s conditions in the sector, but more of a general poverty approach.

The ESPS and other Danish programmes have supported a series of capacity building activities and the elaboration of a five-year HIV/AIDS strategy for the Energy Sector and a two-year implementation plan. These were approved in March 2006. Though special funds and capacity development plans were part of the ESPS, in coordination with the MIREME and the National Aids Council, CNCS, the HIV/AIDS mainstreaming and targeted actions were seriously delayed and use of funds very low, mainly through overburden on focal points without properly assigned time resources.

Environmental issues such as reduction of deforestation and CO2-emissions, as well as action plans for clean-up activities related to spillage and other pollution caused by the energy installation, were integrated in the programme. There are however no comments on how the Danish support has strengthened these aspects.

The PCR stresses that cooperation was established with other sector entities such as forestry and agriculture and continuous involvement of the university through monitoring and training contracts helped establish good relations with academia. The funds channelled to Danish civil society included a two phases initiative by Danish CSO Sustainable Energy: Sustainable Energy Activities in Local Areas of Sofala I and II⁷⁰, covering the period of 2003-2013, with a focus on poor communities (and actors such as farmers, small entrepreneurs, local government administrations) and energy policy that addresses the needs of these communities. The project continues under the Framework Agreement 2014-2017 between MFA and Sustainable Energy.

The decision to limit the number of sector programmes taken by the Danish MFA led to the phase out of the ESPS only after one programme period. The Mozambican counterpart had difficulties in understanding the decision since the sector was highly prioritized by the GOM. However, for the specific case of EdM the support continued after ESPs, through loans provision.

3.4 Environment

	2	3	04	05	06	07	08	09	10	11	12	13	14	15	16
Environment	Project support					ESP 1					ESP II				

Danish support to the sector dates to the early 1990s. Since 1996, at the central level, Denmark’s focus was to strengthen the capacity of the Ministry of Coordination of Environmental Action (MICOA). At municipal level, Danida tested and demonstrated ways to address environmental issues, by providing resources to solve specific environmental problems with potential to improve the living conditions of the poor urban population.

⁷⁰ MFA reference: 104.N.472.b.3. and 104.N.472.b.4.

Mixed aid modalities: From 1992 to 2006 Danida support was largely project-based and funded with the Danish Environment and Disaster Relief Fund, Programme support, started with EPS I (2006), through Project Financial Management Unit, basket fund and later with SBS. Technical Assistance provided mainly at central level.

In the 1992-2006 period, focus was on the development of management in: i) enable MICOA to assess and monitor the safe disposal of obsolete pesticides and hazardous waste generated by mega-projects and integrated industrial pollution prevention; ii) natural resources in Integrated Coastal Zone Management, to help densely populated coastal urban centres to deal with environmental health issues and to improve the livelihood of coastal communities (including the lakeshore of Lake Niassa); and iii)

Urban environment management, to improve the living conditions of the poor in urban and peri-urban areas, reducing the threats posed by human-induced damages to the physical environment, and reaching out to the large numbers of urban people living in poverty. The support was coordinated by MICOA with TA by the Centre for Sustainable Development (CDS) for Urban Zones, based in Nampula.⁷¹

In 2004, Denmark adopted the “Strategy for Denmark’s International Environmental Assistance 2004-08”, which was the base for the design of **the Mozambique Environment Programme Support (EPS) 2006-2010**, with the overall development objective being: “*Pro-poor, environmentally sustainable development of urban, coastal and conservation areas, and improved environmental conditions for selected communities*”. It comprised five components and its respective objectives:

1. Institutional strengthening of MICOA, with the objective of improve the efficiency and effectiveness of public environmental management at central and local levels to promote environmentally sustainable development;
2. Urban environment management, focused on the Environmental Management Strategy for the Greater Maputo Area to promote environmentally sustainable development to improve the living conditions for the poor;
3. Coastal and natural resource management at provincial and district level, aimed at promoting a Natural Resource Management that balances development and conservation efforts in and around conservation areas; benefiting local communities, environment and wider economic growth;
4. Urban environment management, focusing on the environmental Management in 7 Municipalities, to improve present and future health and living conditions of poor men and women by sustainable reduction of threats resulting from human induced damage to the physical environment. Eventually, Austria and Switzerland joined the initiative and the number of municipalities increased to 13 and the component was renamed P13 with the objective changed to: To strengthen sustainable and equilibrated development of the Municipalities for an increased coverage and quality of services provisions;
5. Coastal and natural resource management at provincial and district level, aimed at improving coastal resource management and development for improved environmental, economic and social conditions for local communities.

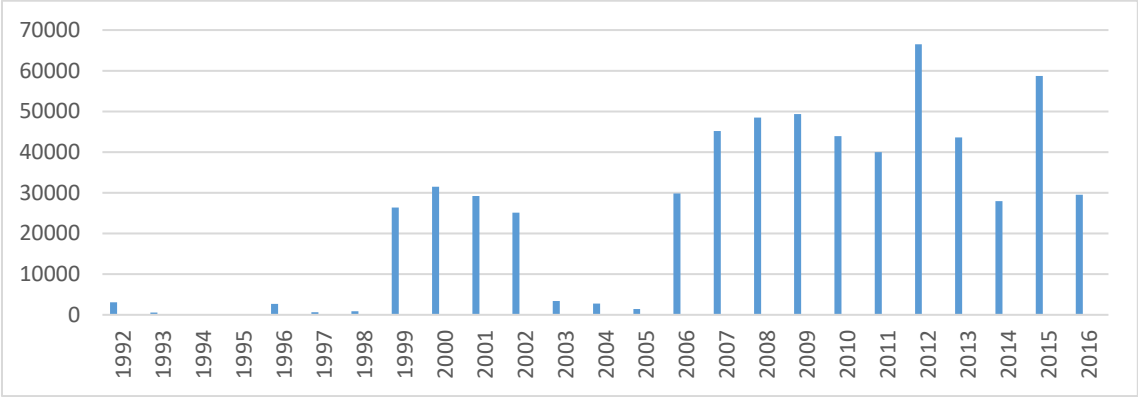
The ESPS II 2011-2015, aimed “at sustainable development at the overall policy level, addressing the risk for loss of biodiversity through initiatives in the coastal zone and natural resources management, as well as securing safe drinking water and sanitation to urban populations through the municipal programme” with three main components:

1. Strengthening the environment sector’s capacity to coordinate and implement environment and climate change policies and strategies – with the objective of promoting and integrating environment and climate change aspects in the formulation of policies, programmes, plans and projects for development securing a rational and harmonious use of natural resources;

⁷¹ Evaluation of Development Cooperation between Mozambique and Denmark, 1992–2006 Working Paper 06; Environmental Management, Martin Adams, Final, September 2008.

- 2. Support to municipalities, with the objective of strengthening environmental management in the urban areas to reduce vulnerability to climate change; and
- 3. Support to civil society – to create strong public awareness of good governance and demand for high-quality services in the areas of environment and climate change.⁷² The focus of the EPS II was on the creation of capacity at all levels to deal with the climate change effects.

Table 7. Annual disbursement to Environment 1992-2016 (DKK 000’)



As Table 7 shows, the sector support was concentrated to the two program phases, with an average funding of DKK 44 million per year. With exception of the 1999-2002 period, the flow of funds has been irregular until 2006. With the adoption of EPS I and II the volume of resources allocated to the sector soared from 2006, with a budget of DKK 130 million and DKK 235 million respectively.

Main results

The environmental sector has a cross-cutting role over various sectors. Consequently, support to the sector effects many areas and posed, and still poses, challenges in coordination and in achieving the development objectives defined in the support programmes. Against this background, the results of Danish support are mixed.

Danish support from the 1990s to early 2000s was instrumental in helping to manage hazardous waste and freeing the country for the threat of being a toxic waste dump. The strengthening of MICOA and provision of TA and advisory to deal with hazardous waste were key elements to achieve these results. Environmental Action Plans were developed in most of the targeted municipalities. The 2008 Evaluation claimed that the small-scale public works projects implemented by the programme contributed to poverty reduction, although it could not be expected that these interventions would cause major socioeconomic changes. It was acknowledged that to make these projects more sustainable, the municipalities needed to improve their planning and budgeting and the widening of the tax basis.⁷³ These concerns were incorporated in the subsequent programmes, namely P13, PDA and PRODEM.⁷⁴

Danish support has promoted the awareness and integration of environmental and climate change issues in other sectors with Danish funds as well as in the national climate change agenda, e.g. the National Climate Change Strategy and Plan. Awareness in the municipalities affected by climate changes improved in the executive and legislative branches, as is the case of Ilha de Moçambique (visited by the evaluation team). The inclusion of members of the Municipal

⁷² Government of Denmark and the Government of Mozambique, 2010.
⁷³ Working Paper 06; Environmental Management, Martin Adams, 2008.
⁷⁴ 13 Municipalities in Centre and Northern Mozambique (P 13); the Municipal Development Programme (PDA) and the Municipal Development Programme (PRODEM).

Assemblies in the activities of the programmes was a key element to improve this awareness across the board.

Since 2006, the partnership with municipalities, provinces and districts within the EPS contributed to support decentralization and deconcentration processes. Informants confirmed the increase in capacities of subnational governments through participatory planning processes and the decentralized district budget execution and that the Danish support contributed to the integration of environmental issues in the district planning processes. Currently, environmental and climate change issues are part of the Strategic Plan of District Development. In the EPS II, Danish funds supported the preparation of local Climate Change Adaptation Plans at the district level.⁷⁵

The Danish support to the creation of Centres for Sustainable Development has enabled the capacity to deal with environmental issues. These centres are among the few examples of decentralized allocation of expertise in the country, since each CDS was located to different provinces. Thus, the headquarters of the Marine and Coastal Zones Management CDS was located to Gaza, the Urban Management CDS is based in Nampula, and the Natural resources management CDS is in Manica.

The Danish focus on capacity development (training of staff, equipment of provincial offices and setting up of a planning, budgeting, procurement and monitoring system) has contributed to the existing technical capacity at various levels of the sector. Danida allocated technical advisors in the ministry to support the central and local levels in planning, financial management and environmental technical issues. This approach filled the existing gaps in the sector, and was praised as a good contribution to strengthening the sector by informants at both levels.⁷⁶ However, the EPS I evaluation states that the capacity of the government's national environmental agencies remained weak and still dependent on international assistance to achieve their results. This was confirmed by consulted advisors. Critical points for the effectiveness of the support raised by the same report were the low political priority of environmental management, the lack of a coherent strategy to deal with the environmental problems, harmonisation and alignment challenges, and a fragile institutional arrangement. Relations between the MICOA and the RDE were marred by misunderstandings mainly regarding the management of funds.⁷⁷ Despite the effort to improve capacity development under EPS II, it continued being unsystematic, ad hoc and based on opportunities, and not on identified institutional needs. On-the-job tailor-made training aimed at improving the direct application of acquired skills proved to be more effective.⁷⁸

Another challenge in the sector is the demand stemming from the booming extractive economy, which requires new skills to address environmental impact assessments in the mining and Oil & Gas projects. As one interviewee pointed out, the current technical capacity in the sector does not include these skills, and part of the knowledge gained through Danish support is becoming outdated. This raises issues on the sustainability of the current capacity and on the relevance of earlier technical aid for the new context.

⁷⁵ Environment Sector Program Support II 2011-2016: Lessons Learnt. Final Report. Danida, European Union and Irish Aid, Topsoe-Jensen & Pellby, 2017; Mozambique Environmental Programme Support 2006-2010. Programme Document. Copenhagen, Denmark: Danish Ministry of Foreign Affairs, 2005.

⁷⁶ Examples of this from the first phase are the reported results on formulation of District Land use plans; improvements on capacity of units to use systems of environment assessments; the beginning of official compilation of environment key data and statistics in 2010; improved land and natural resources management, at provincial and district levels; environmental planning was incorporated into the district annual plans.

⁷⁷ Working Paper 06; Environmental Management, Adams, 2008.

⁷⁸ Topsoe-Jensen & Pellby, 2017.

Denmark's support contributed to create coordination mechanisms of the sectors that intervene with the environment sector, among them the planning and monitoring systems and their alignment with the government framework. However, the alignment to the government plans led to the dispersion of activities in many sectors and geographical areas and posed challenges for coordination and monitoring from MICOA/MITADER.⁷⁹ The sector lacked capacity and ownership of the monitoring process, and until recently there was no consistent system for monitoring. Cross-sector collaboration is still problematic.⁸⁰

Reported results from the ESPS II on civil society support are: reinforcement of the role of CSOs as human rights advocates; communities able to defend their land and natural resources rights. After the support through AGIR programme⁸¹, some communities improved their self-organisation to create pressure groups to defend their rights; and, land delimitation improved the enforcement of community rights.

Added value of the Danish approach

The support to the Environment sector has been a strategic choice, drawing attention to a key development area that was neglected by many development actors. Evaluation reports⁸² and consulted stakeholder confirm the important contribution of Denmark to the capacity development of the environment sector (combining technical areas and in the management systems, including planning and PFM) and to raise awareness on environment and climate change issues at all levels. Denmark played a central role among other donors to coordinate support and mobilize funds and supporters to the sector by putting the environmental and climate change issues high on the agenda.

This is one of the sectors that benefitted from Denmark's strategic focus on systems and willingness to invest in PFM and the SISTAFE. Technical advisors played an important role in continuous on-the-job training in the areas of financial management, procurement and climate change, based on their profound knowledge of the sector, which provided the advisors with true insight and contributed to the consolidation of the planning and budgeting systems. The Danish support to SISTAFE was an advantage that allowed the technical advisors to support in the roll-out of the system to the sector and to the provinces and, in some cases, up to the districts, when it was possible to decentralize some activities to these levels, as was the case of the preparation of the District Climate Change Adaptation Plans. The existence of in-house technical advisory was important to the participatory planning process of the sector, involving different sectors at the local level, which consolidated the inclusion of climate change issues in the government planning process. The combined creation of technical, planning and management and financial capacities in the sector, including in the use of government systems, was considered by the interviewees of the sector as one of the cornerstones of the sustainability of the Danish support results, because it allows the sector to perform its functions as defined in the existing institutional framework. However, in practice the process did not run smoothly and the road was bumpier than expected. For example, at the local level some interviewees referred that the use of SISTAFE reduced the independence of the provinces in the implementation of the activities, subjecting them to central state budget delays.

Denmark adopted multiple support modalities to respond to the capacity challenges in the sector, while contributing to their overcoming. The EPS I included decentralized components related to specific environmental management issues to be implemented at the local level. These initiatives

⁷⁹ Idem; Currently the environment sector is under the Ministry of Land, Environment and Rural Development (MITADER).

⁸⁰ Topsoe-Jensen & Pellby, 2017.

⁸¹ Action Programme for Inclusive and Responsible Governance

⁸² Working Paper 06; Environmental Management, Adams, 2008; Topsoe-Jensen & Pellby, 2017

were linked by overall policy and planning at the central level and its equivalent aligned disbursement arrangements.⁸³ Initially the funding and implementation were in accordance to legally defined functions of national and local government structures, full integration and alignment with national systems⁸⁴, and harmonization with other donors' work, especially those working with the municipalities and districts.⁸⁵ In practice, the EPS I funding was channelled “off budget”, through a Project Financial Management Unit (PFMU), with the prospect of using the SISTAFE after its roll out to the sectors and provinces. Funds to the CSOs were transferred directly from the PFMU. The urban environment management component was funded through a basket fund with Switzerland and Austria.

In the support to policy and strategy development, the ESP II built on the experience of the first phase and moved to SBS, with the programme objectives more aligned with the GOM programmes. This modality was envisaged in the ESP I, but the conditions to progress towards SBS were created only in the second phase.⁸⁶ It was more difficult to align funding to the municipalities to their systems due to the incipient level of its policy and institutional setting of decentralization and the weak capacities of financial management. Municipalities are not yet linked to SISTAFE. and a pilot system for municipal financial management (MFM) has still not been approved by the GOM.

Denmark has been the lead donor of the donor coordination of the sector support, providing support to a relatively new sector in the government structure and policy framework, hence blazing the trail for others, and mobilizing other donors' support. Government entities and donors alike acknowledged that Denmark contributed to put the environmental and climate change issues high on the agenda. Due to its role and activism in the sector, the European Union and Ireland delegated most of the technical and management work of their support to Denmark and remained silent donors. Eventually, this activism reduced, according to an interviewee, as a consequence of the public debt crisis and also of the Danish decision to exit from Mozambique. Currently donors coordination and intervention in the sector have reduced.

Cross-cutting issues: Weak gender and HIV/AIDS mainstreaming.

In EPS I HIV/AIDS was integrated through the support to elements of MICOA's HIV/AIDS strategy. The Urban environment management programme included a gender and HIV/AIDS component., but mainstreaming

continued weak. The MTR 2013 of EPS II, recommended a study to better integrate gender, HIV/AIDS, climate change adaptation, urban poverty reduction, and disaster risk management in the components. Nonetheless, effective mainstreaming of the cross-cutting issues in the components did not take place, and its monitoring continued being a sporadic exercise. Even in the AGIR programme, whose performance was considered good, the implementation of cross-cutting issues remained weak.

3.5 Decentralisation

The support to the decentralisation and deconcentration of power and decision making within the state institutions, from national to provincial, and from provincial to district levels, has been part of all sector programmes the last decade. As described in the previous section the Environment Sector Programme has in addition to that included a specific component on

⁸³ Mozambique Environmental Programme Support 2006-2010. Programme Document. Copenhagen, Denmark: Danish Ministry of Foreign Affairs, 2005.

⁸⁴ Of planning & budgeting, financial management and reporting

⁸⁵ Working Paper 06; Environmental Management, Adams, 2008.

⁸⁶ A move strongly recommended in the programme MTR 2013, Environment Sector Programme Mozambique: Mid-Term Review. Copenhagen: Danida Technical Advisory Services, 2013.

decentralisation process in municipalities, as will be further explained below. The decentralisation support phases are;

- 2009 to 2011 (P13)
- 2011 to 2014 (PDA)
- 2015-2017->2019 (PRODEM)

Support to decentralisation can be divided in three distinct approaches adopted by Denmark since the 1990s:

1. The first was the sector support and its replication at the local level, whose most visible examples are the sectors of environment, justice, education, health, water and sanitation, agriculture and rural roads.
2. The second is the support to the Municipalities under the Environment Sector Programmes (I and II) and currently through a specific Municipal Development Programme.
3. The third is the support to the province of Tete, the focus province for Danish aid.

This section looks at the first two types of support, with focus on the municipalities. Support to municipalities comprised in the last decade was included in the environment programme and was developed in three specific programmes: The Jointed Assistance to 13 Municipalities in Centre and Northern Mozambique (P 13); the two Municipal Development Programmes PDA and PRODEM.

The overall objective of P13 was “to strengthen sustainable and equilibrated development of the Municipalities for an increased coverage and quality of services provisions (Contributing to poverty reduction and improvement of the living conditions of the poorest women and men)”.⁸⁷ The P13 was originally designed for seven municipalities and as part of the ESP I 2006-2010. Eventually, Danida decided to join efforts with the Austrian and Swiss Development Cooperation supporting municipalities and the number increased to 13. A new programme was designed, with a period of implementation from 2009 to 2011. The underlying logic of P13 was that strengthening municipalities would improve governance, managements and finance with physical results that can impact on the quality of life of the population and of the people living in poverty particularly.

The PDA overall objective “is to contribute to urban poverty reduction and the improvement in the living conditions of vulnerable women and men, through improvement in the quality of services, strengthening of the autonomy and balanced and sustainable development of the municipalities, and facing the challenges resulting from climate change and its implications for the environment.”⁸⁸ PDA comprises six components, namely: Management of Urban Land Use and Territorial Planning; Financial Management of Municipal Revenues and Expenditures; Solid Waste Management; Urban Services; strengthening of the Institutional Framework for Support to the Municipalities; Cross-cutting Issues.⁸⁹ The programme continued working with the 13 municipalities of the P13.

PRODEM was designed to be implemented in five years, from 2015 to 2019. Denmark is the lead donor. Other donors are Irish Aid, Sweden and Swiss Development Cooperation. The overall objective is “Reduced poverty and improved well-being of the women and men living in the municipalities of northern Mozambique”, and the immediate objective is “Contribute to urban poverty reduction and sustainable development of the municipalities, through improvements in municipal governments’ administration and service delivery, resilience to

⁸⁷ Urban Environment Management Project in Northern Mozambique - Jointed Assistance to 13 Municipalities in Centre and Northern Mozambique (P13). Programme Completion Report, Royal Danish Embassy, Maputo 2011, page 3.

⁸⁸ Municipal Development Program- 2011 to 2013. Programme Proposal Document. Maputo, Ministry of State Administration, Austrian Development Cooperation, Danida, Swiss Development Cooperation, 2011. Page 25.

⁸⁹ Idem.

climate change impact, social accountability and citizen's participation". PRODEM comprises two pillars: municipal governance/management (includes urban management for climate change resilience, financial management, municipal governance and citizens' participation) and National framework for promotion of municipal development.⁹⁰ PRODEM continued working with the 13 PDA municipalities and added other 13, with focus in the centre and northern regions of the country.

Under the sector support, various interventions were made, including setting up the directorates – as is the case of the environment provincial directorates and CDS; construction of infrastructures, including of the training centres and provincial directorate premises (education and health in Tete); training of staff and continuous TA for planning, PFM and monitoring. Denmark supported its partner sectors in the SISTAFE roll-out. The expansion of water supply to the district, construction and rehabilitation of roads and small bridges, schools and health facilities and training of staff, support (e.g. purchase of vehicles) to the IPAJ contributed to improve access to services at the local level.

Main results

The P13 supported interventions targeted at the poorer groups of the Municipal population, such as construction and installation of latrines in Pemba, Ilha de Moçambique and Metangula, and construction of access roads. All municipalities invested in waste collection equipment. The bigger municipalities invested in trucks and the smaller one in tractors, smaller trucks, loader containers and compactors. Most of the municipalities invested in water supply systems, most of them consolidated the already existed systems and trying to reach out to the suburb poorer groups. In the financial management area, the focus was on the development of the MFM System in close cooperation with the Municipality of Nacala and was piloted in the municipality of Mocuba. Other municipalities requested the installation of the system, but generally the progress here was slow, since there was no agreement with the Ministry of Finance in the use of this system.⁹¹

P13 sought to create the conditions for sustainability through the creation of capacity for long range planning and provided specific training to improve overall development municipal planning and planning in projects to ensure the proper implementation of activities. Strengthening of the procurement units to allow municipalities to properly use the regulations was also important for the proper execution of the expenditures. The creation of cadastre and registries (e.g. land) also contributed to enhance municipal capacity to implement its programmes. The construction of infrastructures and investment in waste disposal, road and street maintenance and water supply improved the services in the municipalities, but the high cost of managing these assets and systems continued to pose challenges to the resource-constrained municipalities.⁹²

Under PDA all 13 municipalities involved developed their Detailed Plans of Land Use and improved the availability of land plots for housing as well as their urban planning. Detailed plans define delimited land plots and define their use for various purposes, private and public alike. It also improves the urban land cadastre and its management.⁹³ Revenues from land fees increased in all municipalities, at a rate of more than 5% per year. Land fees became the main own source of revenues in 12 out of 13 municipalities. The PDA continued the support to the setting up of

⁹⁰ Municipal Development Support Programme for North and North-Central Mozambique 2015-2017: Mid-Term Review Report, Maputo: Government of Mozambique, Ministry of State Administration and Public Service, 2017.

⁹¹ Urban Environment Management Project in Northern Mozambique - Joined Assistance to 13 Municipalities in Centre and Northern Mozambique (P13). Programme Completion Report, Royal Danish Embassy, 2011.

⁹² Idem.

⁹³ Programa de Desenvolvimento Autárquico: Relatório Final (Julho 2011 a Junho 2014). Maputo: Ministério da Administração Estatal. Ministério da Administração Estatal, 2014.

an electronic system of financial management in the municipalities as a provisional solution, while the System of Municipal Management is being developed with CEDSIF. The PDA supported in the organization of Procurement Units (UGEAs) and in the training of their staff, in the creation of Internal Control Units and facilitated the elaboration of their Internal Procedures Manual. PDA supported the municipalities to increase their coverage and management of solid waste management, but costs remained high and concerns about sustainability remained. Despite the increasing will of expending the coverage for garbage collection, municipalities financial capacity to materialize this will is still limited. Five Municipalities prepared Integrated Plans for Solid Waste Management, and two had them approved by their respective Municipal Assemblies. The National Directorate for Municipal Development received resources and training of its technical staff to improve its capacity of assistance to the municipalities. The PDA provided financial contribution for the construction of the Headquarters of the Mozambican National Association of Municipalities (ANAMM).

The main achievements of the programme are: (i) the capacity of the municipalities to prepare Urban Planning Plans and the implementation of Detailed Plans; (ii) the improvement of the municipalities' capacity to increase their revenues and the linkage with relevant institutions of PFM (the Procurement Supervision Unit – UFSA and the Ministry of Finance), external (Administrative Tribunal) and internal (The General Inspectorate of Finance) control, in the production of Procedures Manuals and preparation and delivery of capacity development activities; (iii) the technical capacity and the working conditions in the area of Waste management improved, with better equipment, more technical knowledge, and introduction of control and management procedures.

The preparatory phase of PRODEM was longer than expected which caused delays in the implementation of the programme by the municipalities, pillar 1 (first disbursements were only made in August 2016). This caused the budget execution of this year to be at 58%. With regards to the National framework for promotion of municipal development (pillar 2), the programme is working with central level ministries, namely Ministry of State Administration and Public Service, MITADER and Ministry of Economy and Finance on the development of policy and programmatic instruments for municipal development, MFM, urban planning and climate change resilience.⁹⁴

At the local level, Denmark's footprint is visible on the creation of awareness among officials of the need to address environmental issues, apart from the infrastructures built in the context of the programme it supported with other donors, as were the case of P 13, PDA and more recently PRODEM. Denmark introduced technical standards in the public works, through direct TA and capacity building for better planning, technical, administrative and financial management. In this area, Denmark and its partners supported in the recruitment and deployment of technical staff, initially paid by the programme and eventually integrated in the municipalities staff. However, this area experiences sustainability issues, due to the tendency of staff reshuffle after elections that contributes to deplete the capacity of the units that benefitted from capacity building.

At the sector level, the main results are: financial and management capacities, working conditions (infra-structures and equipment), human resources skills and the roll-out and consolidation of SISTAFE, and improvement of access to services by the poorer (justice/legal assistance, water).

Added value of the Danish approach

⁹⁴ Municipal Development Support Programme for North and North-Central Mozambique 2015-2017: Mid-Term Review Report, Maputo: Government of Mozambique, Ministry of State Administration and Public Service Ministry of State Administration and Public Service, 2017.

Danish support to decentralization, particularly to the municipalities, introduced an approach that overlooked pressing challenges such as environment and climate change, that impact considerably on poor populations and affect the municipalities in a disproportionate way, due to their limited resources. Most of the technical knowledge that was provided in environmental, climate change and waste management issues stems from the technical assistance and knowledge brought by Danish aid, according to interviewed stakeholders from municipalities and donors partnering with Denmark to support decentralization.

The epitome of the added value of Danish support to municipalities that have a focus on environment and climate change issues, is the case of Ilha de Moçambique, an insular touristic and historical town that ten years ago had serious problems of sanitation (open defecation), poor infrastructures, erosion and management. Currently, the quality of the infrastructures improved, fecalism reduced considerably, the level of awareness on climate change is high in both branches of the government: the Municipal council (the executive) and the Municipal Assembly, and the technical staff in areas of water & sanitation, urban physical planning and financial management trained and hired with the support of the municipal development programmes are still in their positions. The instrumental role of promoting an environment perspective to reach out to municipalities with very limited sources of income worked well in the context of Ilha de Moçambique. The technical capacity building on environment issues also build the administrative and management capacities of the municipality. This was a context where the impact of environmental degradation and the negative effects of climate change could easily be observed by the local population and the increased awareness and agency by the local politicians and municipal officials granted them credit among their constituencies. The local decentralisation process was strengthened at the same time as real environmental and climate change challenges were addressed.

Denmark has been a persistent donor in the sector, supporting the same municipalities for a considerably long period of time and in the same areas. Whilst this can be considered a liability, practice and history shows that decentralization has been a slow and complex process in the country, without a linear trajectory. Decentralization has been a politically sensitive issue and the political will, expressed in the principle of gradualism, has been ambiguous, with strong signals that the central government is not interested to accelerate the creation of capacities in the municipalities, and in some cases has even reversed the process through new legislation that limits the municipal autonomy. The delay in the transfer of primary health and education services and transportation, defined in the Decree 33/2006 is one example of this reluctance in decentralizing. The redefinition of the rules for the territorial division of municipalities in 2013 (under the law of territorial division) and the appointment of the state representative in the municipalities are other examples of reduction of the autonomy. Progress in creating capacities at the municipal level has been slow and the process goes back and forward, since municipalities are not able to increase their capacities in sustainable ways. In this regard, the persistent support of Denmark comes handy, since continuous support to the same municipality can compensate for the bumpy trajectory of decentralization in the country, dictated by the political context. Denmark and its partners have been attentive to the context and seek to adjust to the existing challenges, changing their approaches according to the circumstances. For example, the P13 completion report acknowledges that supporting municipalities can be politically sensitive and in some cases the programme was accused of acting politically for organizing training for Municipality Assembly members without including Municipal Council representatives, hence the need to pay more attention to the way the activities are implemented.⁹⁵ Responding to the complains about limited involvement of the Municipality Assemblies in previous programmes, PRODEM

⁹⁵ See Urban Environment Management Project in Northern Mozambique - Joined Assistance to 13 Municipalities in Centre and Northern Mozambique (P13). Programme Completion Report, Royal Danish Embassy, 2011, page 10.

included a provision that forces municipal executives to submit the projects applying for funding to the previous approval of the municipal legislatures. This has been criticized by the municipal councils as causing unnecessary delays and for being redundant, since the Municipality Assemblies already approve the Municipal Council Annual Plans, from which the projects submitted for funding are drawn.⁹⁶ Another example is the failure in the adoption of a MFM System, linked to e-Sistafe, despite Denmark being a long-time supporter and influential donor in PFM.

Finally, in terms of the modalities of funding, despite the use of project implementation units in all the programmes, budget execution by the municipalities followed national financial management and procurement rules. Denmark support was instrumental to the strengthening of PFM in municipalities, reflected on the strengthening of UGEAs, creation of Internal Control Units and promotion of contacts with central Government relevant entities of financial management, procurement, internal and external control. This support was complemented with a considerable TA to train and support the municipalities to create and sustain the capacities to mobilize and manage efficiently their scarce resources. Technical assistance was also in the technical areas – e.g. general and urban planning, land management, revenue collection – and the rationale behind this is that improving revenue collection of own-source revenues would contribute to increase the capacity of the municipalities to retain qualified staff and create conditions to plan, manage, finance and efficiently deliver services, hence contributing to reduce poverty.

Cross-cutting issues, particularly gender and HIV/AIDs have been formally present in all programmes. However, the learning process of dealing with these issues has not been consistent, and each programme had to deal with them almost from scratch. The absence of HIV/AIDS in the PRODEM plans is an example of this trend. Monitoring of cross-cutting issues is also weak and PCR and evaluation do not present clear conclusions about the impact of the measures of cross-cutting issues on the overall development objectives of the programme, mostly related to poverty reduction and sustainable development.

Concern with environment and climate change was among the main elements of P13, PDA and PRODEM. However, PDA’s final report does not present activities in this areas, rather in gender and HIV/AIDS. In 2012 the municipalities created Gender and HIV/AIDS Nuclei, which organized 43 Women and Health Fairs in 2012 and 2013. In 2013, nine municipalities trained women in gender issues.⁹⁷ The MTR report of PRODEM (2017) consider that the programme was HIV/AIDS blind, at least in the municipalities visited. Regarding gender, the 2017 Implementation Plan considers gender a cross-cutting issue to be mainstreamed in all projects and states that at least 20% of the total amount of the so-called window 3 line of funding,⁹⁸ should be directed to participatory

gender sensitive spatial planning was also adopted. Six municipalities have developed plans for climate change management, but only two are capable of implementing them (Quelimane and Pemba).

3.6 Education

	2	3	04	05	06	07	08	09	10	11	12	13	14	15	16
Education	Project support						DSESSP								

⁹⁶ Municipal Development Support Programme for North and North-Central Mozambique 2015-2017: Mid-Term Review Report, Maputo: Government of Mozambique, Ministry of State Administration and Public Service, 2017.

⁹⁷ Programa de Desenvolvimento Autárquico: Relatório Final (Julho 2011 a Junho 2014). Maputo: Ministério da Administração Estatal, 2014.

⁹⁸ Window 3 refers to funding for projects contained in the Municipality’s Plan of Activities and Budget (PAOs) in line with PRODEM’s priority areas. The projects funded under this line must include: development of technical capacities of the municipality, citizen participation in designing projects, in managing and monitoring them. (PRODEM MTR, pages 8-9).

Mid of aid modalities: Project support until 2002-, then programme grant, with ear-marking including technical advisors; 2007-2011: FASE common fund, Technical Assistance, project support and direct contracts RDE with contractor companies.

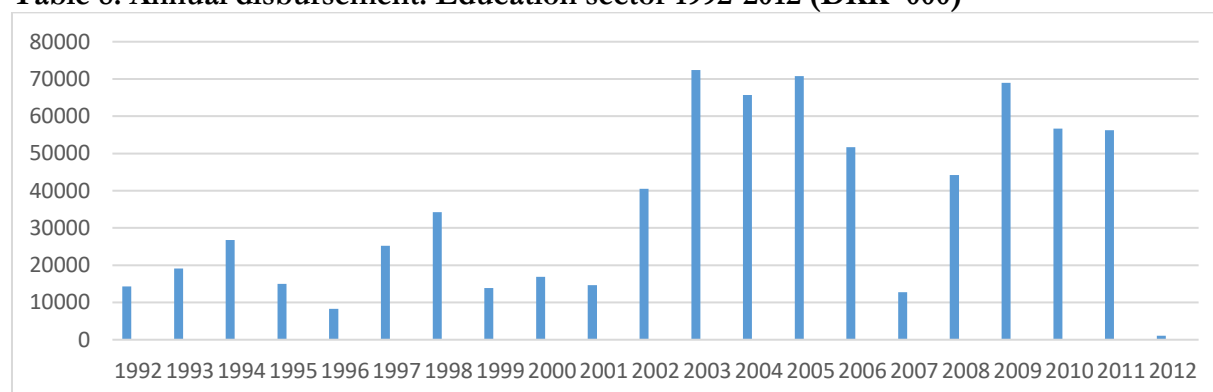
The support to Education sector is aligned with the Government desire to reduce Poverty. In the poverty reduction strategies, PARPAs, education is pointed out as the way out from poverty. The support to the sector developed from an emergency oriented approach (smaller initiatives starting in Tete province) to a bigger sector programme, applying a SWA. During the period of 1992-2006, the expenditure went from DKK 14 million in 1992

to DKK 54 million in 2006. The actual disbursement for the period 2006-2016 was just less than DKK 292 million.

The Danish programme support to the education sector strategic plan (DSESSP 2002-2011) was coordinated with the Ministry of Education at national level and in the provinces of Tete, Zambezia and Cabo Delgado. This phase closely followed the priorities of the Education Sector Strategic Plan (ESSP). The Development objective was “*to contribute towards poverty reduction, good governance and democracy, and national development in Mozambique*”. In accordance with the ESSP, the immediate objective was “*improved access to quality education in an equitable and sustainable manner*”. The programme consisted of six components: Planning and management; Basic Education; Post-basic education; Teacher education and professional development; Infrastructure and HIV/AIDS education and public awareness.⁹⁹

The support, during the evaluated period, spans from 1992 to 2011, with a minor disbursement also in 2012. As Table 8 shows, the sector support only reached significant levels from 2002 until the end of the actual implementation of the DSESSP.

Table 8. Annual disbursement: Education sector 1992-2012 (DKK '000)



The Danish Aid to education sector consisted mainly in supporting strategic planning, and funding of the teacher training, construction and rehabilitation of infrastructures, purchasing vehicles, and paying salaries for young graduates from teacher training centres. In a later stage these actions were covered by the Education Pool Fund (FASE) until Denmark temporarily suspended the support to Education sector in 2005 as a reaction to the mismanagement occurred in Zambezia province.

Followed by a programme review in 2007 it was decided to extend the programme until the end of April 2011. However, the funding modality was changed and activities concentrated on mainly construction in two provinces, Tete and Cabo Delgado and the provision of TA to educational planning, construction, HIV/AIDS and Gender and teacher development training at the central level. One educational adviser was allocated to each of the two provinces. Technical and

⁹⁹ The objectives for the programme components are presented in Annex 3

vocational education and training was included in the programme with financial support to *Programa Integrado de Reforma da Educação Profissional*. A project support for the cooperation between the Mozambican Teachers Union and the Danish Teachers Union was also granted in 2009 (DKK 2.3 million).

Main results

During the implementation of the ESSP I, substantial increase in access to education was observed, particularly at primary level (from 1.8 million students in 1998 to 3 million in 2003), with increased participation of girls. The figures of participation in adult literacy and education doubled in the same period.¹⁰⁰

Through the support to FASE (48 million DKK) Denmark contributed to progress of the gross enrolment rate, recruitment of new teachers, new school constructions, distribution of free text books, and expansion of the activities related to prevention of HIV/AIDS.) Constructions during the period 2007-2011 (estimated to a total contribution of DKK 82.5 million) included the construction and equipment of two new teacher training colleges (IFP) in Chitima, Tete City and Montepuez and the expansion of the existing IFP in Angónia, the construction of five Educational Resource Centres in Tete and six in Cabo Delgado, three District Education Service Centres in Tete and three in Cabo Delgado, the finalization of class rooms agreed with a NGO partner as well as a branch of the Universidade Pedagógica in the City of Tete. In summary, the Danish aid for the development of the Education sector brought the following results:

- Infrastructures facilitating the implementation of education. During the period 2005-2011 Denmark financed the construction and rehabilitation of schools (87 new and 52 rehabilitated, approximately 120 classrooms as well as the provision of equipment), teacher residences, eleven Educational Resource Centres and six District Education Service Centres, two new teacher training colleges and the expansion of one existing college, and buildings of province and district directorates of Education.¹⁰¹
- Vehicles for national, provincial, and district Education level have been purchased, and some of them are still operational.
- Access to learning material. Through the core fund (FASE) school materials were purchased and distributed across the country.
- There are no reports on the results of the TA but the Review Aid Memoire 2010 states that “Comments from the partner institutions on performance of the international advisers were generally positive, with specifically positive reference to education planning adviser in DIPLAC.”¹⁰² Some interviewees also stated that the Danish TA to the Ministry of Education (national and provincial) made a difference contributing to real capacity development. Denmark contributed to the development of two Strategic plans (PEEC 2005/6-2011, and PEE 2012-2016) and it is fair to assume that the advisors strengthened the counterpart on Central Strategic Planning.
- The programme assessment made in 2007 assessed that there was an ambitious harmonization and alignment agenda between the more than 20 donors in the FASE Memorandum of Understanding (MoU). Most progress was visible on aligning the financial aid with the GOM supported strategies.

¹⁰⁰ Working Paper 03. Danish Assistance to Education and Health. Muriel Visser-Valfrey & Amélia Cumbi, 2008.

¹⁰¹ Format for Representation's Assessment of Country Programme, End October 2004 to end October 2005, Ministry of Foreign Affairs & Danida, November 2005, Assessment of Country Programme 2007, Period covered: October 2006 – September 2007 and Review Aide Memoire, RAM, March 2010, 104.Mozambique.813. The classrooms were constructed with the cooperation of the CSO ADPESE.

¹⁰² Directorate of Planning and Cooperation School Construction and Equipment.

- Denmark funds to SETSAN (2012-2017). In this nutrition programme the pupils learn about good eating habits and replicate their knowledge at home in their communities. 12 Schools in Tsangano districts have participated in a child centred and child peer education pilot phase.
- All actions mentioned above contributed to the expansion of school networks at all levels, however, the quality of education is still a challenge.

Added value of the Danish approach

The sector support during 2002-2005 contributed significantly to developing and implementing strategic tools for providing access to education for a growing proportion of girls.¹⁰³ According to the programme assessment in 2007, there was an ambitious harmonization and alignment agenda between the more than 20 donors in Education sectors, through a matrix used to monitor performance of donors and in the FASE MoU. Most progress was visible on aligning financial aid. The review team of the RAM 2010 concluded that the Danish support through FASE has enhanced the aid effectiveness of the programme.

All donors, including Denmark, have put pressure on the education system to achieve the gender equality at all levels. This is visible in the education policy documents. In fact, the ratio between boys and girls in primary and secondary schools is improving gradually, but in some vocational and higher education streams the situation is still far from good. Particularly before December 2005, the sector programme contributed significantly to developing and implementing strategic tools for providing access to education for a growing proportion of girls¹⁰⁴. At the sub-national level, particularly at Tete province, Danida's support to the education sector has geared to reducing gender disparities in the province by giving high priority to girls' education.

Cross-cutting issues: Gender and HIV/AIDS high profile issue, through mainstreaming strategy and targeted actions.

The HIV/AIDS awareness raising programme *Geração Biz* targeting young people and its "Pacote Basico", developed with support from the programme, was instrumental in raising awareness about HIV/AIDS in all schools in Zambezi, Cabo Delgado and Tete Provinces. While it was decided to extend

the Pacote Basico to the entire country using FASE funds, a gap appears to have been put on the financial contribution for this activity area.¹⁰⁵ During 2009, additional funds for HIV/AIDS were made available for the programme.

The portfolio includes the above-mentioned project¹⁰⁶ with the objective to strengthen teachers' role and teachers' organisation ONP-SNPM in the education sector in Mozambique. Ibis has a long engagement in the sector, with focus on Zambezia province. Ibis has moved from an implementing role with direct work with teachers and communities to work through partner organisations since 2011. The programme includes monitoring of and dialogue with local duty-bearers. The current programme 2013-2018 has an approximate budget of DKK 40 million.

3.7 Health

Sector	2	3	04	05	06	07	08	09	10	11	12	13	14	15	16
Health	Phase I			Phase II			Phase III			Phase IV			Phase V		

¹⁰³ Review Aide Memoire, RAM, March 2010, 104.Mozambique.813.

¹⁰⁴ Review Aide Memoire, RAM, March 2010, 104.Mozambique.813.

¹⁰⁵ Programme Assessment 2007.

¹⁰⁶ Capacity building and Social Dialogue in the Education Sector in Mozambique program, 2009-2011", Ulandssekretariatet, 104.N.11.b.5 and 500.8558.01.

Mix of aid modalities: Project support, GBS, SBS, donor common fund mechanism and CSO funds and civil society mechanisms, and TA. Delegated partnership with USAID in Tete, and with SDC for TA in MISAU (PFM). Denmark is the only donor providing SBS at provincial level in Tete.

The support to the health sector is one of the oldest sector programmes, including five phases. The support has responded to a key sector for poverty reduction and Denmark has been part of the transition from crisis management to a SWA. The programmes have had focus on the Tete province though

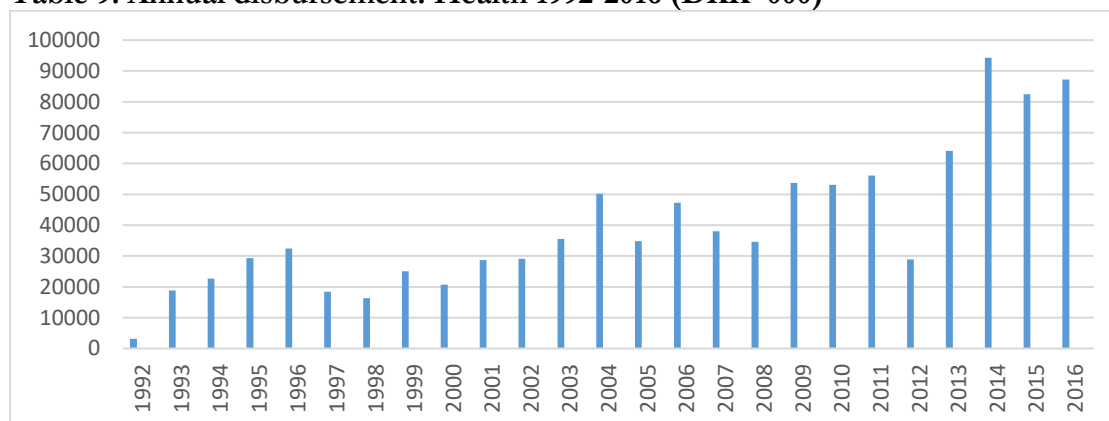
the support was initiated at central level. The early assistance in Tete Province focused on capacity building, the rehabilitation of health infrastructure and support to the National Mother and Child Health Programme. The support during the evaluated period has been divided between the following phases:

- 1992-1995 (1996) Rehabilitation and strengthening of health services in Tete Province Phase I
- 1995 1996-1999 (2001) Health sector support programme Phase II
- Danida decides to pull out of health sector, parallel to the GOM's decision to establish a SWA. Decision to move out of the health sector is reversed.
- 2002-2007 Health Sector Programme Support, Phase III.
- 2007-2011 HIV/AIDS and Health Sector Programme Support Phase IV.
- 2012-2017 Health, Nutrition and HIV/AIDS Programme Support Phase V.

From phase III the sector programme supported the PROSAUDE health common fund (established in 2001, renewed in 2007) and during the last two programme phases the focus on strategic planning and HIV/AIDS have been prominent. As in other sector programmes, Denmark has invested in infrastructure, capacity building and TA. The current phase continues to focus on accessibility of the services, expanding the health care network, including further support to the distribution and transport systems and infrastructure at local level. Denmark provides supply and demand side support with a focus on improving Sexual and Reproductive Health and Rights (SRHR), including Food and Nutrition Security and HIV/AIDS.

The disbursement for 1992-2006 period amounts to DKK 370 million, and to DKK 742 million for the years 2006-2016, being one of the bigger sectors supported during the last decade. As Table 9 shows, annual disbursement started from less than DKK 5 million in 1992 and attained a peak of more than DKK 90 million in 2014. In the 2015 and 2016 the disbursement to the sector has been of circa DKK 80 million.

Table 9. Annual disbursement: Health 1992-2016 (DKK '000)



Due to the decision of the MFA to limit the number of sector programmes, priority was given to the health sector after the last evaluation in 2008. This decision was made by the GOM when it

had to select continuous support to either education or health.¹⁰⁷ The two last phases of the Health sector support are **HIV/AIDS and Health Sector Programme Support** phase IV¹⁰⁸ (2007-2011) with the overall development objective to support the implementation of the National Multi-Sector HIV/AIDS Strategic Plan (HIV/AIDS PEN II) and the Health Sector Strategic Plan; and the **Health, Nutrition and HIV/AIDS Programme Support** phase V¹⁰⁹ (2012-2017), with the overall development objective to contribute to poverty reduction and, specifically for the health, nutrition, and HIV/AIDS sectors, to contribute to the achievements of four MDGs. The components of Phase V are:

- 1 Health: Support to the operationalisation of the PESS through non-earmarked funding to PROSAUDE II, etc.; Health systems strengthening via national systems for improvement of SRHR and SBS to Tete Province.
- 1 Nutrition: Support to Nutrition Capacity Building – to SETSAN at central level, to Public Health Nutrition Training System and to the provincial PAMRDCs in Tete and Gaza.¹¹⁰
- 1 The Civil Society component is implemented through three civil society funding mechanisms, Citizen Engagement Programme (CEP) Civil Society Support Mechanism (MASC) and Population Services International (PSI).

Phase V continues to focus on accessibility of the services, expanding the health care network, including further support to the distribution and transport systems and infrastructure at local level. The current phase will be measured through the indicators agreed in the Programme Assessment Framework Matrix, the nutrition indicators in the PARP and the MAPRCM and for HIV/AIDS the indicators listed in the PEN III.

Main results

The long-term support to the Tete province has laid foundation for some of the good results in the health sector. The early support to the water sector is particularly important. The 2008 Evaluation concluded that there was substantial evidence that the Danish support had contributed considerably to the improvement of the operation of the health system at national level and in Tete, and in improved health outcome indicators but the improvements had not yet reached the primary health care level.

The current evaluation finds evidence in reports and through the information by key informants, that since then, the distribution of resources to the district, including human resources, equipment and medicines, have improved considerably. The decentralised PFM and the SBS are assessed by the concerned stakeholders as the main reasons behind this result. The increased capacity to plan activities, the distribution of resources from a results-based and bottom-up approach, and to implement what has been planned, is equally one of the main factors behind the recent progress in improving the health services at district levels. The SBS and the increased use of SISTAFE have facilitated the provincial health system with funds when bottlenecks in the national system have delayed the disbursement of the provincial health budget. However, the ET found various examples of continuous challenges with the system, particularly in relation to delays in registering the budget, to procurements, but also to the lack of access to the limited computers linked to the system at district level. The use of SISTAFE is now implemented in 9 out of 15 districts in Tete province.

¹⁰⁷ Interview with RDE.

¹⁰⁸ 104.Mozambique.810-400.

¹⁰⁹ 104.Mozambique.810-500.

¹¹⁰ The results and added value of the support to SETSAN will be discussed in a separate section.

The MTR 2015¹¹¹ on the current programme assesses the TA to the PFM and PROSAUDE to be relevant and that the combination of financial and technical support has been successful and contributed to progress. The support to capacity building in PFM at provincial level in Tete and Gaza as well as a TA in Maputo has played a key role. Interviews with former and current health advisors and the provincial health department confirmed this, and highlighted the importance that the TA had played in developing skills in strategy planning and in annual planning and monitoring. The SBS has contributed to increased capacity building in PFM and the interviews also provided information on the role technical advisors had played in increasing the planning and monitoring capacities at local district level.

The SRHR agenda has been given increasing priority in the annual plans through a broad health systems approach. The MTR assessed the approach towards SRHR and access to quality health services as innovative. However, the MTR questions the sustainability of the TA as there was little progress in building a system and key competencies to promote SRHR. The MTR stressed that the operationalisation of the SRHR strategic plan did not move forward due to lack of understanding on how to put the plan and innovative approaches into practice. This is consistent with observations made by consulted advisors in different sectors.

The issue of sustainability and the dependence on the technical advisors was also raised by the provincial health administration in Tete. The interviewees highlighted the progress that had been made the last years in the out-put based planning, with increased skills to analyse the factors behind the results and reallocate and negotiate for more resources. They had concerns on how to maintain these gains with the exit of Denmark in the sector. The advisor will continue to support the planning department throughout 2017 but from next year the Danish support will be phased out.

The current health advisor gave one example of a different approach to the TA: Instead of responding to the request for more capacity building and refresher trainings, and focus on the technical aspects of SRHR, the assistance focused on the systematic level. By supporting the health staff on the job and allow them to test and develop their skills, learn from each other and build their confidence on one hand, and on the other focus on better distribution of care workers and more control at district level, Tete province has greatly improved the health services, despite that there is still insufficient number of health facilities and health staff.¹¹²

Individual scholarships for 60 students from all over the country to become nurses and paramedics Phases III & IV. Trainings for technical health staff in Northern Provinces including support to infrastructure; DPS Centro de Formação, Phases 3, 4 and 5. 20 International health master students, phase 3.

The interviews with health stakeholders gave information on some impressive progress of health indicators related to particularly reproductive health,¹¹³ with an increase of clinical attended births from 64.5% in 2015 to 71.3% in 2016, improved obstetric care,¹¹⁴ leading to a

decrease of maternal mortality rates from 83,6/100.000 births at clinics in 2015 to 69/100.000 in 2016. Over the period of the fifth phase, from 2011 to 2016, the maternity mortality decreased

¹¹¹ Review Aide Memoire Danida Bilateral Mid Term Review of Mozambique Health and Nutrition Sector Programme Support, HN-SPS Phase V (2012-2017)

¹¹² The province has a relatively under-resourced health system, with estimated deficits of around 40 % in human resources for health and 50 % in health facilities compared to national targets, higher than in most other provinces.”, “This thing of testing our blood is really very important”: a qualitative study of primary care laboratory services in Tete Province, Mozambique, Tadeu and Geelhoed International Journal for Equity in Health (2016) 15:133 DOI 10.1186/s12939-016-0418-5

¹¹³ Relatório de Prestação de Contas, I seemstre, 2016 Direcção Provincial de Tete. Governo da Província de Tete, Julho 2016

¹¹⁴ Among other measures by improve the management of prolonged labour using appropriate conservative interventions to accelerate labour.

with 40%. The use of family planning has increased drastically from the earlier rate of 15% of users, there are now nearly 30% current users of family planning in the province.¹¹⁵

An evaluation from 2014¹¹⁶ assessed that Danida's mix of different strategies and readiness to test new areas and methods had led to results. Denmark made use of programme support instruments to HIV/AIDS systems at central level (common fund, funding for capacity development, support to research, and long-term TA). According to one interviewee, one important contribution was how the rights-based and multi-sectoral Danida SRHR strategy served as a valid input to the national HIV strategy 2005-2009. However, due to issues in the capacity and responsiveness of the National Aids Council, Denmark was one of several donors that stopped funding the Council. One respondent stated that despite the slow pace of implementing the HIV/AIDS plan, the Council was the institution that had the mandate to push the policy to support the mainstreaming of HIV/AIDS perspective in governmental institutions. There was a need, the interviewee claimed, of more continuity and patience to reach the desired level of development of the institution.¹¹⁷ While Denmark still was supporting the Council, great efforts were made to HIV/AIDS mainstreaming in other sectors. 20 line ministries developed 20 mainstreaming plans with the support. One challenge was however that the plans were not budgeted for in many of the ministries, and the intention in the national aids plan was that the sectoral plans should be financed by donors and the ministry, but this did not materialise at the time. The Danish support contributed, however, to a holistic approach to the HIV pandemic involving all relevant sectors.

The country study of the mentioned evaluation also states that the Danish support to the Tete Province contributed to raise the priority of SRHR in provincial programmes; strengthening budgets and monitoring systems; improving infrastructure; and strengthening service delivery in SRHR. Danish support contributed to providing integrated, youth friendly services in SRHR to young people and adolescents (including access to contraception and safe abortion care) through its funding of the *Geração Biz* Programme. Finally, the Support to civil society within the health programme has been linked to gender equality, improving SRHR, and young people's access to information and services. The country study also raised the potentials in the PRMDC in linking family planning with nutrition interventions.

Denmark's different initiatives to support technical trainings and post-graduates have also had a positive impact on the sector. Not all students have remained within the public health sector, but almost all that benefitted from the scholarships or the institutional support to health education centres/university, have continued within the sector, either as professional at public or private clinics, or with health issues in CSO or health programmes. Many of the master graduates financed by Denmark, hold management positions within the sector, according to the interviewees and the information at RDE.

The ET was not able to explore the component of civil society support at any deeper level. The civil society support through MASC, CEP and CPI mechanism was progressing in a relatively satisfactory way according to the MTR, but implementation together with the direct rights-holders had not yet been materialised. The focus has been on social accountability and advocacy. The programme did not coordinate with women's organisations/movement on rights issues.

¹¹⁵ Years in the comparison not known,

¹¹⁶ Evaluation of the Danish Strategy for the Promotion of Sexual and Reproductive Health and Rights 2006-2013, Country Study Report Mozambique, Ministry of Foreign Affairs of Denmark, Evaluation 2014.03, July 2014

¹¹⁷The support to the NGOs through the national aids council was also stopped, and replaced by a UNDP mechanism that took over 18 months to start channel funds. This is a donor fund and it is not aligned with the national policies and was a step away from the Aid Effectiveness agenda, the respondent stressed.

These organisations were normally connected to the governance work.¹¹⁸ The ET did not find any information on Danish initiatives on LGBT rights or supporting the process that led to the decriminalisation of homosexuality in 2015.

Finally, it is worth mentioning that the management of the health support at the RDE suffered from absence of health experts over a longer period,¹¹⁹ affecting particularly the fourth phase. By the time the planning for a new phase was initiated in 2010 the Ministry of Health (MISAU) did not see the RDE as a very active partner and the dialogue with the RDE had been scarce. The design of the new phase was however very interactive, not only with the GOM but also with other donors and actors. The focus on HIV/AIDS remained but to a lesser extent, giving room to SRHR and nutrition. The latter focus was on direct request from the MISAU. The RDE maintained a close dialogue with GOM at national and provincial level on health issues, which was helpful when some of the more innovative initiatives did not get support from MISAU.

Added value of the Danish approach

Danish support has been very comprehensive over the years. Denmark has contributed to creating and increasing the administrative and technical capacity at provincial and district levels in Tete, as well as providing substantial support to health infrastructure, including the hospital in Tete city. The advisors at central and provincial levels have also had an impact on the national HIV/AIDS strategies, the approach towards SRHR and the strategic actions to counteract chronic malnutrition and food insecurity. The advisors have worked as promoters of new approaches and strategies between different levels of the health system, including influencing the willingness of decision-makers to allow a more bottom-up approach between the different levels of the health system, where the districts identify the needs and priorities. The sector is one of several examples where the Danish focus on strategic planning, planning and monitoring, and PFM systems, have built real capacities leading to more efficient and qualitative service delivery. Health stakeholders also said that the Danish support had fostered a culture of research. Denmark's systematic approach and the focus on developing health system has brought added value to the sector.

The consistent focus of Denmark on developing and strengthening governmental financial systems has contributed to speed up the decentralisation of planning and decision-making to the health units at district level. However, capacity gaps at district level continue to be a barrier to an efficient and effective decentralisation process.

The long-term and consistent support to develop clinical, administrative and health system capacities has contributed to strengthening the health institutions and the human resource base for the sector. Close donor coordination in SWA and different pooled funds, in combination with the use of both GBS and SBS for Tete, has also contributed to strengthening the GOM health institutions and their ability to provide services. Here it is worth mentioning the cross-cutting issues, where RDE's strategic choices for the last programme phases to a great extent have been aligned with the Danish gender, HIV/AIDS and SRHR policies. This has contributed to strengthen the focus of the health institutions on women's access to health care, in particular to reproductive health. The MTR 2015 highlights that the SRHR agenda has been given increasing priority in the annual plans through a broad health systems approach, though it was at the time of the assessment too early to see a significant change in outcomes. It mentions the uptake of family planning, but notes that it is difficult to say whether this would have happened

¹¹⁸ One respondent said that the sector work at the RDE is very vertical, and the environment has not been beneficial to the sharing of information between the sectors or joint planning. This can be partly explained, but not only, by the workload and the constant cuts in staff.

¹¹⁹ The two consecutive health desk officers during phase IV were both absent over periods on maternity leave and the health portfolio was then managed by an intern at the RDE.

also without Danida support. Furthermore, the MTR stresses that: “The approach towards SRHR and access to quality health services is innovative in the focus on evidence-based planning and implementation of interventions. This is materialising in, for example, efforts to introduce health staff to research methodologies and use of research design in implementation.”¹²⁰ This was something that health stakeholders in Tete also mentioned as an added-value of the Danish technical assistance.

Denmark has contributed to the donor coordination in the health sector and was one of the most persistent donor in the coordination with the National HIV/AIDS Council (CNCS) and its common fund. There has been a special donor coordination through a civil society fund together with Ireland and the US, as well as the mentioned MASC, CEP and CPI. The MTR from 2015 on the Phase V highlights that due to delays and deviations in the disbursement to PROSAUDE, two donors have stopped their support (EU and DFID). Denmark is the only donor providing sector budget support at provincial level in Tete and is thus a key development partner to the provincial health administration. The experience from SBS and the good progress on health indicators has aroused interest among other donors.

Denmark has proven to be an innovative and flexible partner in many ways, allowing new approaches and willing to test new methods. The long-term and consistent support to develop clinical, administrative and health system capacities has contributed to strengthen the health institutions and the human resource base for the sector. Close donor coordination in SWA and different pooled funds, in combination with the use of both GBS and SBS for Tete, has also

Cross-cutting issues: Contribution to HIV/AIDS strategies in other sectors. Strong focus on SRH, less visible on the rights. The focus on Health, HIV/AIDS and SRHR is consistent with a gender perspective. Environment and Climate Change impact on health considered at municipality level and for example in relation to small scale extractive mining.

contributed to strengthen the GOM health institutions.

Here it is worth mentioning the cross-cutting issues, where RDE’s strategic choices for the last programme phases to great extent have been aligned with the Danish gender, HIV/AIDS and SRHR policies.

Phase IV was based on the gender strategy for the health sector, but 2011 assessment speaks of weak gender results and lack of disaggregated data: “The main constraint is the lack of leadership commitment to implementation of the gender strategy at all levels of the sectors. This is compounded by a lack of the knowledge of the strategies resulting in low/lack of implementation.”¹²¹ The MTR of

the current phase states that “a main shortfall when it comes to implement gender sensitive and human rights approaches, is linked to lack or unviability of tools, limited contextual analysis and lack of well-defined qualitative or quantitative indicators or outcomes”.¹²²

CSO interventions directly supported by MFA included HIV/AIDS initiative (MS 2007 –2009 and CARE 2007 – 2011). The Framework agreement with Danish CSO also include gender and HIV/AIDS perspectives in health work. The civil society component of phase V, is promoting a human rights-based approach (HRBA) through the promotion of social accountability mechanism in the areas of SRHR, nutrition and HIV/AIDS. The Country Study¹²³ on SRHR

¹²⁰ Review Aide Memoire Danida Bilateral Mid Term Review of Mozambique Health and Nutrition SPS, HN-SPS Phase V (2012-2017). July 2015.

¹²¹ Assessment of Programme Support, HIV/AIDS and Health Sector Support, Programme IV, 2007-2011, assessed period: February 2009 - May 2011.

¹²² Review Aide Memoire Danida Bilateral Mid Term Review of Mozambique Health and Nutrition Sector Programme Support, HN-SPS Phase V (2012-2017).

¹²³ Evaluation of the Danish Strategy for the Promotion of Sexual and Reproductive Health and Rights 2006-2013, Country Study Report Mozambique, Ministry of Foreign Affairs of Denmark, Evaluation 2014.03, July 2014.

states that the rights-based principles¹²⁴ are reflected in the different strategies, even though all principles are not applied in all strategies. The support to the *Geração Biz* Programme and to CSOs, were the areas where the application of HRBA was assessed as the strongest.

3.8 Nutrition – multi-sectoral initiative

Mozambique has a high level of Chronic Malnutrition, also known as stunting. The prevalence in 2010 was 44% of children under five years old. Periodic outbursts of acute malnutrition also worsen this situation and there is persistent high mortality of infants and young children because of malnutrition. It reduces children's immunity and impairs physical and cognitive development and chronic undernutrition up to 2 years, damages learning abilities irreversibly. The malnutrition contributes to at least 30-50% morbidity and mortality, and intervening in the first 1000 Days of a child's life is vital for its future survival and for cognitive development. To counteract this situation, and align with the UN led Global Scaling-Up Nutrition (SUN) Movement, the GOM formulated together with development partners the Mozambican Plan of Action to Reduce Chronic Malnutrition (PAMRDC)¹²⁵ with the objective is to reduce stunting to 20% by 2020. SETSAN, under the Ministry of Agriculture coordinates the implementation of the plan at national, provincial and district levels. SETSAN has managed to ensure the integration of PAMRDC activities into seven government sectors, namely the Ministries of Agriculture, Health, Education, Public Works, Youth and Sport, Women and Social Action, and Industry and Trade.

The PARMDC approach is the first multi-sectoral initiative of this kind. Coordination on an area where the knowledge and awareness is low, in a setting where coordination between ministries is rare, and the practice rather is to work in silos, is challenging. Since the start of the plan it has been difficult to get all technical focal points to join the coordinating meetings, and the abundance of working groups has also further complicated the situation. One interviewee said that there has been a lack of interest and understanding of the importance of the PARMDC, but the overwhelming work load that many technical focal points have is contributing to the negative situation. SETSAN lacks the mandate to push other ministries to attend the meetings, but all participating ministries have committed to the common indicators (so it should be in the interest of the Minister to secure the presence of their representatives).

Different donors have financed the mapping of the local nutrition context in the different provinces through the rather complex mapping tool REACH (developed by FAO, WHO and Unicef), but not all the donors have contributed with funds for the provincial implementation. All provinces have developed provincial PAMRDC plans, with activities taking place mainly at provincial level. Denmark is supporting SETSAN at central level and in Tete and Gaza provinces through core funding (through CUT and SISTAFE¹²⁶) as well as through advisors contracted by MFA and delegation to a Danish consultancy firm. Project support is also provided to UniLúrio University to increase the number of nutrition graduates and improve the quality of the nutrition teaching. Denmark has contributed with special nutrition competence and has played a key role in rolling out the plan. The only examples of implementation of the plan at both provincial and district levels, that is in Tete and Gaza provinces, can be attributed to the Danish support. It is also the only donor that funds the full plan, and not only components of it as other donors do (through project or programme funding).

The Danish core funding to SETSAN is based on the institution's annual plan and is such a very flexible funding that has helped SETSAN to carry out the plan also when there have been funding gaps from other donors. Denmark has been strict that the core funding only covers

¹²⁴ Transparency, Accountability, Participation, and Non-discrimination.

¹²⁵ Plano de Acção Multi-sectorial para a Redução da Desnutrição Crónica.

¹²⁶ Ireland is the other donor supporting SETSAN through the e-SISTAFE.

SETSAN's mandate, which is to coordinate and not to implement. The core support also covers the strategy on food security and nutrition ESAN II.¹²⁷

Main results

Results-based planning and budgeting has been introduced in all districts in Tete,¹²⁸ however, still with little involvement of civil society and other stakeholders, and the planning and budgeting process remains partially centralised at provincial level. Interviews in Tete showed that the coordination at provincial and district level has progressed quite well and is so far, the most successful example of bringing the technical focal points together for joint planning. Since the funds were available in 2012, the provincial SETSAN has tested different coordination setups, and with the addition of financial focal points from each of the eight sectors, the coordination has also improved. Through an out-put based planning with both district and provincial level, all 15 districts are now participating in the PRMDC and implementing sector activities to different degree. Apart from the pilot with the child-led initiative in Tsangano district, four other districts participate in different studies on the progress, and the coordinator informed that they are getting access to new and qualitative data through these studies. Another gain is the increasing interest on nutrition among other actors, including community based organisations and different provincial and district platforms. SETSAN claims that the overall knowledge in the province on the importance to fight both chronic and acute undernutrition has improved.

The student intake for the graduate course in nutrition has increased by approximately 100%, and masters level training is ongoing. The Danish support has secured that nutrition continue to be part of the curriculum at UniLúrio and has supported the university with quality assurance through TA by a Dutch university. Initially 30 nutritionists were graduated annually, but through the Danish funds the number has increased to 60 per year. The challenge is no longer the lack of nutritionists but to convince them to stay in the public sector.¹²⁹

The experience from Tete shows that a mix of different awareness raising strategies¹³⁰ are reaching out to whole communities with the messages on nutrition. Capacity building introducing new agricultural products, coupled with the distribution of seeds, have convinced individual farmers and their associations to focus on nutritious traditional crops and to introduce novelties to the region such as for example sweet potato and beetroot.

The school initiative in Tsangano district and Tete city is a very interesting pilot, with its rights-based and child-centred approach. A comprehensive suite of pedagogical materials including story books for children have been co-created with teachers in the rural and the urban schools. An evaluation of the approach in Tsangano (2016) suggested that it is extremely promising and making a positive impact on family hygiene nutrition practices.¹³¹ Apart from the Danish support, the project also had support from a UK based child organisation, but with the exit of Danish cooperation there are currently no funds for scaling up the pilot to the other districts in the Tete or launch it to other provinces. This is an example where the Danish experience could have served as a promotor for similar initiatives.

¹²⁷ There is currently an on-going evaluation on the implementation of the strategy (due in June 2017). It is however possible to say that the focus on PRMDC has resulted in limited resources and attention by the donors to the ESAN II. The strategy and the plan are different instruments, with focus mainly on food security in the strategy and focus on nutrition in the plan, but they are linked through the same set of indicators.

¹²⁸ The ET has not assessed the work in Gaza.

¹²⁹ Due to the Danish funds, there are expectations on a "Danida"/donor salary.

¹³⁰ E.g. teaching in schools, model mothers at local level that voluntarily share culinary demonstrations with their communities, child-led peer educators reaching out to other children, their families and neighbours

¹³¹ The information on the evaluation was provided by key stakeholders, the ET had no access to the study.

Finally, it is worth mentioning that the Gaza province has encountered major challenges in implementing the plan. Though SETSAN in Gaza started with only four sectors, to learn from the coordination and progressively integrate the remaining sector, only a limited part of the latest disbursed funds has been executed. A recent audit (March 2017) revealed the situation and the RDE has expressed its concerns of the slow pace of the implementation. This is of course not only troublesome in the light that the Danish funds will end by December 2017, but that the need to speed up the work against malnutrition is essential.

Added value of the Danish approach

The RDE showed great flexibility in allowing the support to SETSAN within the allocated budget for the fifth phase of the health sector programme despite that the focus on PRMDC and ESAN are multi-sectoral. Denmark has put great effort into implementing and decentralise PAMRDC, championing the support to the coordination of the national plan, and then to the development of the provincial plans. Denmark has contributed to special nutritional competence and has played a key role in rolling out the Multisectoral Initiative on Chronic Malnutrition. The only examples of implementation of the plan at both provincial and district levels, in Tete and Gaza provinces, can be attributed to Danish support. It is also the only donor that funds the full plan, and not only components of it as other donors do (through project or programme funding). The core funding to SETSAN is based on the institution's annual plan and is such a very flexible funding that it has helped SETSAN to carry out the plan also when there have been funding gaps from other donors. The support to SETSAN is another example of Denmark showing willingness to provide funding for innovative initiatives and where other donors have shown less interest and where the funding modality favours institutional support, thus allowing the partner to develop its work according to its overall strategy, rather than selecting specific components for its support.

Other donors involved in the PARMDC are showing interest in learning from the Danish experience and in this sense, Denmark has brought a special value to the process, despite the short period of support. The model of implementation of the PAMRDC was developed in Tete with Danish funds, an experience that has been scaled up and copied by at least six other provinces in the country with support from the World Bank (WB) and the Irish Aid.

This interest resulted in a proposal in 2016 from EU to delegate a 65 million Euro nutrition fund to Denmark, but given that the MFA had already taken the decision to phase out the bilateral cooperation with Mozambique, and to close the embassy in Maputo, the RDE declined the offer. The fund was offered to Unicef and the management setup of the fund, that will support initiatives in Zambezia and Nampula, has just started. The Danish experience from SETSAN in Tete, and at central level, is unique and this would have been a valid input to the EU fund. The TA, the expertise in nutrition and the experience of working with PARMDC through CUT and SISTAFE would have been very relevant for the work in the other two provinces.

3.9 Local Grants

The local grants mechanism comprises of multiple projects with direct funding covering areas such as, gender and women's rights, human rights, economic and social empowerment; HIV, women's economic empowerment, democracy development, governance, support to parliament, local government, support to political parties; poverty reduction, economic development, institutional development; solid waste management, women's economic empowerment and research and access to information. The implementation date of the projects range from 2008 to 2015. Most of the projects were funded in the period from 2010 onwards.

The portfolio is diverse in its beneficiaries (public institutions and non-state actors) and areas, so is the performance of the various projects, including some that were never implemented or abandoned, such as Construction of a Centre for Women’s Empowerment [by the Ministry of Women and Social Action]). Other projects were successful as e.g. waste management and women empowerment in Beira; building institutional capacity within the government of Mozambique to conduct quality economic analysis. There are some listed projects where information is missing inhibiting the assessment of their performance (e.g. Women’s Association economic empowerment in Ilha de Moçambique; Support to the development of the Music Sector in Mozambique [Radio Mozambique, Mozambique Musicians Association]). Generally, reporting about the programme is not detailed and focuses mostly on isolated projects, which renders a substantial and general assessment more difficult.

Added value of the Danish Approach

Aid Modality of the Local Grants was project support, with funds were allocated directly to the beneficiaries under a contract agreement. Due to the nature of the funding in this case, not much coordination with other donors was necessary. The fragmented nature of the projects does not allow for an objective assessment of the cross-cutting issues. These issues appear rather as core activities – for example, in a project of breast milk bank to reduce HIV infection, or a project for women’s economic empowerment– than cross-cutting ones. Since specific grants are reported separately, there is not an integrated vision of cross-cutting issues in this portfolio.

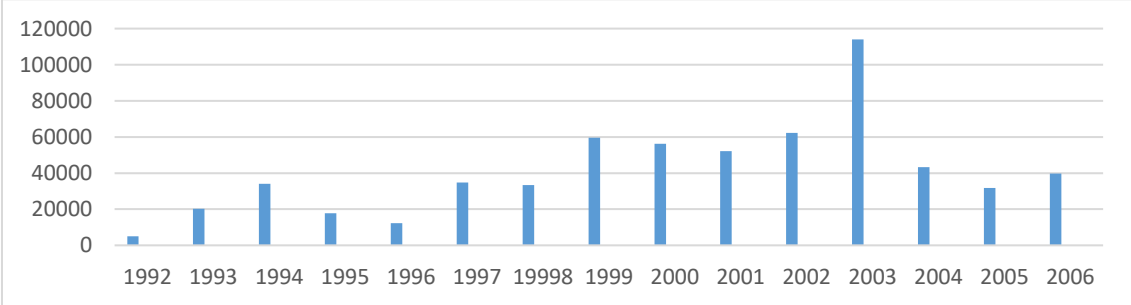
Consultations with Danish CSO highlighted the value of accessing additional and direct funds from the RDE, that though the grants often had a limited budget were flexible and complementary to other Danish funds.

3.10 Governance

Denmark provided a substantial support to the governance sector, with focus on the justice sector, anti-corruption and public sector and legal reforms, as well as support to civil society, with focus on accountability and transparency/access to information. Some of the areas below are also integrated in various of the SPS mentioned earlier. The support to civil society for example forms part of programme components in the Health and Environment programmes, and the funding of decentralisation and PFM processes are integrated in all current sector programmes. Donor coordination takes place both at an overall level with focus on GBS and within each sector.

The documents provided by the MFA to the ET for the portfolio analysis did not include the support within governance. This section is thus mainly based on findings during the implementation phase through a new desk review and the stakeholders. It is not possible to provide an overview of the disbursement to the governance sector for the full period. The Evaluation 2008 provides the following data:

Table 10. Annual disbursement: Government and Civil society 1992-2006 (DKK 000’)



The total disbursement for the period 1992-2006 was DKK 616.5 million. There are no similar figures for the last decade.

The 2008 Evaluation stated that progress of the support to Governance had been slow and uneven, but that the persistence in supporting better coordination and strategic planning across the sector was starting to pay off. The area where progress was most visible was in legal sector reform through support for legal training and law reform, and the efforts to make legal aid more widely available.

3.11 Justice and Legal Reform

Sector	2	3	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
Justice	Project support										ProJustica I & II										Project support				

Denmark’s support to the justice domain stems back to 1989, when focus was on the judicial courts.¹³² The support to the sector has not been a sector programme due to the constitutional independence of various of the non-governmental institutions of the sector. A SWA involving the institutions of the GOM (Ministries of Justice and Interior) and the court systems and public prosecution has therefore not been possible. Danish aid to the sector has involved both specific project funding and programmatic approaches with different components, as described below.

The Mozambican Constitution approved in 1990 opened a new political era characterised by a multi-party political system, democratic elections, respect for human rights and rule of law. Most legislation lacked alignment with the new adopted constitution. Thus, a legal reform was urgently needed.

Following the new Constitution, Denmark’s support focused on the need to contribute to the separation of powers supporting reforms and the development of the legal and justice sector. Denmark became the lead donor to legal reforms, legal trainings, and infrastructures at national, provincial and district levels. The nature of support evolved from focus on what was perceived to be practical problems of capacity, to a much more complex engagement requiring greater coordination and integrated planning amongst the various justice sector institutions.

During the first years of the evaluated period, Danida supported the justice sector¹³³ by assisting the Law Faculty at the Eduardo Mondlane University (UEM) and supporting the Attorney General’s Office, the Supreme Court libraries, and the National Institute for Legal Assistance (IPAJ). The severe lack of trained lawyers was of particular concern. The few law professionals in the country lacked capacity to meet institutional requirements. The support to the Law Faculty of UEM aimed at increasing the number and quality of law professionals and faculty teaching staff members. The Supreme Court was also important, due to its formal competence for supervising the provincial and district courts. Finally, the support to IPAJ, as the institution providing legal aid to poor people, was crucial because it was perceived as the only one justice institution playing a social role.¹³⁴ The support to civil society also dates to the early years of the evaluated period. The partnership with the Women Lawyers in Southern Africa, WLSA, was for example initiated in 1992 and Danida was the first donor to support the Mozambican chapter of WLSA.

¹³² The ET has not been able to follow up the findings from the data collection with one of the expert within the MFA. This will hopefully be possible at the time of the validation workshop.

¹³³ “Programme of Support to Institutional Support to Teaching and Administration of Law”.

¹³⁴ Evaluation of Development Cooperation between Mozambique and Denmark, 1992–2006, Working Paper 08 Justice, Governance, Democratisation and Human Rights, Norfolk and Calance, 2008

A second phase of the Danish support to the Justice domain began in 1996, investing in the construction of the new district court buildings, not only because many districts did not have buildings for the court, but also this meant to restore confidence of the people in public authority, by providing transparent, trustable, acceptable and quick results and justice up to the district level.¹³⁵ In 1999 Danida supported the Ministry of Justice on the strategic planning for the sector, and in 2000 the support for the newly-established Centre for Legal and Judicial Training, (CFJJ) started.

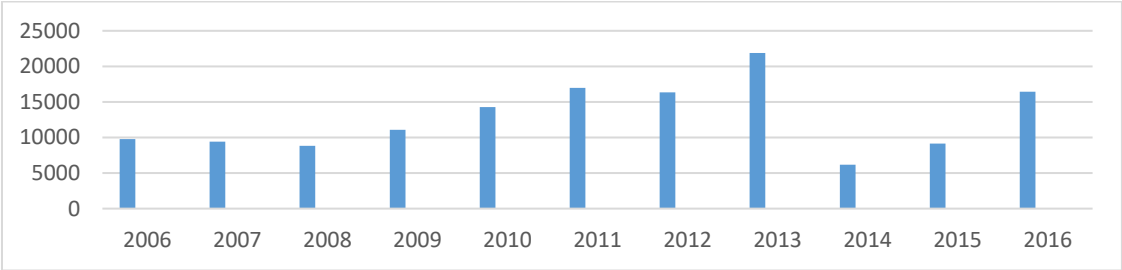
From 2002 the ProJustiça programme started (with a budget of DKK 65.6 million), with emphasis on strategic planning, law reform and support to civil society to make access to justice more viable.¹³⁶ The second phase of the programme, ProJustiça II, spanned over 2008-2013, extended to 2016, consisted of the following components;¹³⁷

- Support to the implementation of the Integrated Strategic Plan (PEI II) in coordination with Ministry of Justice, the Constitutional Council, Eduardo Mondlane University, UNDP, CFJJ, the Supreme Court, IPAJ, the General Attorney and the Bar Association. Focus was to improve service delivery through state sponsored legal assistance; strengthening the link between formal and non-formal justice; legal reform; training; strengthening planning, monitoring and financial management capacity of the PEI II, and, infrastructure development at district level.
- Core funding support to civil society organisations¹³⁸ providing legal assistance and conducting human rights monitoring and advocacy, and or contributing to strengthening the links between formal and non-formal justice,
- Monitoring, studies and reviews, long- and short-term TA to the above institutions.

The RAM reports that the strategic direction of the programme and its activities were “to a large extent aligned with the national planning processes and priority setting of relevance to the justice sector”.¹³⁹ The programme implementation was delayed and at the time of the review in 2013 only 55% of the budget had been executed why a non-cost extension was suggested.¹⁴⁰

Table 11 shows there was a constant smaller support to the justice sector throughout the last decade, with an average of DKK 12,5 million annually. The total disbursement for legal sector during the period 2006-2016 was little more than DKK 140 million.

Table 11. Annual disbursement legal sector 2006-2016 (DKK 000’)



¹³⁵ “Programme of Assistance to Human Rights and Democracy in Mozambique: The Legal Sector”, with total budget of (DKK 50.2m/USD8.3 million).

¹³⁶ Working Paper 08 Justice, Governance, Democratisation and Human Rights, Norfolk and Calance, 2008.

¹³⁷ Programme Concept Proposal for the Justice Programme II.

¹³⁸ Association of Mozambican Women for the Juridical Career (AMMCJ), AGIR, Aquini de Braganca Social Studies Centre (CESAB), Human Rights League (LDH), Panos Institute Southern Africa (PSAf). ProPaz, JustaPaz, Center of Research and Support to the Informal Justice (CEPAJ).

¹³⁹ Support to the Justice Sector in Mozambique (2008-2013), ProJustiça II, Review Aide Memoire, December 2013.

¹⁴⁰ Idem.

Main results

The Faculty of the EMU is still today the most prestigious law faculty countrywide, contributing to the development of all law faculties that came up from 1995 onwards, since most teaching staff members of the recent faculties have been trained at UEM. The Supreme Court, the IPAJ, the Attorney General's Office, and Administrative Court became strong institutions served by well-trained Justice professionals. Under the Assistance to Human Rights and Democracy programme 1996-1999, many District court infrastructures were constructed, which increased the outreach of Justice services to the citizens.

Through the comprehensive funding of CFJJ, the Danish support to the centre resulted in the presence of judges and legal professionals all over the country. The support to infrastructure resulted in the existence of courtrooms in all provinces and many districts. As one of the interviewees expressed: "Denmark is probably not even aware of the impact this has had on the country". The CFJJ approach where different legal actors were trained together contributed to a shared understanding and a common view on access to justice and the rule of law. Although after the withdraw of Danish support, the CFJJ experienced some financial crisis, the culture of quality training remains and is influencing the present struggle for the institutional sustainability.

The institutional development programme strengthened the capacity of Ministry of Justice to better attend its core functions, which is the coordination of the whole Justice sector. The legal reform conducted by Technical Unit for Legal Reform (UTREL) updated the legislation, most of it elaborated during the colonial period, and produced the whole necessary legislation to ensure a relatively independence and separation of powers within the Mozambican Justice sector. With the legal reform, the Justice institutions became more efficient, the powers of the first instance courts have been expanded. This has resulted in more cases resolved at local level. Thus, nowadays there are very few cases carried over from one year to another, without judgment. Although in general the legal reform has been successful some important issues remained unresolved, like nomination of the General Attorney, who presently is appointed by the Republic President. This represents of course a handicap to separation of powers. However, these are the type of issues, which depend on the revision of the present Constitution, which can only be undertaken by the Parliament.

The support to IPAJ has increased the access to legal aid all over the country, but the quality of the support provided by IPAJ has not reached the expectations. In fact, CSO actors might have been as important, or even more important, to increase the access to legal aid of rights-holders, as for example in the case of the Human Rights League (LDH), also supported by Denmark.¹⁴¹

The review conducted in 2013¹⁴² assessed the progress of the results to be mixed, the expansion of IPAJ delegations was on track and the number of corruption cases investigated had increased, while the performance of the judicial courts was more disappointing since the targets of the increase in the number of cases sentenced had not been met. The two Justice Palaces in Nampula and Manica provinces included an integrated model for providing care and support to women and children victims of gender-based violence. However, the visit in Tete showed that the women had to report the abuse at IPAJ's overcrowded office, which was one single room with no privacy. Positive results were evident in the increased access to free legal assistance and synergies between IPAJ and CSOs were noted. The support to the informal justice system within the programme and the data-base on Community Courts were assessed as highly relevant by the 2013 review team.

¹⁴¹ Interview with key stakeholder in the sector.

¹⁴² RAM 2013.

Added value of the Danish approach

Since early 2000 the Danish approach has been holistic including several and complementary support which was rare among the development partners to the GOM. Denmark has been a persistent and key partner to the Justice sector. As one of the few donors willing to support the sector Denmark has been a key strategic partner to the institutions and organisations active within the sector. The Danish support to the Justice domain contributed to improve the presence of the state at the local level, and created internal technical capacity. The exercise of bringing the different justice actors together to jointly plan the strategy of the sector, which required regular meetings of the heads of the legal and judicial sector institutions, restated their recognition that the principles of independence and separation of powers also require mechanisms of inter-institutional coordination.

The capacity building within the framework of CFJJ, to higher education institutions and to CSOs, contributed to well-trained lawyers and legal professional and human rights advocates, strengthening both the rights-holders and duty-bearers. CFJJ comprehensive focus on the justice sector, including the traditional systems was also important in increasing the knowledge of these systems among judges and other legal actors within the formal justice sector.¹⁴³ In addition to this, civil society has become more active in supplying information to the public regarding the legal and judicial sector, and on raising awareness on human rights, particularly for the most discriminated rights-holders. The Danish partnership with the different Justice institutions and actors has played a significant role in Justice reforms and increased capacities of judges, prosecutors and other legal professionals, as well as providing conditions for improved access to justice for Mozambican citizens.

The focus on access to justice and the Rule of Law has also been important in the transition from post-conflict to relative stability.

Denmark's strong position within in the Justice sector also had bearing on the donor coordination and the dialogue with the GOM, e.g. four indicators on the justice sector were introduced in the PARPA II and PARP 2014-2017 which allows the monitoring of the progress of access to justice.

3.12 Public Financial Management

Denmark is among the lead donors of the System of State Financial Administration – SISTAFE, created by the Government in 2002, but its participation in PFM and reform started earlier. Between 1997 and 1999 Danida disbursed DKK 1.4 million to fund the strengthening of the Tete Provincial Directorate of Planning and Finance. The TA to PFM and reforms to the sectors receiving Danish funds has been a distinctive mark of Denmark that was well-received by GOM recipient agencies.¹⁴⁴

Denmark was the second donor, after Norway, to support the UTRAFE after its creation in 2001 and an active partner in promoting the idea of PFM among other donors and its use to channel development support. The support continued when UTRAFE was turned into CEDSIF in 2010, joining with the Centre of Data Processing. In 2002 the GOM approved the Law that created the State Financial Administration System, known as SISTAFE and its electronic application – e-SISTAFE. In the same year, a group of donors, including Denmark, decided to join their

¹⁴³ The ET was for example informed by a key stakeholder in the sector that the referrals from the traditional justice system to the formal justice system had increased in the Tete Province. No data was however shared.

¹⁴⁴ Evaluation of Development Cooperation Between Mozambique and Denmark 1992-2006: Public Financial Management and Reform, Warren-Rodríguez, 2008, page 23.

resources and created a common fund for better coordination of their efforts in PFM.¹⁴⁵ Danish funding to the first phase of SISTAFE amounted to DKK 17 million, and the projected funding for the period of 2006 to 2011 was of DKK 95 million.¹⁴⁶ Denmark will continue to provide funding to CEDSIF up to 2019, and included in its Country Consolidation and Exit Programme¹⁴⁷ 2016-2020 a budget of DKK 34 million for this purpose.¹⁴⁸

Denmark contributed in the strengthening of the PFM of the sector supported since the financial aid in many cases was combined with TA in planning, financial management and procurement, as eventually in the e-SISTAFE roll-out. These were the cases of agriculture, health, education and environment. Danish promotion of GBS and its participation in the Programme Aid Partners (PAPs) contributed to disseminate the use of e-SISTAFE.¹⁴⁹ One interviewee mentioned that Denmark's role in selling the idea of using government systems and particularly SISTAFE to other partners, was important since PFM reform was not appealing to many donors, because of its lower visibility in terms of output. Initially, support to PFM reform process relied on many consultants and was severely criticized for depending on external TA, due to problems of sustainability. This scenario eventually changed and CEDSIF, former UTRAFE, now has a staff composed of more than 90% of local professionals.¹⁵⁰

Denmark also supported tax reforms, through CEDSIF in the development of the electronic application for taxing and plans to provide funding for the implementation of the Tax Authority strategic plan.¹⁵¹

Denmark has supported the development of the electronic applications of SISTAFE for budget execution (e-SISTAFE), for procurement, for taxation (e-Tributação – under development), payroll (e-Folha) and personnel information (e-CAF). Under the PFM reforms the Single-Treasury Account (CUT), was also created that allows direct payments to be made through the Central Treasury.

When the CUT was introduced, only 4% of the payments were made through this mechanism, currently, 80% of direct payment are done through the system. 80% of the districts are linked to e-SISTAFE and more than 90% of the public servants' salaries are paid through e-Folha through their bank accounts. The payment of public servants, goods and services was made through the banking system is swifter and more transparent, since it is easy to track in the e-SISTAFE. The expansion of this system contributed to accelerate financial inclusion and the use of the financial systems nation-wide, and stimulates savings. SISTAFE has accelerated the process of decentralization of budget management up to the district level.

The increase number of cases of public servants involved in embezzlement of public funds that are reported in the Attorney General Report to the Parliament are raising concerns that SISTAFE

¹⁴⁵ NORAD, 2010. The donors were Belgium, Denmark, Norway, Sweden, the United Kingdom and the European Union. Danida's support was through direct funding of the Sector Common Fund along with other donors and provision of resident technical assistance working with UTRAFE. Further support for Change Management was provided through the Public Sector Reform Programme, managed by the Technical Unit for the Public Sector Reform (UTRESP). Computer illiteracy was a challenge for the local level to adopt SISTAFE. Change management was a key element to communicate and manage changes. Danida's support included IMF technical assistance for the implementation of SISTAFE, which continues up to date.

¹⁴⁶ Evaluation of Development Cooperation Between Mozambique and Denmark 1992-2006: Public Financial Management and Reform, Warren-Rodríguez, 2008.

¹⁴⁷ The ET will need further support from EVAL and the RDE to verify that this data is correct. Also, the ET needs assistance to get the correct figures for the financial support to SISTAFE during 2011-2016.

¹⁴⁸ Government of Mozambique and Embassy of Denmark, 2016.

¹⁴⁹ Idem.

¹⁵⁰ See Annex 2 for information on progress in PFM reforms in the last ten years, based on the PEFA methodology.

¹⁵¹ Denmark also participates in the development of a financial management system for the municipalities, as will explained in detail in the decentralization section.

contribute to the increase of frauds. This critique is rebuffed with the argument that the increased corruption reports illustrate the vigour of the system, since it identifies who, how and when the operations were made. CEDSIF is working with various entities to reduce the risk of frauds. In future, all the powers will have a window of SISTAFE to access directly its information.¹⁵² CEDSIF claims SISTAFE to be a reliable system, if it was used as predicted, there would not be debts to suppliers, because the payment would depend on the availability of resources.

Added value of the Danish approach

Denmark has been a key partner to the GOM in supporting the development of governmental systems, with the persistent support to SISTAFE being the most prominent example. The beneficial effects of the system and the increased transparency of the PFM are cross-sectoral. The use of e-SISTAFE in the different sector programmes provided by Denmark have demonstrated that the SISTAFE contributed to decentralise the management of public funds and that a comprehensive use of the functions of the system can improve the financial reporting and increase access to detailed information (both for the GOM and the donors). The focus of the Danish technical assistance has been at central level (UTRAFE/CEDSIF) and within the environment sector, but other sectors, such as Health and the support to SETSAN, have benefitted from the technical expertise. Danish support had a lot of elasticity in the different phases of the country's development and in moments of crisis, it reaffirmed its defence of the strengthening of PFM. Denmark has been one of the donors defending that e-SISTAFE, despite its weaknesses, had the potential to prevent corruption and misuse of funds and increase transparency.

Two examples of this elasticity and firm focus on strengthening the PFM are illustrated below:

1. Several donors decided to stop disbursing due to the debt crisis in 2014. Denmark and other CEDSIF partners agreed to continue supporting the PFM reform in a constructive way. A revised Strategic Plan allowed a new agreement to continue the funding. The position of CEDSIF partners was that despite the crisis it is important to ensure that what has been achieved by the government in PFM should be maintained and that a better PFM would prevent similar problems to happen in the future. The adopted approach included a risk assessment to identify bottlenecks and critical areas when funds are transferred through CUT. The assessment concluded that there are more risks in the use of resource outside the system. Despite the crisis, Denmark continued disbursing funds in 2015 and 2016 to PROSAÚDE and CEDSIF through CUT, and in the latter case the Danish disbursement increased with 78%.¹⁵³
2. In 2007 UTRAFE overspent the agreed budget with the Common Donor Fund, causing a crisis with the partners. Denmark among other partners engaged in dialogue with UTRAFE to analyse the financial management risks and to find a solution to avoid similar crises in future, and the funding continued. This is seen in the sector as an example of flexibility and of trust in the national management systems, even in moments of crisis, making Danida an important partner in PFM.¹⁵⁴

¹⁵² It liaises with the justice sector to report causes of fraud. The execution and the internal control of the Executive branch improved. The General Inspectorate of Finance works with the data from SISTAFE to perform its inspection and audit activities and investigations. The Administrative Court audits the public entities with previous information, which is produced through SISTAFE. The Republic Assembly has detailed information on the budget execution because SISTAFE reduced the time for the preparation of Budget Execution reports and the General Public Account.

¹⁵³ Avaliação do Governo de Moçambique ao Desempenho dos Parceiros de Apoio Geral ao Orçamento em 2015: Revisão Annual 2016. Relatório Preliminar. Maputo 2015

o: Ministério da Economia e Finanças, 2016, República de Moçambique; Relatório de Execução do Orçamento do Estado. Ano 2016, Janeiro a Dezembro. Maputo: República de Moçambique. República de Moçambique, 2017, and interview with CEDSIF.

¹⁵⁴ Interview with CEDSIF

The Danish technical assistance has promoted the use of e-SISTAFE, strengthened the capacity to use the system at central and local levels through on-the-job coaching, and contributed to developing the system as such, including new applications. Denmark has received financial reports from its governmental partners directly retrieved from e-SISTAFE, which has been an example of further harmonisation with the GOM's system. This has attracted interest from other donors.

A former Minister stated that the importance of the Danish contribution can be seen from the understanding of the importance of PFM in the post-war Mozambique. After the Peace Agreement, PFM embodied the constitutional principle that equity and peace can be translated with the capacity of the GOM to be responsive to the society needs. The proper management of public finance is the best way to achieve this objective, since it enables a transparent and sound management of the scarce resources. PFM can, when properly used, prevent wrongdoing from powerful groups. The volume of theft of public funds would be higher without SISTAFE, he claimed.

3.13 General Budget Support and Donor Coordination

	2	3	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
GBS									Joint macro-finance progr.			MoU GOM and PAPs													

In the PARPA I 2001-2005 the GOM stressed the importance of GBS, which formed the background to the adoption of a performance assessment framework (PAF). This framework is based on the indicators in the PARPA, the annual Economic and Social Plan (PES), and the subsequent PARPA II 2006-2009 and PARP 2010-2014. Currently, the reference is the Five-Year Government Plan. The donors providing GBS, PAPs, signed a MoU with the GOM, which sets the rules of the partnership, the assessment of performance and circumstances of breach of the agreement and related sanctions.¹⁵⁵ The use of national systems aimed at improving planning and predictability of flow of resources. The PFM reforms stimulated the use of government systems. At its highest point of GBS, 19 donors channelled their resources through this mechanism. Currently, this number is reduced to 14. Denmark ceased its GBS in 2014 due to the debt crisis.

In the period from 2005 to 2012, the total GBS disbursements reached USD 3,354 million, of which Denmark contributed with 2.4%.¹⁵⁶ In 2003 Denmark provided 16% of its total aid to Mozambique as Budget support¹⁵⁷ and 20,2% in 2004, representing 3.53% of the total GBS.¹⁵⁸ In 2014, the last year Denmark GBS, it reached 43% of Denmark's total ODA.¹⁵⁹ Danish GBS peaked in terms of annual average disbursement in the period of 2011 to 2014, with a total budget of DKK 240 million for the whole period.¹⁶⁰ The increase in GBS in relation to Denmark's ODA was similar to the general trend within the PAPs.¹⁶¹

¹⁵⁵ It is worth noting that sanctions were more unfavourable to the recipient of aid than to donors, since there are no sanctions for the latter, as some government officials argued.
¹⁵⁶ Report of the Independent Consultant fo Review on the PAP's Performance in 2005 and PAP's PAF' Matrix Targets for 2006, PAP Group & Mozambican Government , Final Report Ernst & Young, 2006; Independent Evaluation of Budget Support to Mozambique, 2005-2012,. ADE, ITAD & COWI, 2014; Ministério de Economia e Finanças, 2016.
¹⁵⁷ Donor Co-ordination & Aid Effectiveness in Mozambique. Maputo: Trocaire & Christian Aid, 2005, page 9.
¹⁵⁸ Ernst & Young, 2006, pages 24 and 30.
¹⁵⁹ Avaliação do Governo de Moçambique ao Desempenho dos Parceiros de Apoio Programático (PAPs) em 2014. Revisão Anual de 2015. Maputo: República de Moçambique, Ministério de Economia e Finanças, 2015.
¹⁶⁰ ADE, ITAD & COWI, 2014.
¹⁶¹ From 2004 to 2012, GBS increased almost threefold in US\$ dollars in nominal terms, from US \$ 160 million to about US \$ 450 million. GBS flows peaked in 2011 with total disbursements reaching US \$ 536 million. In 2015 it dropped to US\$ 193.6 million.

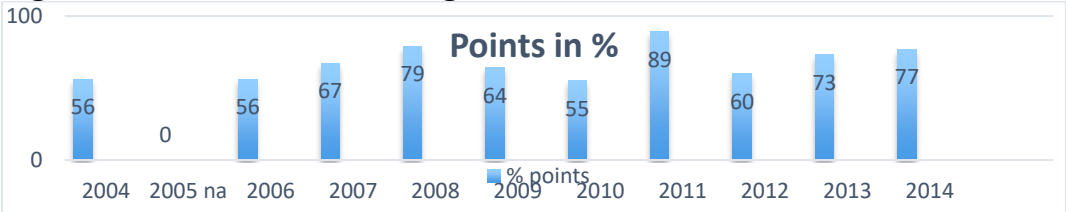
The Danish disbursement was made through fixed and performance tranches. The latter was based on specific performance criteria drawn from PAF indicators, namely: economic governance including PFM; good governance including anti-corruption and justice sector performance; private sector development including land reform. Denmark was among the few PAPs that used the performance tranche between 2012 and 2014. In some cases, it triggered more attention from ministries on specific issues that demanded a close dialogue with the sector, but with modest or unclear effects.¹⁶² This is consistent with the general opinion in government agencies interviewees that Denmark was a flexible but at the same time vocal, frank and critical partner.

The GBS evaluation report¹⁶³ highlights two important results envisaged for this modality: the improvement of predictability of aid disbursements and the increase of aid managed through the national country systems. A third element to be considered is the contribution of the modality to the country development objectives, in this case poverty reduction.¹⁶⁴ The GBS structure has its peculiarities too, especially those stemming from the GOM/PAP MoU, which includes political dialogue and the continuous analysis of the existence of the underlying principles, among them good governance, macroeconomic stability, and human rights. These elements were a source of dialogue and sometimes tension in the partnership. Some development partners funded specific programmes aimed at creating the conditions for these underlying principles, among them a functioning justice sector, fight against corruption, a stronger civil society, protection of human rights and gender equality. These issues were particularly important to Denmark.

Main Results

The GBS evaluation report argues that predictability of disbursements in the period 2005-2012 was close to 100%, mostly due to the MoU between the PAPs and the GOM. In 2014 only 25% of partners were disbursing within the month, other 25% within the quarter and 50% were disbursing out of the agreed schedule.¹⁶⁵

Figure 2. Denmark’s PAF Scoring Points 2004-2014



The Figure 2 and the Table 12 illustrate the scoring of Denmark and its ranking in relation to its size of ODA and in relation to the other donor’s performance between 2004 and 2014.¹⁶⁶ The performance is mixed, in general Denmark is ranked as an average donor in the group (medium

In terms of significance, in 2006 GBS attained its highest point – 18.8% of public spending. Budget support as part of Official Development Assistance (ODA) was less than 30% in 2005, according to the report of PAPs assessment. The GBS evaluation refers that GBS was only 23.7% of ODA in 2012, whilst the Government’s PAPs’ performance assessment refers to 43% and 40% in 2011 and 2012 respectively. In 2015, the last year so far recorded, GBS was only 27% of ODA and the Government report of PAPs performance assessment recognizes that this was a historical low (after some increase) and suggest the increasing discredit of partners for this modality was the main reason for this decrease. It is worth mentioning that in 2014 the debt crisis began, after the secret loans were uncovered and PAPs started making a lot of pressure to the government for the clarification of the problem.

¹⁶² ADE, ITAD & COWI, 2014..

¹⁶³ Idem.

¹⁶⁴ Idem.

¹⁶⁵ Avaliação do Governo de Moçambique ao Desempenho dos Parceiros de Apoio Geral ao Orçamento em 2015: Revisão Anual 2016. Relatório Preliminar. Maputo: República de Moçambique.Ministério de Economia e Finanças, 2016

¹⁶⁶ The Donor’s PAF started in 2004, the ranking system was developed in 2005 why the first year’s ranking range is not the same as the other years. No ranking was performed in 2005.

points in percentages is 67.6% and ranking by order in the group in relation to other donor's performance, is a medium position as number 10). It is only towards the end of the period that Denmark is singled out as one of the top donors.

Table 12. PAF Ranking of Denmark 2004 and 2014

Year	Position in donor group	Size ODA disbursed to the GOM	Rankin of performance
2004	3	No data	upper middle
2005	No data	No data	No data
2006	12	No data	No data
2007	11	Medium	medium
2008	11	Large	medium high
2009	16	Large	medium
2010	17	Large	medium low
2011	13	Medium	very good
2012	6	Medium	medium high
2013	3	Medium	very good
2014	5	Medium	very good

In 2005 Denmark's predictability was particularly low due to the lack of bilateral agreement with GOM from spring of 2004 to December 2005".¹⁶⁷ In 2014 the last year of GBS, Denmark disbursed after the agreed month and quarter. However, its general performance was considered very good in 2013 and 2014, since the overall disbursement reached 93% of the committed funds, the information to the database ODAMOZ was provided timely, the use of national systems was close to 100% of the funding provided.¹⁶⁸ Denmark performed well in terms of predictability and reduction of transaction costs.¹⁶⁹ This improvement was not the general trend among the PAPs. Despite being a strategic partner, Denmark was considered a mid-sized donor, with an average annual disbursement below US\$ 70 million, and a contribution to ODA of circa 3%.¹⁷⁰ This has implications on the impact that can be expected in poverty reduction.

GBS allowed for a continuous political dialogue between the GOM and the Heads of Mission of the PAPs. Denmark was vocal in governance issues and its support to the justice and anti-corruption areas reflected this stance. However, this activism was not always well-received by the GOM. Denmark's strong positions on the debt issues after 2014, which coincided with its withdrawal from the GBS and the PAPs, reduced its space to participate in the dialogue with the government and other partners.

Added value of the Danish approach

Denmark has played a pioneering role in many processes, willing to test new methods, bringing other donors along. Denmark has also delegated its support to other donors' initiatives and taking lead in others. Denmark's coordination with other donors and development partners to the GOM started in early sector specific coordination mechanisms, also before the establishment of SWA, both in the Nordic group and the extended likeminded group, but also together with the wider donor community, and continued in the coordination within SWA and GBS. Denmark has played a pioneering role in many processes, willing to test new methods, bringing other donors along. Denmark has also delegated its support to other donors' initiatives and taking lead in others. According to a former Mozambican minister, Denmark has a historical role in the harmonization of development aid. Denmark was among the partners that created the joint

¹⁶⁷ Ernst & Young, 2006, page 14.

¹⁶⁸ República de Moçambique, 2014; Ministério de Economia e Finanças, 2015, pages 41 and 42.

¹⁶⁹ See also Annex 1 for more detailed summary of the comments on Denmark's annually performance in relation to the different indicators and explains the differences between different years.

¹⁷⁰ Ministério de Economia e Finanças, 2015.

donor programme for the macro-financial support to Mozambique with other actors in 2000. Eventually this group became strong and had an important role in the GBS.

The joint perception among consulted governmental stakeholders of Denmark leans towards a more positive image than the PAF ranking system presents. Denmark's performance is mixed, in general ranked as an average donor in the in relation to other donor's performance. It is only towards the end of the period that Denmark is singled out as one of the top donors. In 2005 Denmark's predictability was particularly low due to the lack of bilateral agreement with GOM from spring of 2004 to December 2005¹⁷¹. In 2014 the last year of GBS, Denmark disbursed after the agreed month and quarter. However, its general performance was considered very good in 2013 and 2014, since the overall disbursement reached 93% of the committed funds, the information to the database ODAMOZ was provided timely, the use of national systems was close to 100% of the funding provided.¹⁷² Denmark performed well in terms of predictability and reduction of transaction costs.¹⁷³ This improvement was not the general trend among the PAPs. Despite being a strategic partner, Denmark was considered a mid-sized donor, with an average annual disbursement below US\$ 70 million, and a contribution to ODA of circa 3%.¹⁷⁴ This has implications on the impact that can be expected in poverty reduction.

Denmark was singled out as a strong promoter of PFM, both on its own and in collaboration with other key actors, as for example the long-term close collaboration with IMF on PFM. Although a mid-sized donor, Denmark played an important role in the process of aid effectiveness by being a supporter of PFM and a mobilizer of other donors in the use of the government systems, such as CUT, procurement and audit. According to one interviewee, Denmark was important in conveying the vision of the GOM, the use of national systems and to test them and make them more efficient. This was evident in 2015 and 2016, after the crisis of public debt and the withdrawal from GBS, when Denmark continued disbursing funds to PROSAÚDE and for PFM, via the CEDSIF, through CUT.¹⁷⁵ The Danish position was that the trust in the systems of management was not undermined. The debt problem was not due to the weakness of the financial management systems, but of the overall political system per se. The PFM system Denmark helped to set up, is according to all consulted key stakeholders, still reliable. The debt contracted illegally by-passed the system.

Danish stakeholders, but also other donors, informed on the increasingly more difficult dialogue with the GOM the last five years of the period evaluated and that it has been difficult at some time to get a coordinated position among the donor group. In this context, Danish informants raised the issue of commercial interests interfering with a frank and open dialogue, and where the different agendas have divided the group. The same interviewees claim that this has not been the case of Denmark. This statement was also confirmed by consulted representatives of the GOM, who said that this in general was a feature of the Nordic donors.

3.14 Civil society¹⁷⁶

The support to civil society actors have been channelled through various modalities:

¹⁷¹ Ernst & Young, 2006, page 14. In the Country Assessment 2006, the RDE states that Denmark has a "more cautious approach to providing GBS as compared with some other donors", Assessment of Country Programme 2006, Period covered: October 2005 – October 2006.

¹⁷² República de Moçambique, 2014; Ministério de Economia e Finanças, 2015, pages 41 and 42.

¹⁷³ See also Annex 1 for more detailed summary of the comments on Denmark's annually performance in relation to the different indicators and explains the differences between different years.

¹⁷⁴ Ministério de Economia e Finanças, 2015.

¹⁷⁵ Ministério das Finanças, 2009, page 13; Ministério da Economia e Finanças, 2016b, page 18, República de Moçambique, 2017.

¹⁷⁶ The section does not include Main Results since the scope of the evaluation did not allow to follow-up on the work of civil society. The Portfolio Analysis Report includes some details on the results reported by the Danish CSOs.

- Sector programmes, that include a special civil society component and make use of different funding mechanisms with project funding and small grants, as for example in the environment sector or in the health programme;
- MFA Framework Agreement with Danish CSOs with support to their Mozambican or regional Southern Africa programmes, where interventions in Mozambique are included;
- 12 direct project funding agreements with 8 international CSOs, all Danish, that in most cases include partnerships with Mozambican CSOs;
- Project funding to national CSOs under the Local Grant mechanism managed directly by the RDE (also in coordination with other donors, as in the case of the AGIR programme).

Civil society support during the evaluated period includes thematic projects in the areas of HIV/AIDS, health, education, environment and climate change, energy and local development, labour rights, gender equality and women's empowerment, and good governance. The support has mainly been channelled through the direct support to Danish CSOs, through the framework agreements with Danida, and via existing civil society mechanisms in Mozambique, set up by other donors and multilaterals. There have been a few direct supports to Mozambican CSOs, but with the reduced number of staff at the RDE, these partnerships became less and less common and the RDE made use of intermediary support mechanisms.

The support to the Danish CSOs stems back to the time before the independence. Former development workers from e.g. Ibis and Mellemfolkeligt Samvirke (MS), played a crucial role as advisors in the bilateral cooperation at the beginning of the evaluated period. The links between the Danish CSOs, the RDE and the MFA have remained throughout the years through the human resource base where the same persons have occupied different functions in these institutions.

The support to CSOs was for long time instrumental in the fight against poverty and complementary to the support to the GOM. Danish CSOs provided services both to communities and to governmental institutions, playing primarily the role of gap filler to respond to the huge needs of the country transitioning from conflict to a more stable situation and to the lack of skilled national staff in many key areas for the development. In the absence of local civil society that international organisations could partner with, the Danish CSOs were implementing partners to MFA.

With some exceptions, it is only during the last decade that both Danish CSOs and the RDE have entered in partnerships with Mozambican CSO as the implementers of the initiatives and with a focus on civil society as a representative of the rights-holders, demanding specific rights and monitoring the performance of the state, and not merely as service providers. This shift was particularly noticeable from 2011 and onwards, when the RDE took a more proactive approach both to the national civil society and international CSOs in Mozambique, with focus on accountability and transparency issues and stand against the shrinking space for civil society. This is also parallel to the development of the Danish positions on HRBA that resulted in the 'The right to a better life' strategy in 2012. Denmark has however not initiated any special civil society mechanisms as part of the governance work, but opted to join other initiatives, e.g. the advocacy oriented AGIR where RDE supported Ibis on their work on access to information and support to media and research actors, and to We Effect and their partner organisations and their work on environment and climate change issues.

In earlier periods, some complementary project funding was granted to national and international (mainly Danish) CSOs under a Local Grant Mechanism managed directly by the RDE. As far as the ET can assess these projects concentrated on service delivery, awareness raising initiatives on

for example HIV/AIDS, capacity development in specific technical areas (reaching out to other CSOs but also communities and duty-bearers), and institutional building of partnering CSOs.

The stronger focus on the roles of civil society as watch dog, in raising awareness among rights-holders about their rights, and among formal and traditional duty-bearers on their responsibilities, is reflected in last phase of some of the sector programmes, as illustrated in the sections above. This was for example the case of the fifth phase of the Health programme and the second phase Environment and Climate Change programme, which included a civil society component to enable advocacy work on specific rights and the monitoring of the policy implementation and performance of duty-bearers. Denmark had also earlier identified the key role of CSO in the justice sector. This is in line with both the Partnership Policy 2012-2015, the current civil society policy¹⁷⁷ and 'Right to a better life' (2014), that outlines the need for support to both rights-holders and duty-bearers, as well as the earlier Civil society strategy from 2008-2011. This is also part of the most recent Danish development cooperation strategy from 2017.

Denmark has also supported media and research centres to promote the production of knowledge, social and economic analysis and evidence-based data. This support has been important to national and local CSO in their increased focus on monitoring the performance of the GOM and in their claims on accountability and transparency. It has contributed to provide development actors in the country with qualitative social and economic studies, based on both public and social audit/monitoring evidence.

MFA framework agreements with civil society

The framework agreements contain specific Mozambique programmes or thematic programmes as part of regional Southern Africa programmes, where interventions in Mozambique are included. This arrangement is here illustrated by three of the framework organisations, namely CARE, MS/Action Aid, and OxfamIBIS. Other Danish CSOs with operations in Mozambique through the framework agreement with MFA are: Sustainable Energy, WWF and the LO/FTF Council.

OxfamIBIS¹⁷⁸, the first Danish CSO to establish work in Mozambique, has had a strong focus on education and an increasingly bigger focus on governance issues, including access to information and transparency (area where Ibis has received Danish support through the AGIR programme). OxfamIBIS confirms the intensified coordination with the RDE after 2011 and the more open support to civil society and Danish engagement in critical discussion on the shrinking space for civil society. Denmark's role in championing the SISTAFE was also seen as a key to create conditions for greater transparency, including the possibility to do budget tracking and monitor the implementation of political decisions.

The other long-term Danish CSO, MS, also one of the first Danish organisations operating in the country, had earlier focus on health sector building and local government in the primarily implemented by MS development workers. Just as many other international CSO, MS progressively handed over the role of implementation to local CSO partners, providing them in turn with technical and financial support. When merged with Action Aid, MS has focused on advocating for accountability of the governmental institutions on the service delivery concentrating primarily on health, education and water from a rights-based and gender sensitive approach. MS has for instance worked on maternal health in Gaza, and sees its work as

¹⁷⁷ <http://amg.um.dk/en/policies-and-strategies/policy-for-support-to-danish-civil-society>

¹⁷⁸ IBIS developed from WUS-Denmark, and has under the main part of the evaluated period operated under the name IBIS. The organisations merged with Oxfam International in March 2016.

complementary with the governmental health sector programmes, where the CSO fills another role in raising awareness.

Since 2011, MS has put a lot of effort into anti-corruption work focusing on the health sector, supporting the civil society coalition on the anticorruption and tax justice. MS raise this work as one of the examples where the coordination with the RDE has been good and that real synergies happened, with civil society pushing the GOM on their side, and donors like Denmark raised the same issues in the dialogue with the GOM.

Care Denmark also works from a human rights-based approach with focus in Mozambique on land rights and natural resources¹⁷⁹ (focus on Northern provinces), but also on nutrition. Care informs that there has been a lot of support from the RDE over the years but the intensity in the relations has been relative depending on the work load of the embassy. Care has experienced that the reduced number of staff has greatly limited the possibility to engage in thematic dialogue. The RDE has seen Care's work as complementary and Care has benefitted from the different decentralised facilities (local grants and MFA facility mechanism on governance). Care also perceives that the Danish support to civil society in Mozambique has been good with the approach to include civil society components in several sector programmes.

Added value of the Danish approach

Although the support to the Danish CSO has been part of the portfolio since the start of the cooperation with Mozambique and has covered many different sectors, Denmark did not have a clear position on how to engage with civil society in Mozambique. In the 1990s Danish support to civil society was channelled through intermediaries and apart from some few exceptions, was not part of the country programme. The support to the Justice sector, as support to HIV/AIDS organisations within the Health sector programmes were some of the early examples of a changed approach in the beginning of the 2000s.¹⁸⁰

Given the development of a better organised Mozambican civil society, towards the end of the period evaluated the Danish support, through Danish framework CSO, civil society mechanisms or through direct partnerships with national CSO, has shifted towards a perspective of the civil society as an important development actor, both in providing services but more importantly representing and voicing the demands of the rights-holders and holding duty-bearers accountable. This has entailed an emphasis of building a strong national and local civil society representing the interest of their members and constituencies. This is also aligned with a Human Rights-Based Approach (HRBA) where the civil society plays a crucial role in pushing the government to honour its human rights commitments.

It is fair to say that many of the CSO contributions direct or indirect are in synergy with the SPS in the sense that they include advocacy of specific rights and monitoring by the rights-holders of the policy implementation and performance of duty-bearers. This is in line with both the Partnership Policy 2012-2015 and the policy 'Right to a better life' (2014), Denmark's development cooperation strategy up to 2017 that outlines the need for support to both rights-holders and duty-bearers.

The shift in focus of the role of the civil society was parallel to the demands from social groups of transparency in the management of the oil and gas resources, related to the procurement

¹⁷⁹ Partnership and Alliance in Civil Society for Right to Land and Nature's Resources (PACT) programme with focus on ensuring the rights of poor smallholder farmers vis-à-vis major investment projects and land grabbing.

¹⁸⁰ In the country assessments 2005-2007, the RDE only mentions support to CSOs in the justice sector. It is only from 2008 and onwards that the role and status of the Mozambican civil society is mentioned in the country assessments.

process, taxation as well as the management of the revenues from the mining and extractive sector. The RDE opted for example to support CSOs working on public finance management and transparency in the public sector, as in the case of the Center for Public Integrity, CIP. Denmark also took the lead, in coordination with the Nordic donors and key CSOs to organise the first Nordic-Mozambican conference on “Inclusive growth. Opportunities for Mozambique: Sharing Nordic Experiences” in 2012, where the Nordic embassies together with the GOM hosted this forum for critical multi-stakeholder dialogue on inclusive growth¹⁸¹ In addition to the presence of civil society; government, private sector, and academia, participated. In short, Denmark became a visible and vocal promoter of accountability and transparency issues, inviting the civil society to take an active part in a critical dialogue. Interviews with CSOs confirmed that this meant a great difference from earlier relationship and that the RDE became an interactive partner to the CSOs working on accountability issues.

Key informants stated however, that Denmark was not sufficiently proactive in promoting the accountability work of the civil society or sufficiently analysed the dynamics within the Mozambican civil society, including the analysis of the enabling environment. Denmark did not take the front seat, but opted to support mechanisms initiated by other actors, and then only some components, as in the case of AGIR for example. The funding has been characterised by a hands-off approach, but with a readiness to support management and other capacity development. The principle has been to support full plans or strategies and align to the partners. Having said this, it should be noted that Denmark was described as an important dialogue partner since 2011 and onwards, and was supportive in providing opportunities and space for the civil society to engage with the GOM and other actors. Civil society stakeholders stressed however that the strong alignment with the Aid Effectiveness agenda and the multiple support to the GOM policies to certain extent was difficult to combine with a strong support to CSO claiming accountability and the right to be part of the development agenda.

Denmark’s and other donors aligned to a government agenda that was exclusive in its approach, leaving little room for civil society or opposition engagement in the development strategies. This further strengthened a party elite that did not see the need to include rights-holders and their organisations in a political dialogue. This was what the global civil society feared would be the result of the 2005 Paris Declaration, that is, that the aid harmonisation in less democratic and autocratic countries could further marginalise civil society in development processes, and that the bilateral donors would be supporting poverty strategies developed in a non-participatory manner by governments that had little or no interest in including the civil society and the people living in poverty.¹⁸²

¹⁸¹ Elements for inclusive Growth Elements for an Inclusive Growth Process in Mozambique, Key Messages from the Nordic-Mozambican Conference/2012, Produced by The Nordic Embassies in Mozambique, March 2013; A second conference on Inclusive Growth, also organised by the Nordic donors, was held in October 2015 with the aim he aim of the conference is to discuss and share experiences on a variety of key issues within the broader context of inclusive growth, with a view to identifying which policies and measures are needed to increase the chances of a sustainable development process for Mozambique in the long run and in an inclusive manner, given Mozambique’s progress in the development of the oil and gas sector.

¹⁸² For reference on the civil society debate on the Aid Effectiveness Agenda, see <http://www.betteraid.org/>, <https://concordeurope.org/>

Annex 1 – Annual disbursement per sector

Figure 1. TOTAL DISBURSEMENT 2006: DKK 293,999,086

Other includes Agriculture and Water

Private sector includes B2B

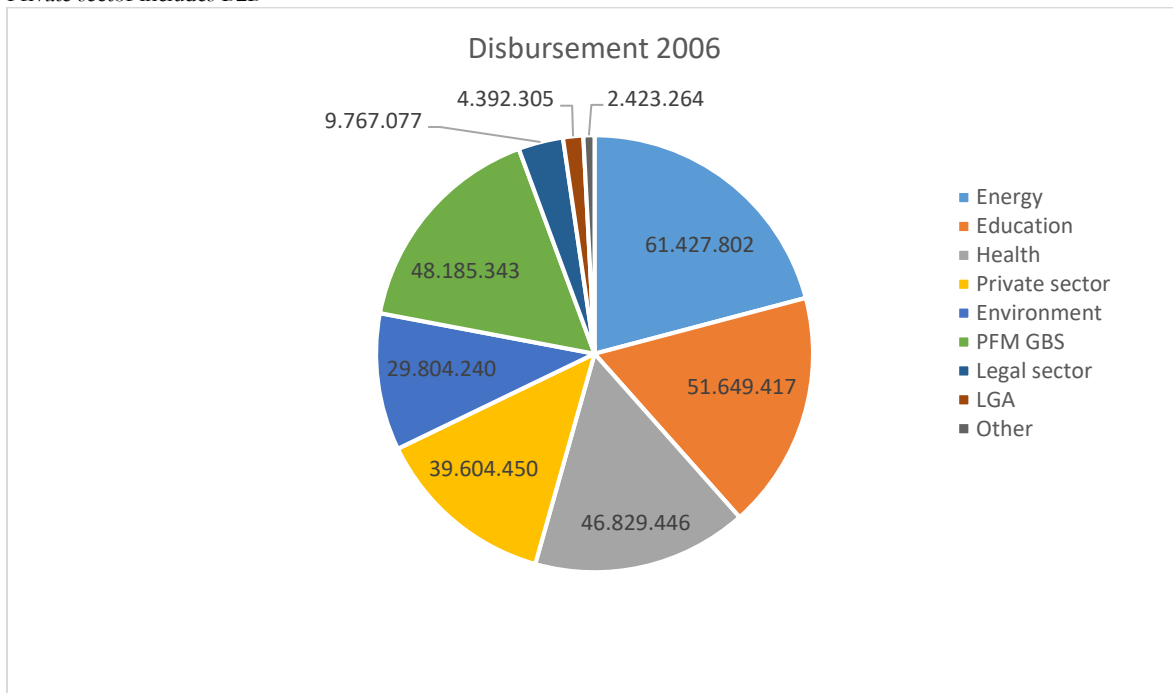


Figure 2. TOTAL DISBURSEMENT 2007: DKK 372 059 229

Other include Water and Reconstruction infrastructure

Private sector includes B2B

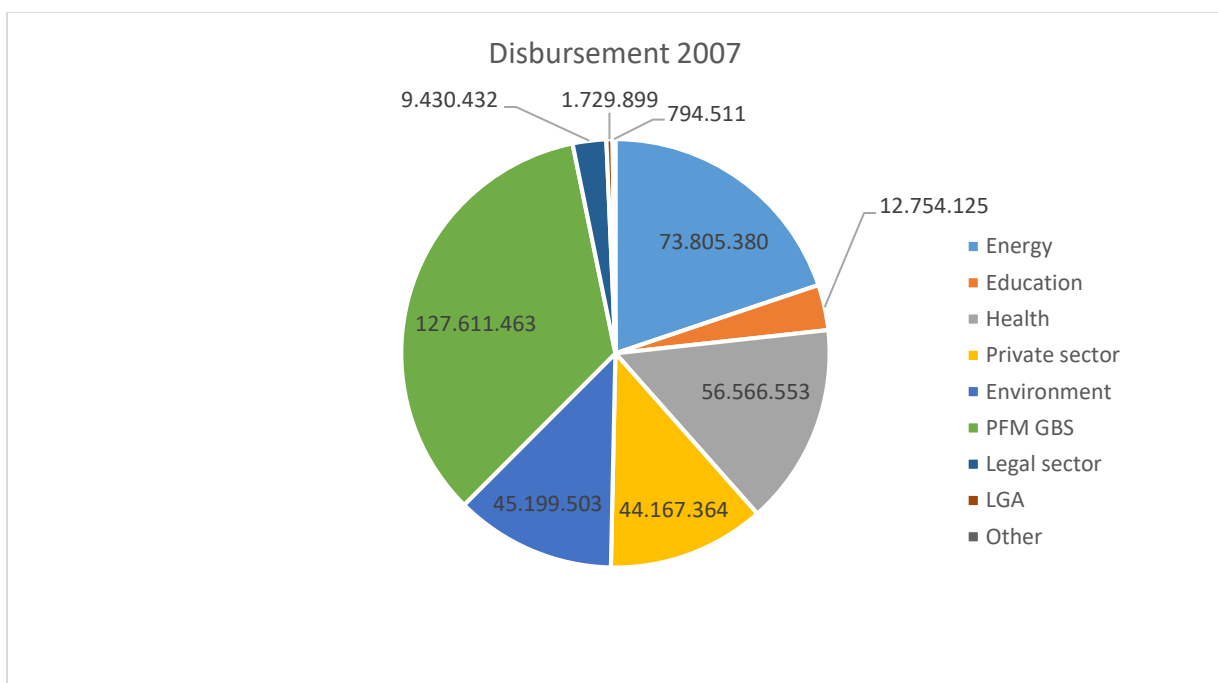


Figure 3. TOTAL DISBURSEMENT 2008: DKK 348 026 890
 Other include Reconstruction infrastructure, deficit not registered in the diagram -117 581
 Private sector includes B2B

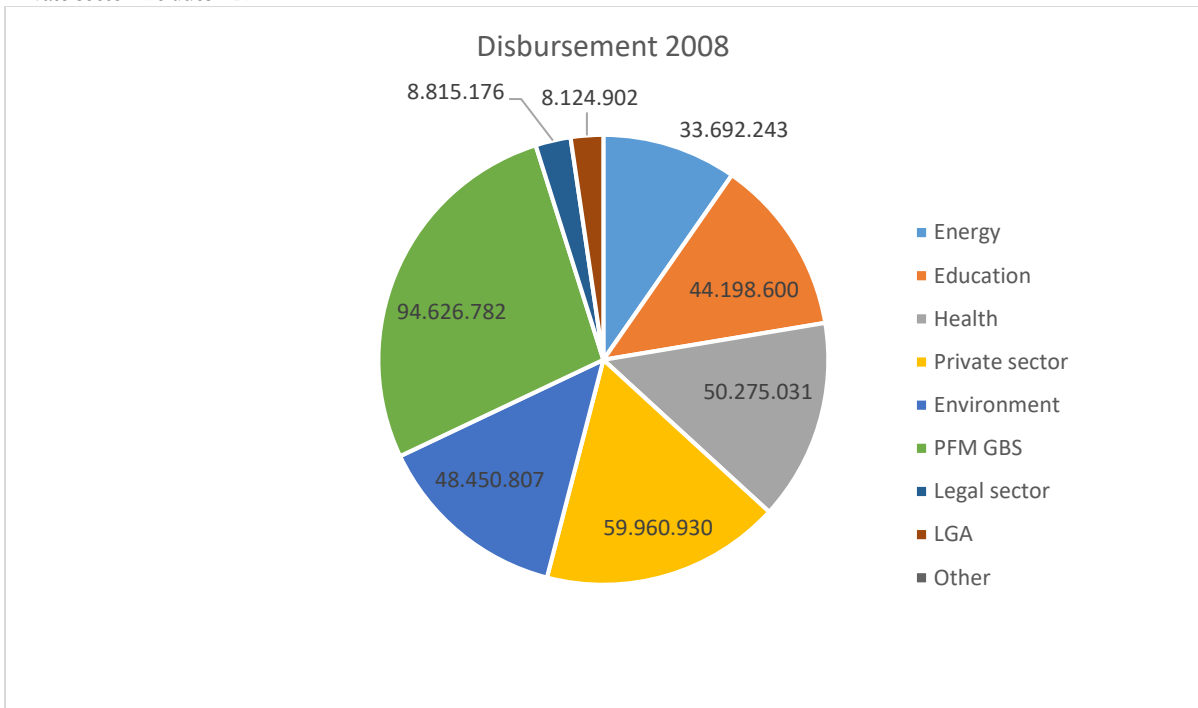


Figure 4. TOTAL DISBURSEMENT 2009: DKK 422,790,192
 Other includes Mine clearance DKK -4 071 740 not included in the diagram
 Private sector includes B2B

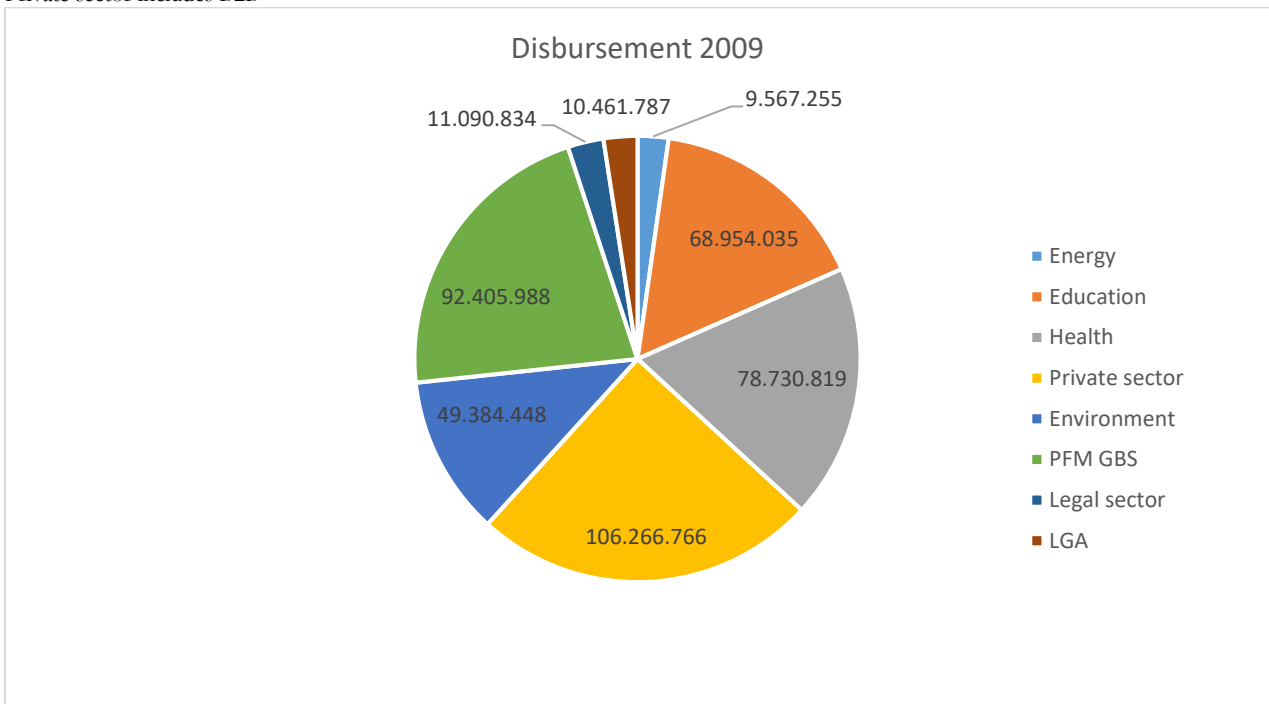


Figure 5. TOTAL DISBURSEMENT 2010: DKK 423,115,555
Private sector includes B2B

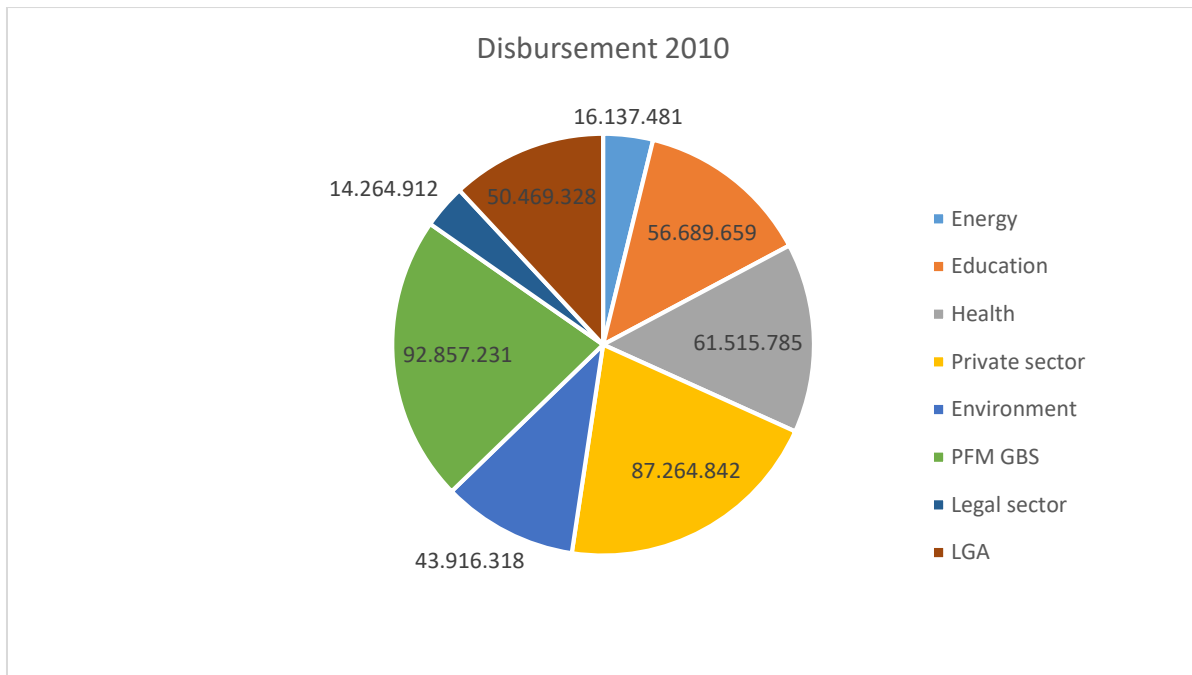


Figure 6. TOTAL DISBURSEMENT 2011: DKK 407,580,260
Private sector includes B2B

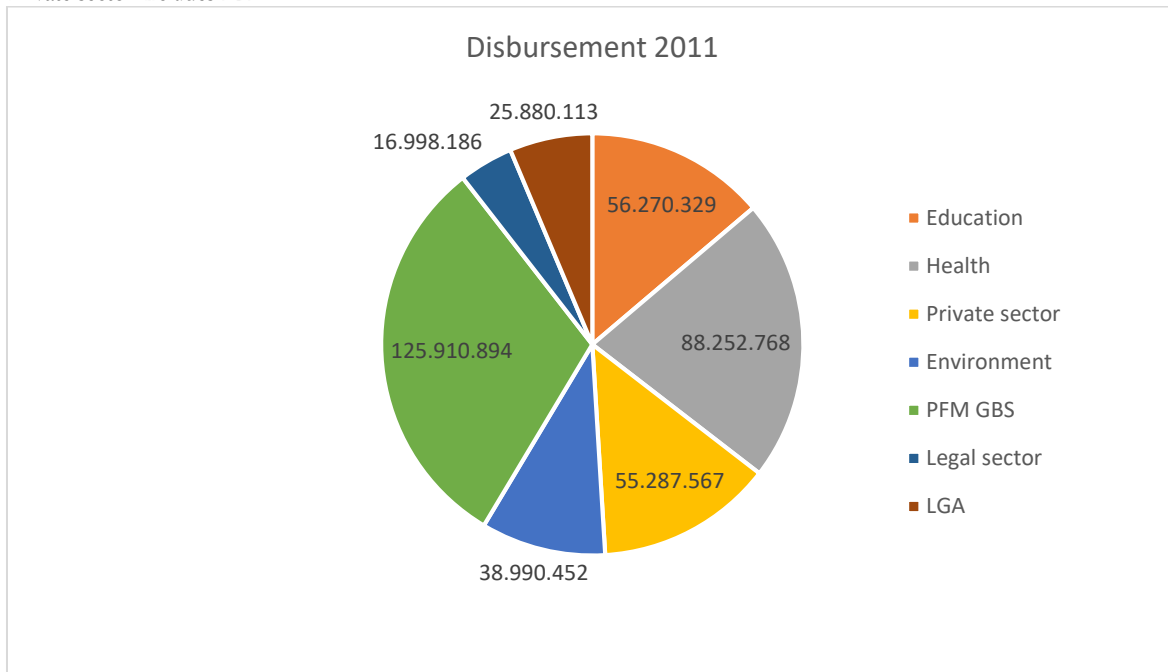


Figure 7. TOTAL DISBURSEMENT 2012: DKK 410,256,324
Private sector includes B2B

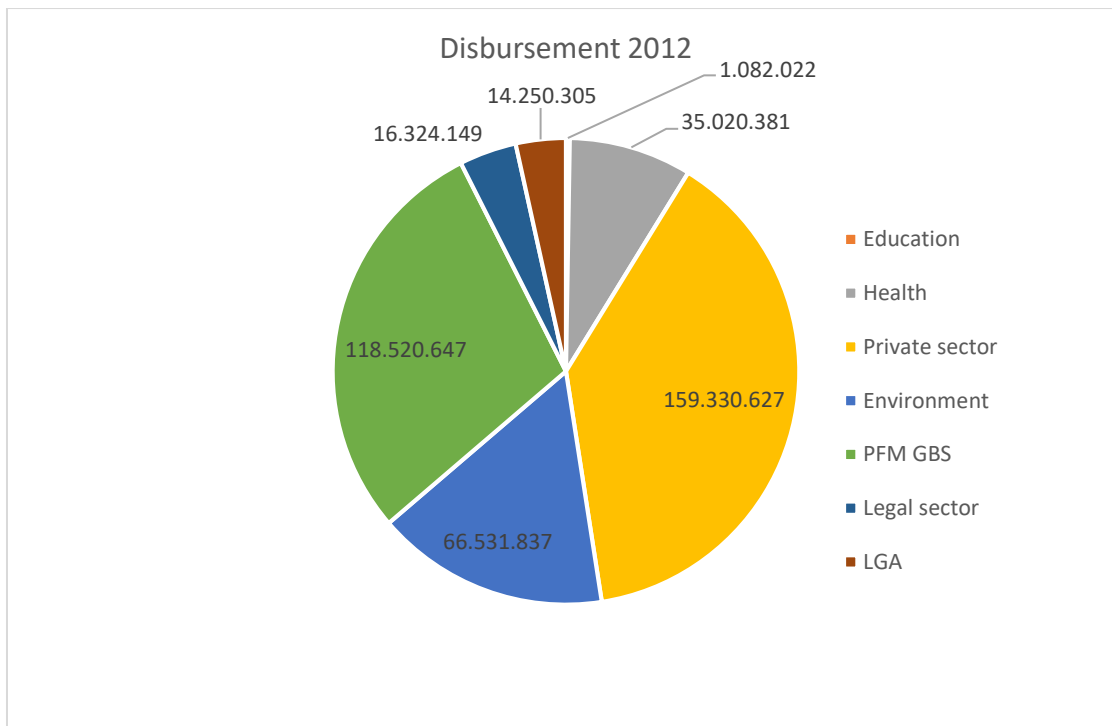
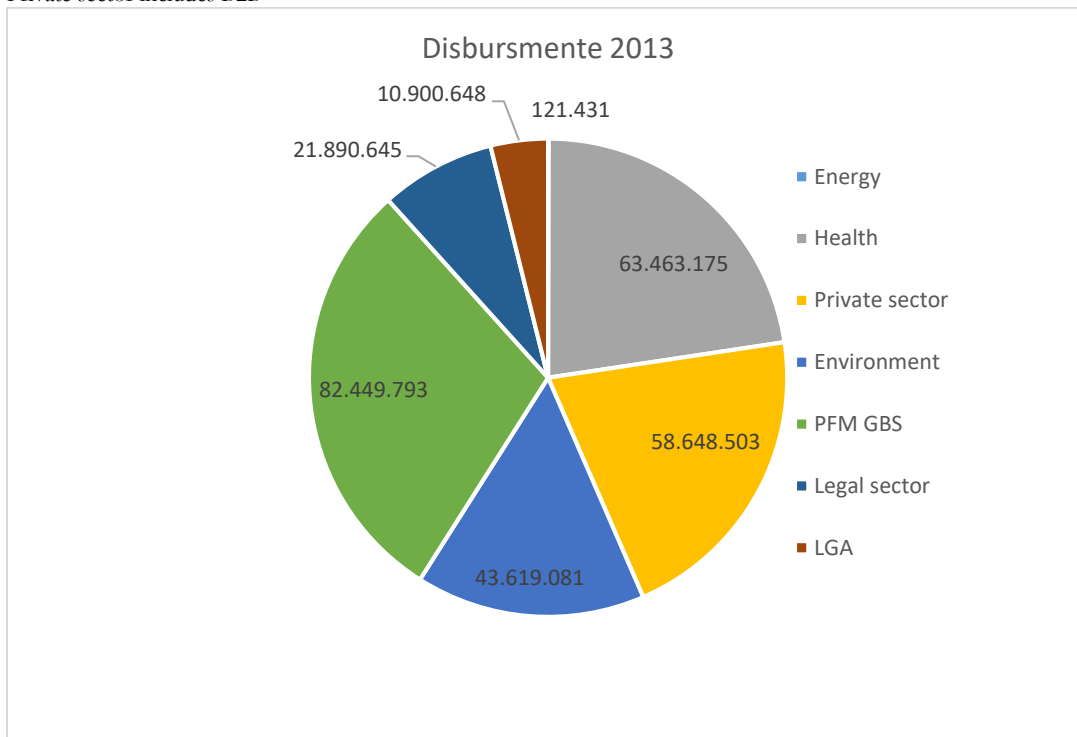


Figure 8. TOTAL DISBURSEMENT 2013: DKK 281,093,275
Private sector includes B2B



T Figure 9. OTAL DISBURSEMENT 2014: DKK 236,967,485
Private sector includes B2B

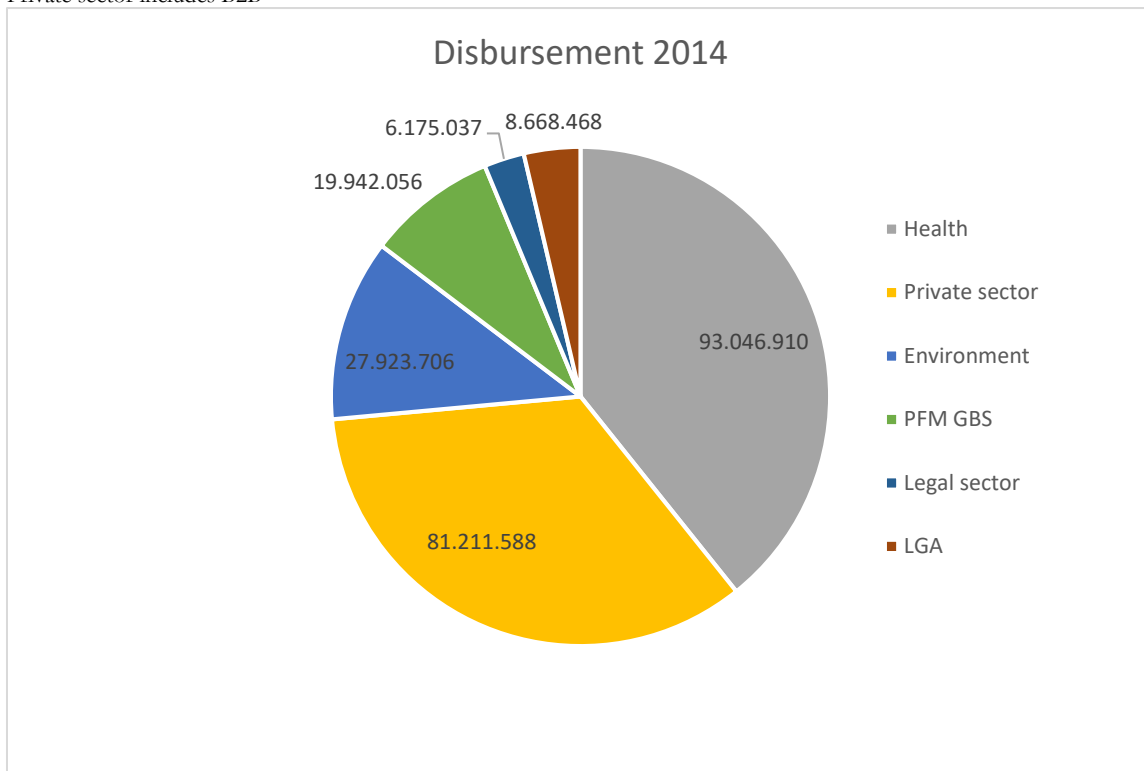
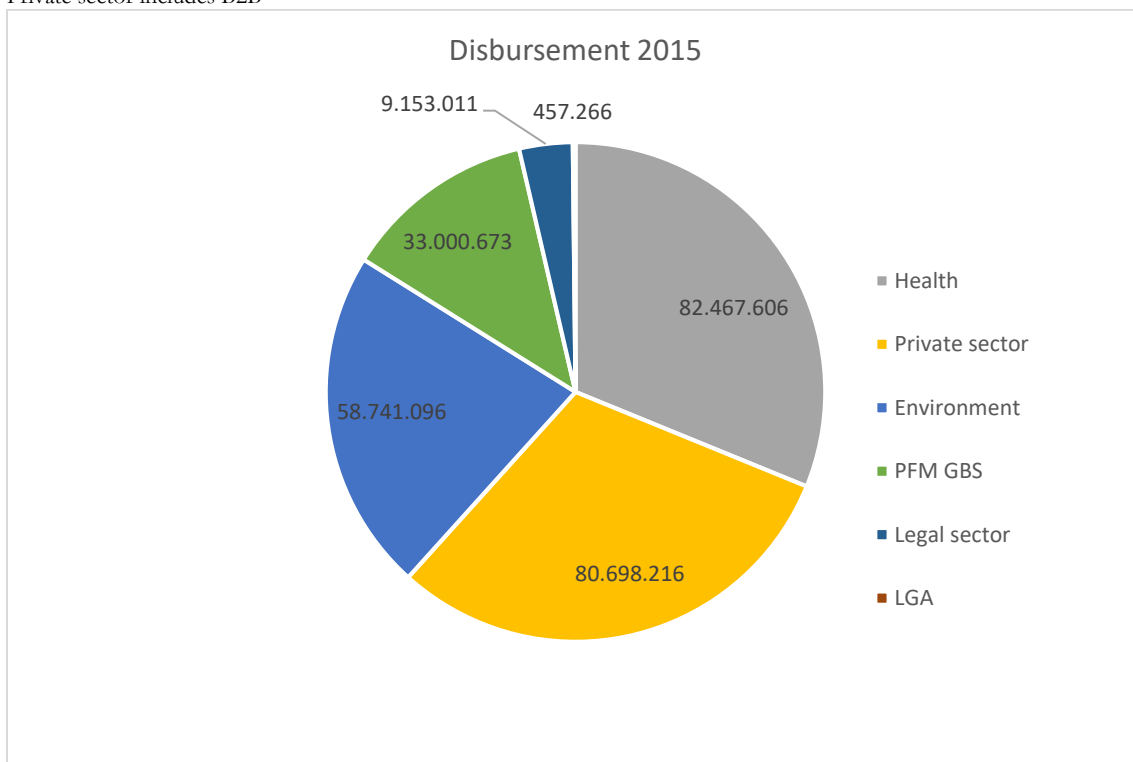
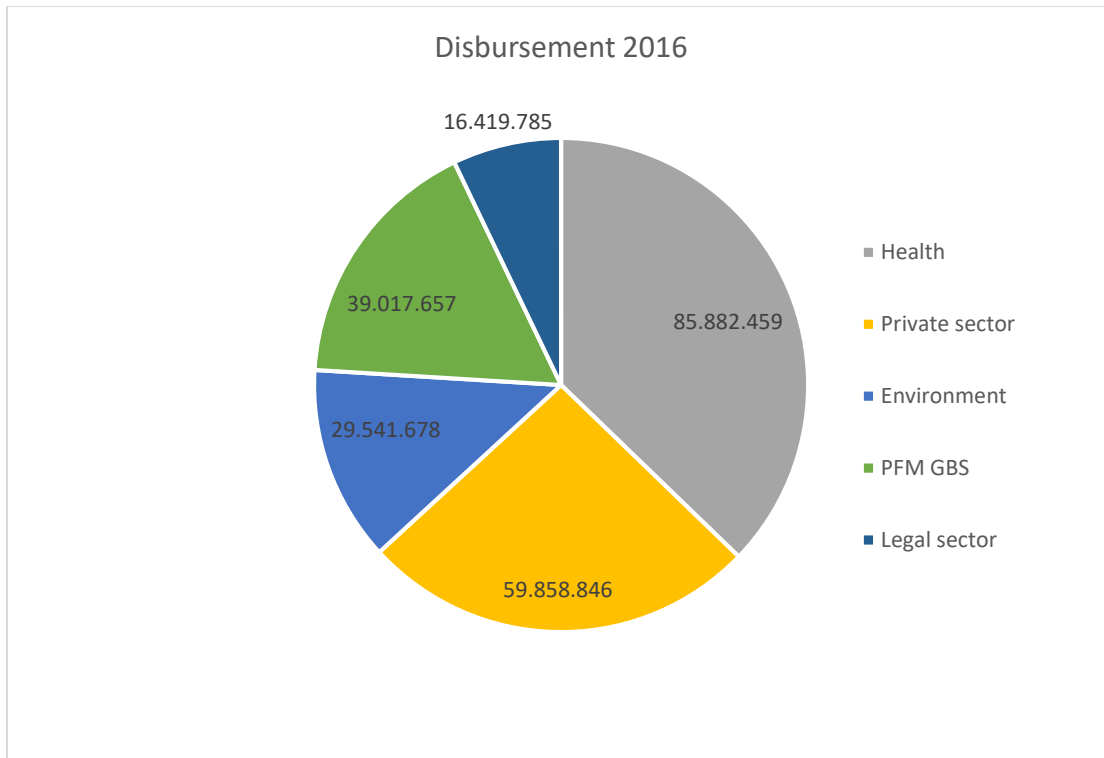


Figure 10. TOTAL DISBURSEMENT 2015: DKK 264,517,866
Private sector includes B2B



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figure 11. TOTAL DISBURSEMENT 2016: DKK 230 163 419
LGA -557 006 not registered in the diagram
Private sector includes B2B



Annex 2 – GBS and donor performance

Table 1: Evolution of Budget Cycle and Donor Practice Selected PEFA Indicators

Indicator Description	Score 2006	Score 2010	Score 2015
BUDGET CYCLE			
C (i) Policy Based Budgeting			
PI-11 Orderliness and participation in the annual budget Process	B+	B+	B+
PI-12 Multi-year perspective in fiscal planning, expenditure policy, and budgeting	C+	C+	C+
C (ii) Predictability and Control in Budget Execution			
PI-13 Transparency of taxpayer obligations and liabilities	B+	A	A
PI-14 Effectiveness of measures for taxpayer registration and tax assessment	B	A	B
PI-15 Effectiveness in collection of tax payments	D+	C+	D+
PI-16 Predictability in the availability of funds for commitment of expenditures	C+	C+	C+
PI-17 Recording and management of cash balances, debt, and guarantees	A	A	A
PI-18 Effectiveness of payroll controls	B	B	B
PI-19 Competition, value for money, and controls in procurement	B	B	D+
PI-20 Effectiveness of internal controls for non-salary expenditure	B	B+	C+
PI-21 Effectiveness of internal audit	B	C+	B+
C (iii) Accounting, Recording, and Reporting			
PI-22 Timeliness and regularity of accounts reconciliation	B	B	B
PI-23 Availability of information on resources received by service delivery units	D	D	D
PI-24 Quality and timeliness of in-year budget reports	C+	C+	B
PI-25 Quality and timeliness of annual financial statements	C+	C+	B+
C (iv) External Scrutiny and Audit			
PI-26 Scope, nature, and follow up of external audit	D+	C+	C+
PI-27 Legislative scrutiny of the annual budget law	B+	C+	C+
PI-28 Legislative scrutiny of external audit reports	C+	C+	C+
DONOR PRACTICES			
D-1 Predictability of direct budget support	A	A	B+
D-2 Financial information provided by donors for budgeting and reporting on project and programme aid	D+	D+	D+
D-3 Proportion of aid that is managed by use of national Procedures	D	C	D

Significant Progress
 Stagnation or weak progress
 Regression/stagnation at a low point

Source: Mozambique PEFA reports 2008 and 2015.

The table above shows the main areas of progress in PFM reforms in the last ten years, according to the PEFA methodology. The scoring ranges from A for the maximum to D for minimum. The score shows that control of budget execution and internal systems of management and information that are linked to SISTAFE have generally improved, apart from procurement and a slight deterioration of internal control for non-salary expenditures. Accounting, recording and reporting (indicators PI-22, 24, 25) also improved or remained at an acceptable level, apart from the information received from the service units (PI-23). Legislative scrutiny of the budget law was better in 2006 and stagnated in the last 6 years (indicator PI-27). Regarding donors, predictability of GBS deteriorated slightly, although is still at a good level. The use of national systems by donors and availability of information for budgeting and reporting remained at a very low level or deteriorated (D-2 and 2). This might be the direct consequence of the crisis in the Programme Aid Partnership. This is not only the reflection of the debt crisis, it might also be the deterioration of the relationship between donors and the government in the second mandate of President Guebuza, and overall crisis of GBS in the world.

Table 2: Summary of Denmark's PAP score 2004-2016

Year	Score Denmark	Comments on Denmark
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2004	9/16 Upper middle performer, 3 rd place shared with 3 other donors out of total 16	Only Denmark and France delegation of decisions related to disbursements and conditionality for BS/BOPs. Denmark negotiating a new bilateral agreement 14T16 donors had multi-year arrangements, Denmark was not one of them.
2005	No data	No bilateral agreement until December 2005
2006	20/36 56%. 12 th place/18	The performance is based on Denmark's decision to not disburse ¾ of its budgeted GBS in response to the audit showing mismanagement in another programme not related to the GBS. The PAF raises two questions, if the decision was correct, and if the process was in accordance with the MoU. The independent consultant concluded that Denmark did not apply the principles of GBS correctly since the matter concerned a support not part of the GBS, and, it should not have penalised the GBS, only the concerned programme. Denmark did not follow the stipulated rules which is reflected in the rating. Without this case, Denmark would have score much higher according the consultant. ¹⁸³
2007	24/36 67%. 11 th place/18	Denmark's only weak point is related to the composition of portfolio, as Denmark failed to meet the first two targets, for GBS and programme-based aid share of total ODA to the GOM. However, Denmark's programme aid share of ODA to GOM is over and above the Paris indicator, although it does not meet the PAF indicator. A
2008	30/38 79% 11 th place/18	This improvement is a result of the reduction of PIUs and of the achievement of the joint mission's target. The remaining structure of its scoring has not changed significantly. Its main weakness is still its portfolio composition where none of the indicators targets is met.
2009	23/36 64%. 16 th place/19	Denmark experienced a fairly sharp drop in individual performance. The areas concerned were the use of national systems, the use of parallel project implementation units and coordination of missions. Denmark continues to get 0 points from indicators related to the programmatic composition of aid. On the positive side, it should be noted that Denmark has increased by more than ¼ the amount of its aid to the country.
2010	20/36 55%. 17 th place/19 (21)	Due to the weak performance in indicator 4, i.e. in the committed ODA.
2011	32/36 89% 13 th /19(21)	The composition of the portfolio improved, coherence with the committed GBS, improved use of national systems; Predictability: Denmark performed well in all indicators; Alignment and harmonisation: 100% us of the national systems. However, still 2 Project Implementation unities. Denmark also reduced its aid with 28 million USD, which meant that the donor went from large to medium donor.
2012	29/36 60% 6 th /19 (21)	Lower volume disbursed than predicted to FCPROSAUDE, Agriculture and FASE (Education). The percentage to the GBS increased from 27% in 2011 to 29% in 2012. The proportion of programme aid to the public expenditure decreased from 87% in 2011 to 63%. The predictability was less strong this year due to the non-disbursed funds to GBS and delays. Good notes on transparency (correct register of the support in ODAMOZ). Alignment and harmonisation; good performance, one of the few donors focusing on three sectors. In relation to the national systems Denmark reached all the targets for the indicators. The main challenges were the predictability of the disbursement of funds and the composition of the portfolio. Denmark increased its ODA with 27% in relation to 2011, regaining the category large donor again.
2013	32/44 73% 3 rd /19 (21)	Denmark leaped from average to very good performance. Increased proportion of the programmatic aid, exceptional performance in all indicators related to predictability in relation to GBs and Joint funds.
2014	34/ 77% 5 th /16 (21)	Despite that Denmark did not disburse the committed 11 million USD to the GBS, it maintained the position as very good performance due to big support to other programmes. This meant that the programmatic aid increased from 69% in 2013 to 93% in 2014. The composition of the portfolio also meant that there was an improvement in the indicators, but also linked to the use of national systems. This means that out of the 23 indicators Denmark showed a good performance in 18 indicators.
2015	Denmark no longer part of the G14	

¹⁸³ Revisão do Desempenho dos Parceiros de Apoio Programático a Moçambique, 2006, Carlos Nuno Castel-Branco. Relatório Final, 28-02-2007

Annex 3 – Sector programme components

Table 1 The Programme support to the Energy Sector (ESPS) 2002 to 2006 (2011)

Components	Objectives:
Component 1: National Energy Institutions <i>National</i>	National energy sector institutions' functions and capacities are harmonised so that resource allocations and strategic interventions for energy supply and management are optimally utilised and work effectively, in accordance with national development and energy policies and taking into account the availability of natural resources.
Component 2: National Electricity Operator (EdM) <i>Maputo</i>	EdM has the capacity required to expand, operate and maintain the national grid and distributions systems by using appropriate technologies compatible with consumers' affordability and willingness to pay; coverage and quality of electricity supply in Maputo City and selected urban centres; and EdM has the capacity to provide support services to small electricity system operators
Component 3: Decentralises Energy Systems <i>Various provinces</i>	Decentralised energy management concepts are in place and have been tested via support to concrete projects in varying contexts with a view to optimising energy uses in ways which promote economic and social development and mitigate negative environmental impacts; the experience gained is disseminated to other provinces through the national agencies (DNE, DNFFB and FUNAE) to assist them attaining more efficient energy uses; and a national network of energy consultants exists that provide services to end-users nation-wide.

Table 2. The Agriculture Sector Programme Support (ASPS I)

The first phase went from 1999 to 2004	
Components	Objectives:
Comp 1: PROAGRI	Support to PROAGRI at the national level, and in the provinces of Tete, Manica and Cabo Delgado.
Comp 2: Rural roads	Support to the rehabilitation of rural roads in the provinces of Tete and Manica
Comp 3: Private Sector (ADIPISA)	Support to the agriculture private sector in the provinces of Tete, Manica and Cabo Delgado.
The second phase ASPS II, ran from 2005 to 2010, with the same overall objective, comprising the following components.	
Components	Objectives:
Comp 1: Support to PROAGRI II	<i>Improved and transparent management of core functions and delivery of public services to the smallholder sector</i> , through Danida (with other donors) support of the core functions of the Ministry of Agriculture (MINAG), provision of technical assistance as well as separate support for a Master's Programme.
Comp 2: Rural Roads	<i>Institutional and investment support for tertiary and district roads in areas with agricultural potential for: Sustainable increased road access for smallholders to agricultural inputs, markets and services.</i>
Comp 3: Private sector Development (ADIPISA)	<i>Sustainable and increased smallholders' income from marketing agricultural production</i> , through the provision of strategic and structured support in the target provinces both based on value chain analysis of major products as well as area-based support directly to smallholders. The support includes capacity building as well as financial support and provision of financial services.

Table 3. The Private Sector Development Programme 2012-2016

Components	Objectives:
Comp 1: advocacy and business research through a dedicated fund managing and implementing entity (FAN)	Business environment in Mozambique more conducive to socially balanced private sector growth
Comp 2: agri-business development (also known as AGRO-INVESTE)	Smallholders' income from business has been considerably increased through improved and market related agricultural production

Comp 3: Rural roads	Sustainable increased access to important productive areas through improvement and maintenance of district roads carried out by the District Governments using labour intensive technologies and b) creation of employment and business opportunities at district level by developing and training micro (artisans) and small scale (Class 1, 2 and 3) contractors to implement road works”.
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Table 4. Danish Programme support to the education sector strategic plan (DSESSP) (2002-2011)

Components	Objectives:
Comp 1: Planning and management	to improve the capacity and operational environment of planning and management
Comp 2: Basic Education	to improve access, quality and equity in relation to the basic level of education in formal and non-formal basic education, skills education and adult literacy
Comp 3: Post-basic education	to improve quality and equity in relation to formal secondary education; to improve quality and equity in relation to post-basic technical and vocational education and training
Comp 4: Teacher education and professional development	to expand access to all levels of teacher education; to improve the quality of teacher education; to strengthen capacity to plan, manage, monitor, evaluate, and develop basic and secondary teacher education
Comp 5: Infrastructure	to build sustainable capacity for the development of educational infrastructure; to increase and improve infrastructure in support of planning and management, and basic, post-basic, and teacher education
Comp 6: HIV/AIDS education and public awareness	to combat the spread of HIV/AIDS through public awareness raising and throughout the educational system

Table 5. The Mozambique Environment Programme Support (EPS).

The first from 2006 to 2010 consisted of	
Components	Objectives:
Comp 1: Institutional strengthening of MICOA	The efficiency and effectiveness of public environmental management related to promotion of environmentally sustainable development is improved across sectors and at central and local level
Comp 2: Urban environment management – Environmental Management Strategy for the Greater Maputo Area (GMA)	‘Economic development of the Greater Maputo Area takes place in an environmentally sustainable manner resulting in improved living conditions for the poor’.
Comp 3: Coastal and natural resource management at provincial and district level – Natural Resource Management	Balanced development and conservation efforts in and around conservation areas benefiting local communities, environment and wider economic growth.
Comp 4: Urban environment management: Environmental Management in 7 Municipalities	<i>Improved present and future health and living conditions of poor men and women in the urban and peri-urban areas in Mozambique by sustainable reduction of threats resulting from human induced damage to the physical environment. After joining forces with other donors – Austria and Switzerland the number of municipalities increased to 13 and the resulting component was turned into a programme named P13 – the component objective was changed to: To strengthen sustainable and equilibrated development of the Municipalities for an increased coverage and quality of services provisions (=Contributing to poverty reduction and improvement of the living conditions of the poorest women and men).</i>
Comp 5: Coastal and natural resource management at provincial and district level – Coastal Development Component	Improved coastal resource management and development has resulted in improved environmental, economic and social conditions for local communities.

The second phase from 20 to 20 consisted of	
Components	Objectives:
Comp 1 Institutional strengthening and climate change	Environment aspects are promoted and integrated in the processes for formulation of policies, programmes plan and projects for developments securing a rational and harmonious use of the natural resources
Comp 2: Municipal development	Strengthened environmental management in the urban areas of Mozambique reducing vulnerability to climate change
Comp 3: Support to Civil Society	Strong public awareness of good governance and demand for high-quality services in the areas of environment and climate change

Table 6. HIV/AIDS and Health Sector Programme Support phase IV (2007-2011)

Components	Objectives:
Comp 1: HIV/AIDS	1.1. Support the implementation of the HIV/AIDS PEN II 1.2. Support capacity building, communication and Operational Research for HIV/AIDS interventions 1.3. Support scaling up of multi-sector initiatives for children and youth
Comp 2: Implementation of National Health Strategy	2.1 Support the implementation of the PESS (PESS II) 2.2. Support capacity building in the health sector, 2.3. Support infrastructure development in the provinces

Table 7. Health, Nutrition and HIV/AIDS Programme Support Phase V184 (2012-2017)

Components	Objectives:
Comp 1: Health	to contribute towards the achievement of the objectives of PESS II and later PESS III (ex-pected to be formulated based on similar principals and priorities as PESS II). Direct funding of PROSAUDE II and to SRHR, health system strengthening, innovation and research for health, and for provincial and district budget support to Tete (disbursed through e-SISTAFE, on plan and on budget) Partner: MISAU Central and Tete
Comp 2: Nutrition	to contribute to achieving the goals stated in the MAPRCM i.e. reducing chronic malnutrition amongst children under five from 44 % to 30 % by 2015, and to reduce low birth weight from 16 % to 10 % by 2015. Support provided to national coordination in SETSAN, to capacity strengthening, partly to the nutrition department in the MoH and partly to training of public health nutritionist and to provincial activities under the MAPRCM. Partner: MoH, Central and Tete
Comp 3: Civil society	to strengthen civil society capacity to ensure rights based approach to health, nutrition and HIV/AIDS services to marginalized groups. Framework support to one or more civil society/foundation/consortium for capacity building and sub-granting to smaller CSOs for strengthening advocacy and social action and reaching marginalized groups with services. Partners: <i>Citizen Engagement Programme CEP, consortium 7 CSO: Nampula, Zambezia, Gaza and Manica; MASC, PSI</i>

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25.05.2017