

profile

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MOZAMBIQUE COUNTRY PROGRAMME EVALUATION

Developing capacity from scratch in rural areas

The first ten years (1982-1992) of IFAD's cooperation with the Government of Mozambique were characterized by an environment of war and instability. In seeking to support the remote rural areas of the country, the challenge has been to develop its physical and human capital from scratch. Following independence in 1974, the country was left with very limited human and physical capital and much of that was destroyed during the ensuing civil war. While significant urban-rural differences are the norm in Africa, in Mozambique the differences between the capital (Maputo) and many rural districts are striking, even today.

Since 1982, IFAD has approved ten project/programme loans to Mozambique for a total of US\$175 million; eight such loans having been approved after the end of the civil war in 1992. The Fund prepared three country strategic opportunities programmes (COSOPs) in 1997, 2000 and 2004 respectively and, in 2008/9, its Office of Evaluation evaluated seven of the interventions involved. Project and programme activities have involved artisanal fisheries, support services to smallholder farmers and livestock owners, rural finance and market linkages, with the aim of improving poor rural people's participation in markets. Investments in social and economic infrastructure have been included in some loan projects.

Main evaluation findings

Poverty analyses confirm the validity of IFAD's strategy (since the late 1990s) of linking farmers and fishers to the markets: households that produce for the market are generally better-off than those producing for self-consumption. Emphasis has been rightly placed on high-value produce and cash crops and on increasing farmers' bargaining power.

The recent move towards three thematic programmes in support of primary production, market participation and rural finance will create challenges with regard to the coordination and promotion of synergistic effects. This move is based on the assumption that the three thematic areas and support programmes will complement one another – a major challenge because coordination among public institutions is often problematic.

The above-mentioned COSOPs argued against the need for a very detailed targeting strategy as it was claimed that all rural households should be considered as poor. Recent poverty analyses, which highlight increasing rural inequality and a pessimistic outlook for the poorest, contradict that argument. Moderately satisfactory progress has been made in achieving COSOP objectives, but much still remains to be done. For example, while some progress has been made in terms of alignment, harmonization efforts have been less successful.

As evaluated, the performance and overall impact of the loan portfolio is deemed to have been moderately satisfactory, a good achievement when



Bore holes and nine water pumps were installed by the Nampula Artisanal Fisheries Project in Larde Village. An abundance of clean drinking water has improved health conditions in the area.

IFAD Photo by Robert Maas

MOZAMBIQUE AT A GLANCE

Population: 22 million (2008)

Population growth: 2.2%
(2002-2008 average annual)

GDP growth: 8%
(2002-2008 average annual)

GDP per capita growth: 4.5%
(2007-2008)

**Population below
US\$2 a day:** 90% (2002-2003)

Agriculture: 28% of GDP (2008)

Industry: 26% of GDP (2008)

**IFAD lending
(since 1982):** US\$175 million

one considers the country's capacity constraints. In spite of impressive improvements in terms of human and physical capital in the rural areas, more realistic assessments of capacity constraints are needed at project design.

The combination of national policy components and local field activities, implemented by dedicated programme management teams, has been useful in promoting policy changes and innovations. Several innovations planned at the design stage have been abandoned, while others emerged during implementation while seeking solutions to problems at the grass-roots level. As far as rural finance is concerned, IFAD has encountered a number of difficulties, largely due to a slow implementation progress in establishing the mechanisms required to

on-lend funds to financial intermediaries as well as the choice of sub-par institutional partners lacking expertise. However, the Fund's support for artisanal fisheries has been instrumental - although not by design - in introducing the accumulating savings and credit associations that have become the predominant form of organizing savings and credit services at the grass-roots level.

Overall, grants provided by IFAD have made only a marginal contribution to achieving COSOP objectives. More effective use of grant resources could be achieved if the Country Programme Management Team were provided with a medium-term 'grant envelope' for programming.

Key recommendations

The Mozambique CPE formulated five overarching recommendations:

1. **Maintain the current goal and strategic thrusts**, that is, improve the market participation of smallholders and artisanal fishers. The emphasis on diversification into high-value production should be maintained. New intervention areas/value chains should be determined on the basis of agro-ecological potential and market opportunities.
2. **Develop and implement an innovation agenda**, and identify priority areas for innovation and scaling up. Dedicated resources and efforts are needed in policy dialogue and knowledge management, and in the forging of partnerships. The next COSOP should contain a specific scaling-up strategy. Without programme units or dedicated task forces, "search-and-find processes" are unlikely to occur. Such units should be promoted as "temporary change process tools" of implementing government partners.
3. **Develop a targeting strategy**. IFAD and the Government should develop a more articulated targeting strategy in the context of the next COSOP. Considering IFAD's mandate and limited resources, a key priority should be to design interventions that directly support the more disadvantaged areas and provinces rather than focusing only on developing the capacity of central institutions.
4. **Engage private and civil society organizations as component implementers**. The country strategy and portfolio in Mozambique includes significant participation of private-sector entities. Within marketing and financial services, private and civil society organizations are often better placed to deliver the required services than government organizations. While private and civil society organizations have been engaged as service providers for specific tasks, IFAD and the Government should explore options for gradually assigning implementation responsibility for programme components to private and civil society organizations.
5. **Adjust IFAD's operating model** based on a thorough needs assessment, and establish a permanent country presence adequately resourced for direct supervision and implementation support, expansion of policy dialogue, donor coordination and development of in-country partnerships.



Local artisanal fishers gather in Quelelene to haul in improved beach seines, promoted by the Nampula Artisanal Fisheries Project, as an alternative to the environmentally harmful use of mosquito nets.

IFAD Photo by Robert Maas

Further information:

Republic of Mozambique, Country Programme Evaluation, Report No. 2252-MZ, July 2010, ISBN 978-92-9072-178-9, IFAD Office of Evaluation, Via Paolo di Dono 44, 00142 Rome, Italy. The full report and Profile are available online at www.ifad.org/evaluation; email: evaluation@ifad.org.