

profile



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REPUBLIC OF MOZAMBIQUE COUNTRY STRATEGY AND PROGRAMME EVALUATION

A strong partnership with potential for poverty alleviation

The International Fund for Agricultural Development (IFAD) has been a reliable, strong and flexible partner for Mozambique since 1982, when it started its operations in the country that was at the time, torn apart by a dramatic civil war that would last for another decade. Over more than three decades, IFAD has been a strong partner to address the rural poverty reduction challenges in the country, increasing the resources made available to the Government and meeting the national requests in terms of sectors and approaches of intervention.

The portfolio has grown to become the seventh largest in the East and Southern Africa region, through the approval of 12 highly concessional loans, and six debt sustainability framework grants for a total of US\$239 million, representing 62 per cent of the total portfolio cost (US\$388 million).

This second country strategy and programme evaluation (CSPE), which covers the period of 2010 to 2016, aimed to assess the results and performance of the IFAD-financed strategy and programme; and to generate findings and recommendations for the future partnership between IFAD and Mozambique for enhanced development effectiveness and rural poverty eradication.

Main evaluation findings

The IFAD programme was relevant to the needs of the country, had a reasonable level of internal coherence and was well aligned with national policies and strategies.

Governmental ownership of the projects was found to be very strong, thanks to adequate project integration in the governmental structures. Also, IFAD is one of the main partners of the Ministry of Fisheries and Aquaculture.

However, the latest country strategic opportunities programme (COSOP) and the projects did not explicitly include objectives or approaches aimed at tackling overarching goals for improvement of food security and nutrition and focus on poverty reduction. Also, some of the value chains proposed missed the potential for stronger value addition at the local level for more producers, leading to producers selling to traders who operated under almost monopolistic conditions.

Similarly, the national resources management and environmental dimension of the portfolio was found to be weak overall, with few activities dedicated to improving the management and sustainable use of land and aquatic resources. This partly contributed to undermining potential positive impacts and sustainability of the projects with

respect to food security and production, considering the high dependency of producers' livelihoods, including the economically active poor, on natural resources.

Enabling access to rural finance products was one of the pillars in the proposed approach to value-chain development. However, at the time of the CSPE (with the exception of the highly successful and sustainable Accumulative Savings and Credit Associations, known as ASCAs), very little tangible progress had been made in improving access to credit for small-scale rural producers in agriculture and fisheries. This gap was undermining the effectiveness of many of the efforts that projects were devoting to capacity development, technology transfer and improving access to markets.

The CSPE found efficiency to be low across the whole portfolio, with one exception only. The causes were multiple, and linked to complexity of project designs, harmonization with governmental procedures, multiple partners with diverse disbursement procedures, and delays in availability of the Government's counterpart funds. This appeared to be a major issue requiring urgent attention by both IFAD and the Government. Although Mozambique benefits from highly concessional loans from IFAD, such a low level of efficiency risks jeopardizing the benefits of this otherwise important and relevant partnership. Also, the mixed experience in the recruitment of service providers offers an opportunity to re-think the project implementation model.

Finally, room for improvement exists in the contribution of non-lending activities to the country programme, in particular through knowledge management and policy dialogue in virtually all areas where IFAD supports initiatives, from value-chain development to artisanal fisheries, through climate change adaptation.

MOZAMBIQUE AT A GLANCE

Population: **26.4 million (projection as of 2016)**

Rural population: **17.9 million; 68% of total population (projection as of 2016)**

Rate of gross domestic product growth: **7.4% (2014)**

Poverty headcount ratio at national poverty line: **54.7% of total population (2008)**

Life expectancy at birth: **53.3 years (2016)**

Human development index: **0.393 (2014);**
Ranking = **178, classified as a low level of human development**

Total number of loan-funded projects: **12**

IFAD-lending approved since 1981: **US\$212 million**

Sources: IFAD Project and Programme Management System; International Monetary Fund; United Nations Development Programme International Human Development Indicators; World Bank.

Key recommendations

- **Focus on rural poor and on more vulnerable groups, including women, youth and people living with HIV.** This focus should fully inform all steps in project design and implementation, from selecting participants to choosing value chains and market opportunities, to identifying capacity-development needs, including functional and financial literacy, nutrition and HIV prevention.
- **IFAD-supported projects in Mozambique should include among their principles full attention to sustainable natural resources management and to strengthening climate-change resilience.**
- **IFAD's support to the rural finance sector should be conceptualized within a long-term commitment horizon and on the basis of the lessons learned so far.** A long-term engagement, possibly over a 15-year horizon, appeared necessary to develop robust and transparent microfinance institutions at all levels and across all productive sub-sectors.
- **Enhance efficiency of financial execution.** Integration of IFAD-funded projects into the governmental procedures and systems should be pursued and sustained in the spirit of governmental ownership and for transparency reasons, although some specific measures should be taken to raise implementation efficiency.
- **Develop principles for the reliance on service providers in project implementation.** The principles should respond to the lessons learned so far in this respect.
- **Dedicate more attention and resources to knowledge management and policy dialogue.** The country programme should encompass: robust outcome-level monitoring indicators for COSOPs and projects; and a country programme-level Knowledge Management Strategy anchored to key COSOP elements, with a mechanism for the early identification of evidence-based issues and results that can be usefully fed into policy dialogue processes at a high strategic level.

Further information:

Republic of Mozambique, Country Strategy and Programme Evaluation, Independent Office of Evaluation of IFAD, Via Paolo di Dono, 00142 Rome, Italy | www.ifad.org/evaluation | e-mail: evaluation@ifad.org | [www.twitter.com/IFADeval](https://twitter.com/IFADeval) | www.youtube.com/IFADevaluation