

Address during the inaugural session

Your Excellencies Minister of Fisheries, Minister of Agriculture, and Vice Minister for Finance, Respected Governor of the Central Bank, Ambassador of Mozambique, Resident Co-ordinator of the UN System, representatives partners of bilateral and multi-lateral organisations, representatives of fishers and farmers, colleagues, ladies and gentlemen,

I would like to thank you for giving me this opportunity for sharing some of my thoughts with you. This is the occasion in which, IFAD's Associate Vice President for Programmes Mr. Kevin Cleaver was to address you. Unfortunately, for unavoidable reasons, he could not be with you here today. He has asked me to convey his sincere regrets to you.

First of all, I bring to you the greetings of President Nwanze and Mr. Cleaver.

IFAD's Evaluation Policy recognises learning as a crucial element in improving its performance. From a learning perspective, the Country programme evaluation of Mozambique is highly relevant, especially in the light of this Mozambique's success in achieving high economic growth in general and agricultural growth in particular. Mozambique stands as an outstanding example of successful management of post-conflict difficulties and complexities.

IFAD's partnership with Mozambique will continue to remain strong in foreseeable future. This is for a number of reasons.

First, despite impressive achievements in reducing poverty, Mozambique needs to significantly improve its state of human development, particularly in further reducing poverty and malnutrition.

Secondly, its dependence in agriculture, especially in terms of employment is high. In other words, agriculture plays dominant role in providing livelihood in Mozambique. Improvement in income and reduction in poverty and malnutrition need to be brought therefore mainly by improving agricultural productivity.

Thirdly, as shown by the country programme evaluation of the 10 projects that IFAD financed in Mozambique since 1982, significant learning has been generated. We need to use the learning together in further improving the performance of IFAD assisted programme here in Mozambique and take these lessons back to IFAD headquarters and use them to design projects and programmes operating in similar situations in other areas where IFAD is operating. The presence of the Executive Board members taking also the responsibility of Evaluation Committee here is a testimony of the desire to learn together for the benefit of Mozambique as well as for the benefit of IFAD's overall operations.

The representation in this national roundtable is diverse and if we calculate collective experience, it is immense. I therefore feel privileged to be part of this workshop. Thanks to the efforts made by the Government of Mozambique and IFAD's Office of Evaluation, we have substantive input in the form of the evaluation report which will help us to stir our imagination. We also have three themes identified. These themes are forward looking and the deliberations in this workshop will be very useful in charting future course, in particular in developing IFAD's strategy and programme for Mozambique for next cycle. The COSOP, as we call it, is due to be completed by the end of this year.

When deliberating on the themes, we may like to focus on few 'why' questions as well. One such question is: why we have so much of performance variation across projects not

only in terms of effectiveness, but also in terms of efficiency. The evaluation report mentions lack of capacity in early years following the conclusion of civil war. We need to know about the causal factors that accompany relatively low-performing part of the portfolio in recent years. This will allow us to take corrective actions that will help to achieve further gains in improving overall performance.

Looking at the future, there are questions on what can be done more, for example with respect to providing a financially viable financial services? Similarly, on the sustainability of grassroots of community institutions. Overall, sustainability needs to be addressed much more comprehensively, given that this is an area, in fact only one area, where IFAD's Mozambique portfolio's performance is slightly lower the global average. The presence of farmers' and fishers' organisation here in this workshop, I am sure, will be very helpful in finding solutions with respect to sustainability.

An area that evaluation findings show relatively modest results is with respect to the performance of institutions. While the performance of a co-financing agency is unsatisfactory, it is only moderately satisfactory for the government, IFAD, and co-operating institutions. Will IFAD's performance improve with recently effected direct supervision? What more could IFAD's Country Office do? With respect to government performance, differences among various agencies have been flagged by evaluation as an issue and it has brought down overall performance. What can be done to minimise such variations in future and thereby improve overall performance?

Targeting has been identified as a theme. This becomes relevant not only in the context of IFAD's mandate but also in the context of increasing inequality in Mozambique. The issue in Mozambique involved, however, is not just to find out a poorer geographical area or a socio-economic group that needs IFAD's assistance. As rightly pointed out by the evaluation, it may still be relevant for IFAD to join other development partners in supporting the development of national frameworks. If it does so, IFAD's ability to serve a particular geographical area or a socio-economic group will go down significantly. In short, there is a trade-off and how do we make a choice? We seek the guidance of you all, including of representatives of farmers and fishers.

A related issue is gender. As elsewhere, female-headed households report the highest incidence of poverty in Mozambique. Progress is also slower when compared to male headed households. While IFAD's assistance to Mozambique will not be able to address the issue of HIV/AIDS directly, a relatively high prevalence rate in Mozambique has implication to IFAD-assisted programmes as this increases the vulnerability of women even further.

While we have a number of issues to discuss and provide guidance, let us not forget that we are doing so against the backdrop of Mozambique's strong economic performance, accompanied by a relatively high rate of agricultural growth and reducing incidence as well as depth of poverty, particularly in rural areas.

I keenly look forward to a constructive and fruitful discussion.

Shyam Khadka