

**STATEMENT OF MR LUCIANO LAVIZZARI,  
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**NATIONAL ROUNDTABLE WORKSHOP  
MOZAMBIQUE COUNTRY PROGRAMME EVALUATION**

**24-25 May 2010**

1. Mr Ministers of Agriculture, Fisheries and Vice Minister of Finance;
2. Mr Governor of the Central Bank of Mozambique;
3. Members of IFAD Evaluation Committee;
4. Officials of the Government of Mozambique and other Development Agencies;

Dear friends,

I am pleased to be here and have the opportunity to address the participants of this National Round Table Workshop, which has been very ably organized by the Government of Mozambique with support from IFAD.

Let me start by saying that the focus of this workshop is very much on learning. Together we would like to deepen our understanding on a number of key issues that have emerged from the Mozambique Country

Programme Evaluation (CPE) that my office, the Independent Evaluation Office of IFAD, undertook in 2009. The ultimate objective of this evaluation is the development of a number of building blocks for the development of the new Government of Mozambique and IFAD country strategy.

So what are the expected specific outcomes of this workshop?

Today and tomorrow we will be discussing the findings of the CPE. In particular, we propose to devote time to the in-depth discussion of three topics that have emerged from the evaluation, namely:

- How to more effectively engage private and civil society organizations in the country programme;
- Targeting aspects in future interventions ; and
- How to pursue the current IFAD country program thrust focused on improving the market participation of smallholders and artisanal fishers.

The discussions during the workshop will also contribute to the preparation of the Agreement at Completion Point for the Mozambique CPE. For those of you who are not familiar with this, the Agreement at Completion Point is a short document prepared after the workshop that will contain the main findings and recommendations from the evaluation, which both the Government of Mozambique and IFAD agree to adopt and implement within specified timeframes.

I would now like to turn to the Mozambique CPE. This is the first CPE by IFAD's Independent Evaluation Office (IOE) in Mozambique. It includes an assessment of seven IFAD-funded projects in the country approved by the Executive Board since 1993. The evaluation indicates that the overall performance of the IFAD/GOM Programme is generally satisfactory, which is no minor achievement given the difficulty of the context in this country.

Mr Chairman,

I now wish to highlight a key dimension of the Government of Mozambique and IFAD Cooperation Programme, which in my view merits further consideration, namely, the strategic focus of improving the market participation of smallholders and artisanal fishers.

IFAD's first three projects after the end of Mozambique's Sixteen Year War focused on rural poverty alleviation, rehabilitation and food security in a regional context. More strategic and thematic programmes followed, as a more conducive institutional, policy and economic environment emerged. Today, IFAD's loan portfolio covers support for development of crops, fisheries and livestock, as well as market linkages and rural financial services.

The cooperation between Mozambique and IFAD has been, and continues to be guided by the strategic goal of improving the market

participation of smallholders and artisanal fishers. Emphasis has been on increasing their surplus of high value produce, improving their bargaining power, and increasing their share of the value in the chains. Promotion of producer associations and access to markets (feeder roads) and financial services has been part of the strategy.

This strategic goal is fully aligned to IFAD's corporate policies and government's poverty reduction strategies.

And indeed, a growing number of researches suggest that commercialisation of small farmers can be a very promising strategy to help poor farmers getting out of poverty on a sustainable basis. It is also very helpful to consider small farmers as potential business entrepreneurs that can benefit from better markets, get out of poverty and prosper by simultaneously contributing to food security and economic growth. This vision is no doubt fascinating, because it reverses the standard approach that tends to consider small farmers just as poor and problematic. At the same time we know too well that social differentiations and differences in opportunities are often large within villages. We also know that not all small farmers have or will ever have the ability to compete, let alone prosper on the market. Hence the need for a more differentiated approach, because simply we cannot neglect the poorest and the most under privileged part of the society.

An interesting example of a more differentiated approach was presented last month in a symposium on agriculture development

organised by the Danish Government in Copenhagen. This approach recognizes the existence of three very different social economic groups of poor rural people – each group with its own unique set of requirements, potentials and constraints. Building on the differences between the three groups, the approach proposes three distinct development strategies, which I would like to briefly present to you because, I believe they provide an easy to understand entry point for dealing with this issue:

1. The first of these three strategies is called "Stepping Up". It targets poor small farmers, who have the potential to increase their productivity as well as the profitability of their farm through access to better infrastructure, markets, rural financial services, technology and farmer's organisations. This is basically the strategy, which is at the core of the IFAD/GOM current partnerships;

2. "Stepping out": This strategy targets poor rural people, who have the education and skills (or have the capability to acquire them in the near future) to engage in off-farm income generating activities and rural enterprises. Some of these rurals eventually will have to migrate - hopefully in a non traumatic manner, to other areas, cities or even other countries in order to enhance their economic opportunities.

3. "Hanging in": this strategy is reserved for those poor rural people, whose aim is self-sufficiency. These poor people falling in this category, neither have the capability to step up nor step out and must therefore

cope with a situation characterised by chronic poverty. Elements of this hanging in strategy include the provision of low cost, low knowledge technologies as well as safety nets and preparing for the next generation of people falling in this category.

Mr Chairman,

Improving the participation and access to markets of poor small farmers and fishers is no doubt the right approach. However, we cannot afford to ignore that markets will not offer the same opportunities to all rural poor who currently live on less than 1 US\$ a day, and we know that the vast majority of the rural population falls within this category. The CPE has revealed that in Mozambique, despite the excellent economic growth and progress made in recent years, inequalities among rural people are in fact increasing as is the negative outlook for the most under privileged of rural poor.

In sum, we ought to acknowledge that not all the rural poor will succeed in either stepping up or stepping out. Some will just continue to hang in. Therefore I believe it would be appropriate for GOM and IFAD to give some consideration to this three pronged strategic approach while preparing their new partnership strategy for Mozambique.

Mr Chairman,

Over the past thirteen years, the partnership between the Fund and the

Government of Mozambique has made an important contribution to agriculture and rural development in Mozambique. The country programme comprises a set of relatively successful development interventions that have covered remote and marginalized areas of the country, where infrastructure and services are limited, access to inputs and markets is uncertain, and institutional capacities are weak.

With that, let me proceed to conclude by saying how much I, and IFAD, deeply appreciate the collaboration and support shown by the Government of Mozambique throughout the evaluation process. A special appreciation is due to Authorities and Officials of the Government of Mozambique for their outstanding collaboration for the organization of this Workshop. Last but not least, I thank you all for your presence today and convey my best wishes to each of you for a successful outcome of the deliberations.