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**Final Evaluation of the Business  
Environment and Trade Facilitation  
Project (BESTF)**

***FWC BENEFICIARIES- Lot 10  
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***Final Report***

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**FINAL EVALUATION OF  
BUSINESS ENVIRONMENT SUPPORT AND  
TRADE FACILITATION PROJECT IN MOZAMBIQUE**

**FINAL REPORT**

**28 JANUARY 2014**



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## LIST OF ACRONYMS AND ABBREVIATIONS

AEO	Authorized Economic Operator
ALM	Mozambique Laboratory Association
ASYCUDA	Automated System for Customs Data
AT	Mozambique Revenue Authority
BESTF	Business Environment Support and Trade Facilitation
CA	Contribution Agreement
CBI	Centre for Promotion of Imports from Developing Countries
CPI	Centre for Investment Promotion
CTA	Chief Technical Advisor
CTA	National Federation of Economic Associations of Mozambique
Customs	Mozambique Revenue Authority, Directorate of Customs
DAC	Development Assistance Committee
DCI	Development Cooperation Instrument
DNI	National Directorate for Industries
DTIS	Diagnostic Trade Integration Study
EC	European Commission
EDF	European Development Fund
ETS	Electronic Tracking System
EU	European Union
FA	Financing Agreement
GDP	Gross Domestic Product
HoC	Head of Cluster
IAST	Information and Advisory Services for Trade
IFI	Integrated Framework Initiative
ILAC	International Laboratory Accreditation
INIP-LIP	Fishery Laboratory
INMETRO	National Institute of Metrology, Quality and Technology
INNOQ	National Institute of Standardization and Quality
IPAC	Portuguese Institute of Accreditation
IPEX	Mozambique Institute for Export Promotion
ISO	International Standards Organisation
ITC	International Trade Centre
LNHAA	National Laboratory of Hygiene of Food and Water
MIC	Ministry of Industry and Trade
NAO	National Authorizing Officer
NES	National Export Strategy
NIP	National Indicative Programme
NQP	National Quality Policy
NSB	National Standards Body
OECD	Organization for Economic Co-operation and Development
PARPA	Action Plan for the Reduction of Absolute Poverty
PCU	Project Coordination Unit
PIC	Packaging Information Centre
PPP	Public-Private Partnership
ProDEL	Programme for Local Economic Development

PTB	National Metrology Institute, Germany
QI	Quality Infrastructure
QMS	Quality Management System
RIP	Regional Indicative Programme
SADC	Southern African Development Community
SC	Steering Committee
SEW	Single Electronic Window
SME	Small and Medium Sized Enterprise
SPS	Sanitary and Phyto-Sanitary Standards
SMTQ	Standardisation, Metrology, Testing and Quality Assurance
SST	Specialized Sector Teams
TR	Technical Regulations
TRTA	Trade-related Technical Assistance
TBT	Technical Barriers to Trade
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
WCO	World Customs Organisation
WTO	World Trade Organization



## EXECUTIVE SUMMARY

### INTRODUCTION

The “Business Environment Support and Trade Facilitation project for Mozambique” (BESTF) was implemented from 1 July 2008 and 31 December 2011. With a budget of € 6,394,376, the project was jointly funded by the EU (€ 5,494,376) and UNIDO (€ 900,000). A follow-up project “Private Sector Development and Quality Programme Competir com Qualidade” (COMPETIR), also jointly funded by the EU and UNIDO, was launched in August 2012 in order to build upon some of the results achieved by BESTF.

The project's overall objective was to promote export-led growth and to improve the existing investment climate by alleviating trade-related constraints affecting the business environment in Mozambique. BESTF's purposes were threefold:

1. To strengthen existing national quality infrastructure and institutions involved in the delivering of services in the area of metrology, standardization, and conformity assessment;
2. To strengthen the existing institution concerned and to enhance the availability, access and quality of information and advisory services for trade, including training and
3. To strengthen the existing institution concerned and to reduce the time and costs associated with import and export operations.

Activities were grouped into three cluster areas, each of which encompassing one beneficiary institution: 1) Quality: National Institute of Standardization and Quality (INNOQ); 2) Information and Advisory Services for Trade (IAST): Institute for Export Promotion (IPEX); 3) Trade Facilitation: Revenue Authority (AT).

The Final Evaluation of BESTF was conducted from October 2013 to January 2014 by two independent consultants who visited Mozambique from 21 October to 8 November 2013. The team prepared and distributed an evaluation questionnaire which was completed by 26 respondents.

### KEY FINDINGS

#### ➤ Relevance and design

BESTF was undoubtedly relevant to Mozambique's development needs and priorities and in line with the EU strategy for the country, the Government's priorities on trade integration and facilitation embedded in PARPA II, and the results of the DTIS and its Action Matrix. Furthermore, the Quality Cluster was highly relevant to the 2003 Quality Policy and Strategy, and its results and activities were, on the whole, relevant to achieve the overall objective. However, a number of priority needs (such as the development of a proper regulatory framework and a National Quality Policy) were not addressed. The relevance of the IAST and Trade Facilitation clusters was also quite high, as they covered the key issues in trade policy, export information and development and trade facilitation that the Government, the private sector and the civil society at large were facing.

The design of BESTF reveals a number of peculiarities, such as: a) lack of standard documentation supporting the identification and formulation phases; b) joint management by UNIDO and the EC, combined with subcontracting arrangements with other UN agencies, ITC and UNCTAD (the arrangement with UNCTAD did not materialize); c) qualitative performance indicators not founded on a baseline; d) absence of linkages between activities of the three clusters. The project's overall

objective, to promote export-led growth, could have been better achieved if the activities in the IAST cluster were designed as the lead intervention, with activities in the other two clusters being complementary to those on export promotion; e) lack of focus on cross-cutting issues and visibility. Despite these flaws, however, there were a number of positive features, such as the presence in each cluster of a key activity.

With regard to **ownership**, reportedly, preparatory work involved consultations with several stakeholders, including the private sector. However, in the implementation phase, there were significant changes in the degree of ownership of the activities originally envisaged. Although the logical framework was revised, it still remains unclear how the project intervention would lead to the desired outcomes/specific objectives and would have an impact on the overall national economy.

While the EU has undoubtedly a strong comparative advantage in trade-related matters and is a key player in the Aid-for-Trade initiative, its **value added** could have been enhanced by including, among the project activities, those in which the EC could have shared its experience in dealing with such issues as quality control, TBT, SPS and customs in new Member States and developing countries.

#### ➤ **Efficiency and use of resources**

By the end of the project, aggregate actual expenditure amounted to about €5.8 million, resulting in an overall implementation rate of some 91%. This spending performance may be considered very satisfactory, especially taking into account the long delays that have constrained project execution in the first phase. In fact, while virtually no expenditure took place before the first quarter of 2009, there was a remarkable acceleration in expenditure since the first quarter of 2011. The Quality cluster received the lion's share of project's expenditure (42%), i.e. 1½ times the amount allocated to the other two clusters together. It is also important to note the high share (26%) absorbed by the PCU and Heads of cluster.

The efficiency of the project as a whole was severely shaken by long delays in the first phase of project implementation. Unlike many similar projects, most of these delays were attributable to project management and associated executing international organizations, rather than beneficiaries.

#### *Quality cluster*

The Quality cluster was less hit by delays than the other two, because it did not depend on the subcontracting arrangements with international organizations and was assisted by a competent Head of Cluster. These factors partly explain the higher level of efficiency reached by the Quality cluster. The other factor determining the better performance of this cluster was the strong ownership shown by the beneficiary institution, INNOQ.

The cluster trained around 400 people (including 50 persons on English technical language), organized 4 study tours and 13 awareness seminars (on standardization, metrology and conformity assessment) reaching about 450 people, assisted metrology staff in 43 municipalities and supported 10 companies to prepare for certification and 10 laboratories to prepare for accreditation. Out of the 55 activities in the Cluster, 49 were fully completed and 6 only partially.

Based on the experience with similarly sized projects in other countries, there has been value for money for most of the activities in the field of Quality. Expenditures for equipment represented an important share of total cluster expenditures, approximately 29%, of which 26% for laboratory equipment. These outlays have been, overall, instrumental for INNOQ modernization, but in some cases loosely linked with the

objectives of the project and not always justified. As an example, the number of vehicles purchased seems to exceed the actual professional needs of the organization.

#### *IAST cluster*

The efficiency of this cluster was adversely affected not only by the late conclusion of the subcontracting with ITC but also by other factors including: the performance of the Head of Cluster; IPEX's absorptive capacity; and communication problems between ITC and the Project Manager. Under these circumstances, it is not surprising that a number of planned activities were not fully completed, such as those concerning the PIC, the Trade Information Management and the NES.

#### *Trade facilitation cluster*

The efficiency of this cluster was severely hampered by two major setbacks: first, AT requesting the closing of activities concerning the Single Electronic Window (SEW) to be replaced by those required for the establishment of an electronic tracking system (ETS) and second, AT subsequently requesting that the ETS activities should be substituted as well, because they were included in the SEW system. However, the other activities were fully completed by end of the project, thus showing a relatively high level of efficiency after the problems encountered in the first 18 months. This was mainly due to the high degree of ownership of the revised work programme by AT.

The share of expenditure for equipment in overall cluster expenditure was extremely high, around 70%, and was accompanied by the absence of technical assistance being provided to AT through the Project Coordination Unit or the Head of Cluster, who was not a specialist in that field. If the percentage of equipment being financed is too low or too high, as in the case of Trade Facilitation, this becomes a warning signal of a possible major trade-off between the benefits deriving from the use of equipment and those associated with the provision of technical assistance.

### ➤ **Effectiveness**

The level of BESTF's overall effectiveness is rated as medium-good, although the performance has been rather uneven across the various clusters: Quality: good; IAST: low-medium; Trade facilitation: medium. The overall qualitative judgment on BESTF's effectiveness is heavily influenced by the good performance of the Quality cluster that absorbed somewhat more than 60 per cent of the financial resources allocated to the 3 clusters. Among the key factors explaining the uneven performance of the clusters are the different levels of efficiency combined with different degrees of ownership.

#### *Quality cluster*

Although all expected results have been, to a good extent, achieved, the intervention has focused more on results level rather than meeting the objectives. There has been an improvement in relation to increasing quality and supply of INNOQ's services in standards, metrology, and certification. There has also been progress towards improved quality and supply of services in the area of testing. One of the major achievements of the project was the accreditation of 4 testing laboratories and 1 metrological laboratory.

Thanks to the project, INNOQ started the process of verifications in Maputo and various provinces, comprising 43 municipalities and the number of calibrations increased from 156 in 2008 to 637 by the end of 2012. During the same period, the number of published standards jumped from 36 to 528. In addition, the number of standards sold substantially increased, especially in the period after road shows and awareness raising seminars. Such seminars were organized in Maputo and all provinces, but a full-fledged awareness raising campaign has not yet been launched.

### *IAST cluster*

In this cluster, the most noticeable result was the development of the NES, a valuable product, resulting from a participatory process and proposing sector-specific strategies, as well as cross-sectoral strategies and a detailed implementation programme. However, two years after its completion, NES still remains to be implemented, apart from some isolated activities, despite the availability of the Portuguese version since early 2013. There is a high risk that the NES will be *de facto* shelved even if formally it is eventually embodied into the next National Development Strategy. This may be a sign of low priority assigned by the Government to the NES, especially considering that it focuses on a narrow range of agricultural and fishery products and services.

Other activities aimed at strengthening IPEX institutional capacity and its trade information services have been much less successful, as in the case of the new IPEX website and the Packaging Information Centre (PIC), which are not yet operational.

### *Trade facilitation cluster*

In contrast with the IAST cluster, it is rather difficult to pinpoint a prominent result in the area of trade facilitation, although the effectiveness of the activities implemented is, on average, satisfactory. A major result would have been the development of the SEW, which, because of the high level of investment involved, about US\$ 15 million, is instead taking place under a Public-Private Partnership (PPP) scheme. However, a number of project activities were directly linked to the SEW. The most significant activities in terms of achieved results were training in risk assessment and risk management, and to a lesser extent, training and equipment for the English language laboratories.

There are other activities in this cluster that have, to date, displayed low effectiveness, also due to the complexity of the system adopted. These results, however, may eventually improve in the future, thanks to a number of actions, including follow-ups for specific trainings. These interventions are related to: strengthening of investigative capabilities, pilot project for the Authorized Economic Operator (AEO), upgrade of four remote border offices. In addition, the relevance of the training on fiscal auditing for the cluster's specific objective is questionable as it involved neither Customs officers nor Customs matters.

### ➤ **Impact and sustainability**

The contribution of the project to the promotion of Mozambique's export-led growth and improvement of the investment climate, i.e. BESTF's overall objective, has been, so far, modest, although the project produced positive long-term effects on the institutional and technical capacity of beneficiaries, in particular INNOQ. There have been other important effects, some of which indirect or unplanned or still potential, such as the accreditation of INIP, the creation of the laboratory association, the possible implementation of the NES, the contribution of trade facilitation activities to the development of the SEW and improved governance at Customs. The potential impact varies across components, as unsurprisingly it is relatively stronger in the Quality cluster, which has displayed higher efficiency and effectiveness. BESTF's impact is also closely related to the issue of sustainability.

The sustainability of BESTF activities depends on several factors, including 1) beneficiaries' ownership, which is relatively low in the case of IPEX and high for INNOQ and AT; 2) the lack of a full sustainability strategy 3) financial sustainability, a current key challenge for the Quality Cluster and a longer-term issue for the other two clusters; 4) technical sustainability, which is adequate, especially as regards INNOQ; 5) institutional sustainability, which is higher for activities that have enhanced the capacity of beneficiaries; 6) built-in sustainability, i.e. activities involving the provision of

equipment and infrastructure or medium-term commitments. COMPETIR will enhance the sustainability of the work undertaken in the Quality cluster. Moreover, the other component of COMPETIR aimed at the development and promotion of SMEs has also the potential to contribute to achieving BESTF's overall objective.

➤ **Project management and related issues**

BESTF was an initiative under the joint management modality, with UNIDO being the implementing agency. BESTF was led by a Project Manager located at UNIDO headquarters. At the country-level, a Project Coordination Unit (PCU) was established, comprising a Chief Technical Advisor (CTA) and a Project Assistant, and employing two international technical experts acting as Head of Clusters (HoC). BESTF was governed by a Steering Committee (SC), which met nine times during the life of the project. The meetings of the SC were a not a mere rubber-stamping exercise, because lively discussions and important decisions on project implementation were taken, although the SC's strategic policy guidance and direction was rather weak. The SC could have played a proactive guiding role in (a) developing contingency planning to mitigate the risk of delays in subcontracting arrangements; (b) seeking partnerships with similar projects and (c) ensuring inter-cluster synergies, mainstreaming of cross-cutting issues and visibility.

The performance of the UNIDO project management team was mixed. The key weaknesses were: strong centralization of decision-making, with virtually all decisions being taken at the UNIDO headquarters; weak human resource management as short-term contracts were offered to long-term consultants; cumbersome and lengthy procedures for procurement and for concluding a subcontract with ITC; poor cash management; communication difficulties between the beneficiaries and the PM in charge of BESTF until September 2010.

However, there were also a number of strengths: in-depth knowledge of Mozambique's economic and social situation and of stakeholders; good performance of long-term and short-term consultants, with only one exception; strong institutional knowledge and expertise in the area of quality infrastructure; serious consideration and implementation of most recommendations made by the Mid-term Evaluation; pivotal role of the Head of Operations in the field office, who kept excellent and efficient relations with the Task Manager in the EU Delegation. Finally, the involvement of the EU Delegation, which was weak until June 2009, considerably improved since then and was instrumental in monitoring and facilitating project implementation.

In the three cluster areas covered by BESTF, Mozambique has received, in the past few years, a substantial volume of technical assistance and financing of equipment from several multilateral and bilateral donors. There was a good exchange of information among donors and thus BESTF avoided overlapping and duplication with similar projects. However, with the exception of the cooperation with the World Bank on the pilot project for the AEO, and with GIZ/PTB on a project on metrology, there has been a lack of proactive coordination seeking to build the synergy of the interventions.

Although a communications and visibility plan was not included as part of the first year of project implementation, visibility of both the project and the EU significantly improved since mid-2010. There were, however, significant differences across the clusters, with the Quality cluster benefiting the most from the visibility activities, which were implemented with success. Visibility could have been further enhanced by BESTF developing its own website, or at least an electronic newsletter, rather than rely exclusively on the websites of the beneficiary institutions.

## CONCLUSIONS AND LESSONS LEARNT

To the eyes of the evaluators, the glass is more than half full as they consider that, on the whole, the performance of the project has been satisfactory, although it was quite uneven across clusters. The frontrunner among them was Quality, where the bulk of project activities took place, followed by Trade Facilitation, and IAST in third position. There has been, in fact, a considerable improvement in project implementation since the mid-term evaluation conducted in mid-2010. Remarkable progress has also been made in a number of areas where weaknesses had been found by the mid-term evaluation team, such as ownership, sustainability, expert performance and visibility. Naturally, the glass would have been fuller if the long delays in implementation, particularly of the IAST and Trade Facilitation clusters, in the first phase of the project had been avoided. The impressive performance registered in the second phase was not sufficient to fully offset the previous shortfalls, especially in the case of the IAST cluster.

There are several factors explaining the success of BESTF as a whole, and especially of the Quality cluster: strong relevance across all components; high degree of ownership by the beneficiaries in two clusters (Quality and Trade Facilitation) out of three; flexibility in project execution; satisfactory project management, especially in the second phase; efficient, problem-solving Steering Committee, high implementation rate and significant achievements reached mostly in the Quality cluster.

Most of the lessons that can be drawn from the performance of BESTF have been already mainstreamed into COMPETIR, such as the importance of solid project identification and formulation; avoiding involvement of more than one international organization; ensuring commitment and ownership of the beneficiaries and adequate focus on cross-cutting issues, inter-cluster linkages and visibility. Other lessons include: the need for approval and implementation of the National Quality Policy Plan and related legal framework; the need for closer donor coordination; the trade-off between financing of equipment and financing of technical assistance and training; trade-off between broadening the scope of a cluster and deepening the content of its activities; importance of an integrated approach at the regional level and cooperation with neighboring countries for improving the efficiency of border posts.

## RECOMMENDATIONS

The report puts forward a number of recommendations for: COMPETIR as whole; its Quality Infrastructure component; BESTF beneficiaries/stakeholders and future interventions. The details of the recommendations listed below and their relative priority are contained in the report itself.

### ➤ For COMPETIR as a whole

#### a) Project management and implementation

1. Maximize delegation of decision-making to the Maputo office
2. Adopt a proactive approach to donor coordination
3. Enhance coordination and synergies between INNOQ and IPEME and among all institutions involved in private sector development.
4. Visibility should be closely monitored
5. Ownership should be sustained by permanent follow up, motivation and trust building among stakeholders,

6. The mainstreaming of cross-cutting issues should start at an early stage
7. Optimize EU value added
8. Start preparation of sustainability strategy at least one year before project completion
9. Establish a project database
10. Develop a theory of change for COMPETIR

b) Quality Infrastructure component

- 1: Technical recommendations for improving the quality infrastructure
- 2: Strategic recommendations
- 3: Recommendations for improving reporting and M&E framework

➤ **For BESTF beneficiaries and future interventions**

a) *Quality infrastructure*

1. Increased compliance in selected sectors and value chains

b) *Export promotion*

1. Implementation of NES
2. Strengthening IPEX's institutional and technical capacity
3. Use of revenues from extractive industries for export diversification

c) *Trade facilitation*

1. Enhanced training in investigation, risk assessment & management, English language
2. Training in ex-post auditing, coordinated border control, transparency and fight against corruption
3. Increased use by donors of AT's Common Fund

## 1. BACKGROUND AND INTRODUCTION

### 1.1. KEY FEATURES OF THE PROJECT AND ITS BROADER CONTEXT

The “Business Environment Support and Trade Facilitation project for Mozambique” (BESTF) was implemented during a 3 ½ year period running from 1 July 2008 and 31 December 2011. With a budget of € 6,394,376, the project was jointly funded by the European Union (EU) (€ 5,494,376) and the United Nations Industrial Development Organization (UNIDO) (€ 900,000). A follow-up project “Private Sector Development and Quality Programme Competir com Qualidade” (COMPETIR), also jointly funded by the EU and UNIDO, was launched in August 2012 in order to build upon some of the results achieved by BESTF.

The project’s overall objective was to promote export-led growth and to improve the existing investment climate by alleviating trade-related constraints affecting the business environment in Mozambique. BESTF’s purposes were threefold:

1. To strengthen existing national quality infrastructure and institutions involved in the delivering of services in the area of metrology, standardization, and conformity assessment;
2. To strengthen the existing institution concerned and to enhance the availability, access and quality of information and advisory services for trade, including training and
3. To strengthen the existing institution concerned and to reduce the time and costs associated with import and export operations

Activities were grouped into three cluster areas, each of which encompassing one beneficiary institution:

1. Quality: National Institute of Standardization and Quality (INNOQ)
2. Information and Advisory Services for Trade (IAST): Institute for Export Promotion (IPEX)
3. Trade Facilitation: Revenue Authority (AT)

At the time BESTF started, the basic components of the Quality Infrastructure were in place, but there were no accredited laboratories. **INNOQ** was created in 1993 to operate in the various areas of the quality infrastructure (standardization, metrology, conformity assessment). INNOQ is also the national enquiry point for TBT. The enquiry point for SPS is in the Ministry of Agriculture. At the end of 2003, the Quality Policy and Strategies was approved by the Council of Ministers in Mozambique. Annex 5.5 contains a description of the various components of a national quality infrastructure and their relationships with the international system.

**IPEX** was created in 1990 and had received continued, although limited, financial support from the Government and international donors. At the time of project design, the regular budget of the institution was at around €460 000 p.a. and its staff consisted



of 40 people. According to the project document, the main needs within the IAST cluster consisted in involving the private sector in the identification of needs and then deliver the information and the advisory services with a customer/client orientation..

The **AT** was created in 2007 as a result of the merging of the Customs and Tax Directorates. By then, Customs had received the highest domestic and international support among the three institutions targeted by BESTF, and therefore the interventions envisaged for AT were more focused: the introduction of an electronic payment system for users of customs services and the implementation of a Single Window system to simplify the clearing process.

BESTF was an initiative under a joint (EC-UNIDO) management modality, with UNIDO being the implementing agency. UNIDO procedures and operational rules were followed, with the EC keeping some prerogatives of control and verification. Subcontracts were foreseen for the IAST Cluster with ITC and the Trade Facilitation Cluster with UNCTAD.

A mid-term evaluation of the project, commissioned by UNIDO, was conducted in mid-2010 by a team of independent national and international experts.

#### The broader context

BESTF originates from the Diagnostic Trade Integration Study (DTIS) conducted in 2004 under the Integrated Framework for Trade-related Technical Assistance (TRTA) to the least-developed countries. The DTIS workshop held in September 2004 validated the report's main conclusions, relating to the following areas where the constraints were concentrated: (i) business environment; (ii) trade facilitation (iii) trade and investment information and advisory service providers, particularly IPEX, INNOQ and Investment Promotion Centre (CPI), (iv) transport infrastructure.

These priorities were reflected in the DTIS Action Matrix, which called for domestic and international support for measures relating to BESTF's three cluster areas, such as the following:

- Streamline standard-setting process
- Strengthen trade institutions and processes: expand trade analysis and data support institutions
- Improve equipment and other resources of the Customs Department
- Improve customs clearance processes
- Reduce corruption to increase revenue collection and improve business environment

It should be recalled that in the 2008 Doing Business report published by the World Bank in 2007 when BESTF was signed, Mozambique was ranked 134<sup>th</sup>, out of 178 countries, in the overall index of ease for doing business and 140<sup>th</sup> in the index measuring the ease of trading across the borders.

Over the past 5 years, 2008-2012, Mozambique experienced a high growth in GDP, of around 7% per annum, that was led by megaprojects exports and related foreign direct investment. At the same time, Mozambique's merchandise exports rapidly increased from \$2.7 billion in 2008 to \$ 3.5 billion in 2012, a 30% jump, attributable mostly to mega-projects in general and for 2012 to coal in particular. By 2012, megaprojects accounted for 63% of total exports, resulting in higher concentration of exports in few products, compared to the situation prevailing in 2008.

## 1.2. DESCRIPTION OF THE FINAL EVALUATION

In accordance with the terms of reference of this assignment (see annex 5.1), its specific objective was *"to elaborate the final evaluation which will provide the decision-makers in the Government of Mozambique, the relevant external co-operation services of the European Commission and the wider public with sufficient information to:*

- a. make an overall independent assessment about the past performance of the project/programme, paying particularly attention to the results and impact of the project against its objectives;*
- b. identify key lessons and to propose practical recommendations for similar projects and for the COMPETIR in particular.*

*It will also be key to assess whether institutional capacity building has taken place in the beneficiary institutions and if this project has had an impact on the private sector".*

In order to carry out this assignment, a team of two consultants was selected:

1. Mr. **Francesco ABBATE** (Team leader and responsible for the IAST and Trade Facilitation Clusters)
2. Mr. **Stefano SEDOLA** (in charge of the Quality Cluster)

The Final Evaluation was conducted from October 2013 to January 2014. The evaluation team visited Mozambique from 21 October to 8 November 2013.

## 1.3. EVALUATION APPROACH AND METHODOLOGY

OECD-DAC evaluation principles (relevance, efficiency, effectiveness, sustainability and impact), and the EC-specific evaluation criteria (EC added value, coherence and visibility) were used as guidelines for this assignment. In addition, the evaluation team paid special attention to cross-cutting issues, such as those related to environmental impact, gender and governance. The methodology adopted by the team included a number of elements, which are described below:

- Collect and analyze relevant documentation, produced by the project itself or project-related, at home bases.
- Formulate evaluation questions on the basis of the general questions reported in the TOR, which were "contextualized" by using the information available in several project documents. The evaluation questions were also used in the interviews mentioned below.

- Hold briefing and debriefing sessions with the EU Delegation and the other members of the Reference Group, namely representatives of the National Authorizing Office, Ministry of Industry and Commerce, and UNIDO Head of Operations in Mozambique. The briefing took place on 21 October and the debriefing on 8 November, with the participation of representatives of beneficiary institutions, private sector and COMPETIR technical assistance team.
- Hold face-to-face and telephone interviews with other stakeholders, including project management and TA teams for BESTF and COMPETIR, government ministries and agencies, selected workshop participants and trainees, selected short-term experts, UNIDO and ITC officials at headquarters, key development cooperation partners and representatives of the private sector. The list of people interviewed is shown in Annex 5.3. These semi-structured interviews were conducted by using an interview template, based on the evaluation questions mentioned above, to which questions were added or deleted depending on the individual being interviewed and the dynamics of the discussion.
- Prepare the Inception Report (submitted on 24 October).
- Design a stakeholder questionnaire in English and Portuguese, which was sent out using a web-based interface. This allowed for structured collection of information from a larger group of stakeholders (see section 1.4 below and Annex 5.4).
- Travel within the country. On 1 and 4 November, Mr. Abbate visited a number of project activities and beneficiary institutions in the areas of export promotion and trade facilitation in Tete and Nampula provinces.
- Apply the theory of change to BESTF. This is a very practical instrument, which takes inspiration from the contribution analysis, an approach proposed by the Canadian evaluation expert John Mayne and developed by others.<sup>1</sup> Contribution analysis provides a structured approach to the factors that contribute to a result. The first step is to develop and agree on a theory of change. This tool traces step-by-step how the intervention is expected to lead to the desired results.

#### 1.4. SUMMARY OF COMPLETED EVALUATION QUESTIONNAIRES

The questionnaire was sent to 128 persons and received a response rate of 20% with a total of 26 respondents representing beneficiary institutions, virtually all from INNOQ (15%)<sup>2</sup>, participants in training activities (8%), project management staff (34%), experts (15%), and indirect beneficiaries, such as laboratories, economic operators (28%)

Some of the most interesting findings are:

- about 50 % of the respondents consider that the programme improved the way they work with standards and quality (out of which 31% answered that their work has significantly improved)
- about 50% of the respondents consider that the programme correctly addressed the need of their organization

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<sup>1</sup> See the Special Issue of *Evaluation* (July 2012; 18 (3)), [www.uk.sagepub.com/journals/Journal200757](http://www.uk.sagepub.com/journals/Journal200757)

<sup>2</sup> There was only one respondent from AT and none from IPEX.

- about 66% of the respondents consider the activities satisfactory or fully satisfactory and about 61% of the respondents consider that these activities have improved the technical capacity at beneficiary level.

A 20% response rate can be considered low in comparison to similar exercises with 25-35% rates. However, taking into account that project was completed 2 years earlier it is not surprising to obtain a lower response rate. The information contained in the returned questionnaires was used in triangulation with the project documents and the findings of the many face-to-face and telephone interviews conducted by the evaluators (see Annex 5.3). The major limitation of the results of the questionnaire was the uneven distribution among clusters, with respondents associated with the Quality Cluster accounting for 50% of the total. Despite these constraints, the detailed comments and suggestions provided by many respondents were found relevant and useful by the evaluators in drafting this report.

## 2. KEY FINDINGS

### 2.1. RELEVANCE, DESIGN, COHERENCE AND EC VALUE-ADDED

#### Relevance of the overall project

In its original formulation, BESTF was undoubtedly relevant to Mozambique's development needs and priorities, because its overall objective was: "To promote export-led growth and to improve the existing investment climate by alleviating trade-related constraints affecting the business environment in Mozambique".

The project design was also in line with:

- a) The then-current EC strategy for Mozambique. The National Indicative Programme (NIP), 2001-2007 for the 9<sup>th</sup> EDF reflected –rather implicitly than explicitly – the EC's willingness to support trade integration and facilitation in Mozambique. The NIP in fact mentions, among the objectives of the EC development cooperation, "the smooth and gradual integration of the developing countries into the world economy" and among the areas for which EC action provides added value "the link between trade and development". Since BESTF was formulated in late 2007, at the very end of the NIP 2001-2007, it is also important to stress that the following NIP 2008-2013 identified, among the possible focal sectors for support, "areas of strategic interest, such as **trade facilitation, international standards and certification, trade promotion and business environment constraints**", thus paving the way for the identification of the COMPETIR project.
- b) the Mozambican Government's policy priorities on trade integration and facilitation embedded in the Action Plan for the Reduction of Absolute Poverty, 2006-2009 (PARPA II), where second generation reforms, such as those underlying BESTF activities, are laid down. Among the goals of PARPA II were: "*Improving the government's institutional capability to respond to the challenge of assuming a greater role in the flows of regional and international trade*" and "*reducing the time required for customs clearance so that it conforms to international standards*".
- c) the results of the Diagnostic Trade Integration Study (DTIS), and the associated Action Matrix, under the Integrated Framework for TRTA to least-developed countries. The results of the study have been described as an element of the project's broader context in section 1.1. The EC was closely associated with this process by participating in the steering mechanism at the national level for the EIF.

#### Relevance of the Quality Cluster

The Quality Cluster is highly relevant to the "Quality Policy and Strategy of Implementation" approved by the Council of Ministers in 2003. Art. 3 indicates that "*The development of an integrated and harmonious national quality system/infrastructure, will contribute to efficiency, productivity, and the creation of wealth and, consequently, the improvement of the quality of life...Therefore it will be*

*necessary to provide them with adequate capability and with coordination and integration mechanisms that enable them to become efficient instruments for the development of the country.”*

Currently the SADC Secretariat, to which Mozambique is a partner country, is engaged in removing technical barriers to trade in order to foster regional trade. One of the tools used is the adoption and implementation of regional harmonized standards, which facilitate the free movement of goods within the region. Progress at regional level was reported in i) drafting a standardization policy common for SADC; ii) organization of awareness raising campaigns and workshops; and iii) regional metrology scheme for SADC. This indicates that the design of the programme is compatible with an already existing dynamic at the regional level to further strengthen the national quality infrastructure.

In terms of relevance, in this phase of the development of the quality infrastructure in Mozambique, the main needs are the development of a proper regulatory framework, a National Quality Policy, the separation of responsibilities within INNOQ to remove conflicts of interest (i.e. Accreditation). These needs were not clearly identified in the FA. They are, however, taken into account into the new project, COMPETIR.

The need to support testing laboratories in upgrading the quality of their services, instead, is clearly defined. The need of upgrading the level of services of INNOQ is also clearly defined in all relevant areas (standardization, metrology, certification). The FA has shortcomings in defining the concrete results for these needs (i.e. a result such as “available services in standards, metrology, and certification have been enhanced significantly” is not strictly a result and it is not measurable). Results that could lead to an upgrading of testing laboratories are for example: i) preparing a certain number of laboratories for accreditation; ii) training a selected number of personnel on testing methods; and iii) supporting the development of a certain number of quality assurance systems for laboratories. Similarly, results that would lead to an upgrading of INNOQ could be for example: implementing a certain number of standards; and/or increasing to the number of calibrations and verifications to a set target.

Ultimately, the need to improve the service delivery of conformity assessment bodies has been only partly covered. Among the 10 selected laboratories to receive assistance, 5 reached accreditation either on chemical or microbiological analysis. In addition, the need to support the development of an accreditation system has not been addressed into the design of the project. Accreditation is the basis for ensuring credibility in the overall SMTQ system. The main needs for upgrading of MIC were not addressed, such as amending as necessary the legislative framework surrounding the SMTQ system and ensuring a strategy and tools to encourage the quality culture in Mozambique.

The cluster’s results and activities are, on the whole, highly relevant to achieving the overall objective. They correspond to international best practices and experience in SMTQ system development. However, as indicated above, some of the needs to be addressed by the project were not taken into account. A first generation quality

infrastructure programme (suitable to Mozambique's level of development) should focus on:

i) development and upgrading of the national quality infrastructure policy and its regulatory framework, covering both horizontal (i.e. standards law, metrology law, accreditation law) and vertical legislation (i.e. technical regulations in various sectors); ii) the creation of coordination mechanism among the relevant ministries and SMTQ bodies; iii) the development of capacity of SMTQ providers; and iv) the increase of awareness on quality related issues.

#### Relevance of the IAST and Trade Facilitation clusters

The relevance of the IAST and Trade Facilitation clusters was quite high, as they covered the key issues in trade policy, export information and development and trade facilitation that the Government, the private sector and the civil society at large were facing in their efforts to achieve a deeper integration into the international trading system.

There were, however, some weaknesses, such as the following:

- In the IAST cluster, the establishment of the Packaging Information Centre was perhaps not a top priority, compared to the huge needs related to strengthening IPEX's institutional and technical capacity and formulating the NES.
- In the Trade Facilitation cluster, the relevance of the training in fiscal auditing was very low, as discussed in section 2.3.

There were also unmet needs in the Trade Facilitation cluster, considering also the assistance given by other donors. These needs refer to the technical assistance requirements for supporting AT's reform efforts in improving transparency and fighting corruption, an issue which is discussed in section 4.2.

#### Quality of BESTF design, including ownership

The design of BESTF is unusual, as the project exhibits a number of peculiarities, among which the most important are:

a) the lack of the standard documentation regarding two key phases of the project cycle: identification and formulation. The evaluation team was informed that two concept notes had been prepared by EUD officials in 2007. These notes, together with an input from UNIDO, formed the basis for drafting the FA and the CA. The CA states that "the needs assessment of this project was completed upon the diagnostic study carried out by the IF initiative, and, in particular, by the DTIS". However, the evaluation team confirms the findings of the mid-term evaluation: "No evidence of a comprehensive needs assessment, institutional analysis of stakeholders and beneficiaries or baseline/benchmarking activity has been found". These elements, in fact, were not contained in the DTIS.

In contrast, COMPETIR, which is also jointly managed with UNIDO, was designed thanks to two background reports on the development of private sector and of SMEs in particular and a detailed formulation report. The lack of a meaningful needs

assessment is also reflected in the responses to the evaluation questionnaire. In fact, no more than 50% of the respondents considered that the project correctly addressed the needs of their organization. In conclusion, the project had been prepared in a hurry, as was recognized by the then UNIDO Project Manager interviewed by the Mid-term Evaluation team.

b) the joint project management by UNIDO and the EC, combined with the subcontracting arrangements with other UN agencies, ITC and UNCTAD. It appears, however, that, in contrast to COMPETIR, the decision of choosing the partnership with UNIDO for the project implementation, instead of a service contract, was taken without a proper cost-benefit analysis of the joint management mode and in the absence of safeguards. Furthermore, the risks related to the involvement of other UN agencies as subcontractors were not adequately assessed.

Project design also suffered from other flaws:

1. First, the terminology adopted does not conform with the usual OECD-EC guidelines nor with the UNIDO project norms. Second, Results 1 and 2, dealing with the Project Coordination Unit and the expertise provided to the clusters, are actually, “means” to carry out the project activities rather than “results”. Third, unlike COMPETIR, performance indicators for BESTF were mainly qualitative, rather than quantitative (with some exceptions in the quality area, like number of standards published and number of certified companies) and they were not founded on a baseline, because of the lack of institutional analysis. Fourth, there was no detailed activity planning regarding project timing and phasing.
2. Absence of linkages between activities of the three clusters, especially between those related to quality and those in the area of export promotion. The project’s overall objective, to promote export-led growth, could have been better achieved if the activities in the IAST cluster were designed as the lead intervention, with activities in the other two clusters being complementary to those on export promotion. Admittedly, this would have required an early formulation of a national export strategy, which instead was available only at the end of the project, because of long delays in the implementation of that activity.
3. Although the logical framework was revised following the mid-term evaluation, it still remains unclear how the project intervention would lead to the desired outcomes/specific objectives and would have an impact on the overall national economy. For example, in the logical framework, Result 3 reads “Available services in standards, metrology and certification have been enhanced significantly”. The result is too generic and only indirectly linked to its specific objectives. It is even more difficult to create the logical chain of cause-effect to the desired overall objective.
4. Lack of focus on cross-cutting issues, as discussed in section 2.6
5. No provisions for a communication/visibility plan, an issue which is addressed in section 2.7



6. The FA included conditionalities with regard to project implementation in each of the three clusters. However, there was no mechanism, nor benchmarks to monitor the compliance by beneficiaries.
7. Some risks and assumptions are listed in the log-frame, however they only partially address the project's challenges. The lack of a proper risk assessment and of setting adequate assumptions is a limitation in the project design. For example, the main assumption for the Quality Cluster is "Government continuing providing support to INNOQ for its new premises". Whilst the new premises are an important achievement for INNOQ, the assumptions do not take into account a more comprehensive and strategic role the government should take to support the National Quality Infrastructure.

Despite these flaws, however, there were a number of positive features in project design, such as the presence in each cluster of a key activity: Single Window for Trade Facilitation, Export Drive, a precursor of NES, for IAST and accreditation of laboratories for Quality.

With regard to the **ownership** of the design process by the beneficiaries, according to the then EUD Task Manager, interviewed by the evaluation team, preparatory work for BESTF involved consultations with several stakeholders. It led to a design of an intervention where the key elements were proposed by the selected project 'champions'. Some priorities proposed by the EC were not perceived as such by local key players (e.g. issues on fisheries for export to EU), and therefore were not included in the project document. Furthermore, as was described in BESTF's Inception Report, "*The final Agreement Document was made official following a thorough discussion and a broad consensus among all the stakeholders' institutions*".

With regard to private sector participation in project design, the same report mentions that "*During the identification phase CTA showed interest in establishing partnership with the three leading institutions of the BESTF project, for jointly developing and implementing activities of common interest (delivery of training on foreign trade, awareness seminars for quality and trade facilitation, export drive, etc.)*"

However, in the implementation phase, there were significant changes in the degree of ownership of the activities originally envisaged. These changes are examined in section 2.2.

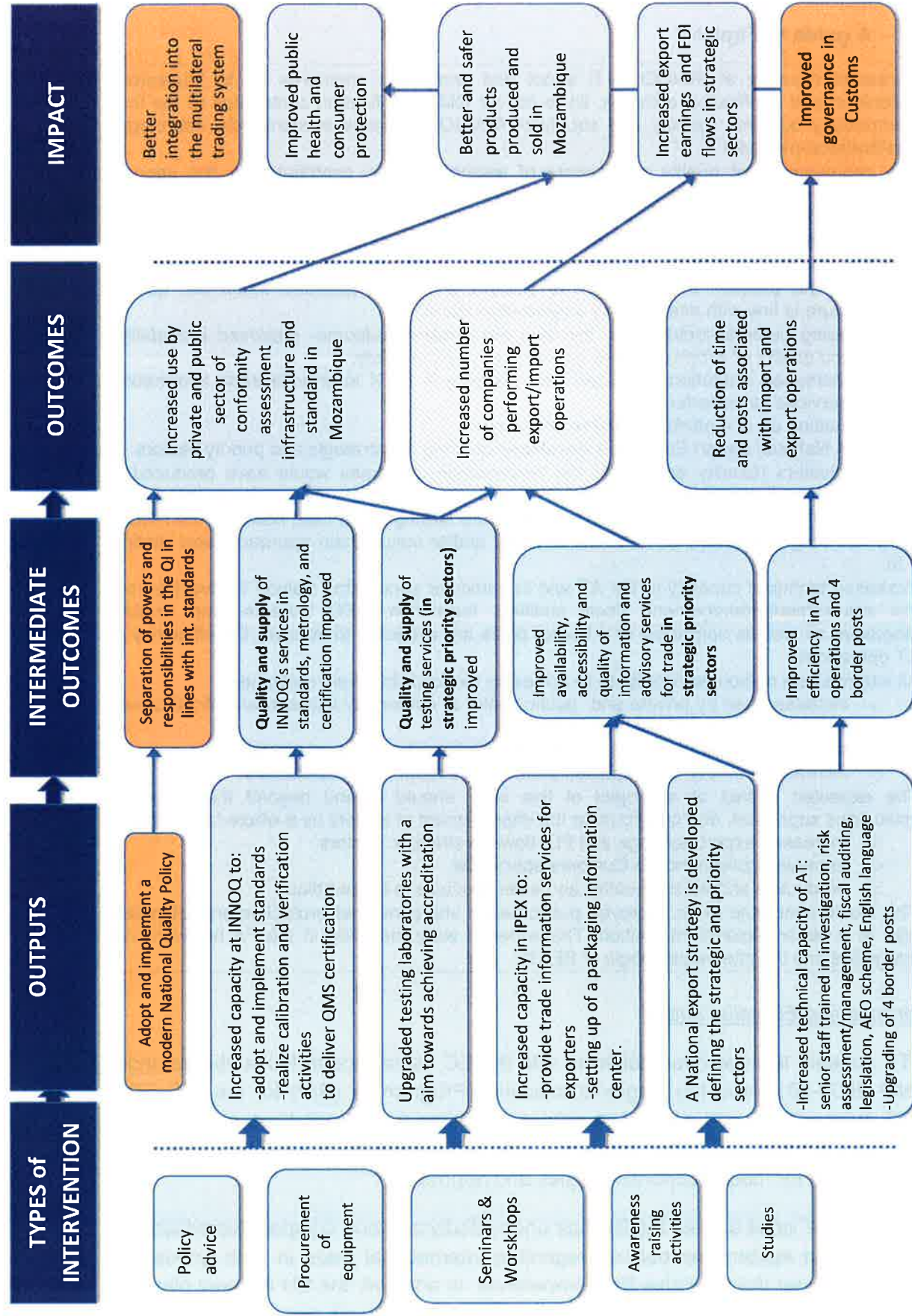
#### *An alternative new approach to project design: theory of change*

Overall, the log-frame, also in its revised version, does not allow to trace the cause-effect logic of the intervention. This is where the theory of change can be a very useful tool to think through and visualise the chain of activities and events that are expected to lead to the desired results and focus on the critical path to achieve the maximum impact with the least resources. The theory of change is used for analysing the design, delivery, results and potential of the programme. It differs from the conventional programme log-frame by emphasising the mechanisms (Intermediary Outcomes and Outcomes) that link Expected Outputs and Impact (i.e. the full 'Results Chain' is addressed). It provides a simplified graphical map of the programme based on the

programme log-frame, while focusing on the key steps in the Results Chain. The analysis of activities and results discusses to what extent the programme has lived up to its anticipated expectations in terms of quality, quantity and timing.

Figure 1 below shows an attempt by the evaluation team to produce a theory of change for the entire BESTF. Since it is a complex project, this can only be done schematically. The figure shows the main components of the project Outputs (in the log frame these are indicated as “results”). The types of intervention correspond to the group of activities. The intermediate outcomes describe the mechanisms that will lead to the outcomes and are not included in the initial log-frame. The first outcome is taken from the first part of the overall objective, which concerns the quality infrastructure. The impact is taken from the overall objective – on improved exports– which arguably is more an overall development objective (which also potentially could lead to job creation and poverty reduction) than a programme objective since the competitiveness of Mozambican exports depends on a range of factors – many of which are beyond the project’s control. The boxes in orange colour are factors that may contribute to the sequence of events leading to the required institutional change, but that are not included in the log frame. For a guide to Figure 1, see Box 1.

Figure 1 – Theory of change applied to BESTF



## Box 1 – A guide to Figure 1

- Increased capacity at INNOQ to i) adopt and implement standards, ii) to implement calibration and verification activities, iii) to deliver QMS certification contributes to the first intermediary outcome: *quality and supply of INNOQ's services in standards, metrology, certifications improved*
- The improvement of quality and supply of testing services contributes to the second intermediary outcome: *upgraded testing laboratories with a aim towards achieving accreditation*
- Adopting and implement a modern National Quality Policy is not included among the expected results from BESTF. However, this output would have been highly instrumental to speed up the process of separation of powers and responsibilities within the quality infrastructure in line with international organization standards.
- The following outputs contribute to the third intermediary outcome- *Improved availability, access and quality of information and advisory services for trade*:
  - Increased institutional and technical capacity in IPEX to provide trade information services for exporters
  - Setting up of a packaging information centre
  - A National Export Strategy is developed defining the strategic and priority sectors
- In both clusters (Quality and IAST) the intermediate outcomes would have produced a greater sustained impact if there had been a focus on strategic priority sectors. In the quality area, a study was carried out in 2010 to identify the strategic priorities; however the results were not integrated into a clear sector strategy and/or value chain approach (see section 2.3).
- Increased technical capacity of the AT and in particular senior staff trained in investigation, risk assessment/management, fiscal auditing, legislation, AEO scheme, and English language, as well as upgrading of 4 border posts are expected to improve the efficiency in AT operations.
- All intermediate outcomes contribute to achieving the following main outcomes:
  - increased use by private and public sector of conformity assessment infrastructure and standards in Mozambique
  - reduction of time and costs associated with import and export operations
  - increased number of companies performing export/import operations.
- The expected impact of a project of this kind, should extend beyond the individual institutions supported, and contribute to the improvement of society as a whole facilitating:
  - Increased export earnings and FDI flows in strategic sectors
  - Improved governance in Customs operations
  - production and sales of better and safer products in Mozambique
- This would contribute to an improved public health and consumer protection and ultimately also to a better regional integration. These needs were identified in the FA but were not integrated into the intervention logic of BESTF.

### Coherence and EC value added

BESTF appears to have been coherent with the EC assistance to Mozambique under the NIP 2008-2013 and the Regional Indicative Programme (RIP) for the 10<sup>th</sup> EDF. BESTF dealt with second-generation reforms involving trade-institutions at the “meso-level”, i.e. the mid-level of the economy. This action was complementary to the EC budget support for macroeconomic policies and reforms.

Concerning the value added, the EU has undoubtedly a strong comparative advantage in trade-related matters, as policies regarding international trade in both goods and services fall under the exclusive EU competence. In addition, the EU is a key player in the Aid-for-Trade initiative and has accumulated a wealth of experience in private sector development projects, especially those promoting quality infrastructure. However, the EU value added could have been enhanced by including, among the project activities those in which the EC could have shared its experience in dealing with

such issues as quality control, TBT, SPS and customs in new Member States and developing countries, especially ACP, and those benefiting from the Development Cooperation Instrument (DCI).

## 2.2. EFFICIENCY AND THE USE OF RESOURCES

### Financial management

As Table 1 shows, by the end of the project, aggregate actual expenditure amounted to about €5.8 million against a budget of 6.4 million, resulting in an overall implementation rate of some 91%. There were, however, some variations across clusters, with the quality cluster leading at 91% and the other two clusters lagging somewhat behind (88%).

The quality cluster received the lion's share of project's expenditure (42%), i.e. 1½ times the amount allocated to the other two clusters together. It is also important to note the high share (26%) absorbed by the PCU and Heads of cluster.

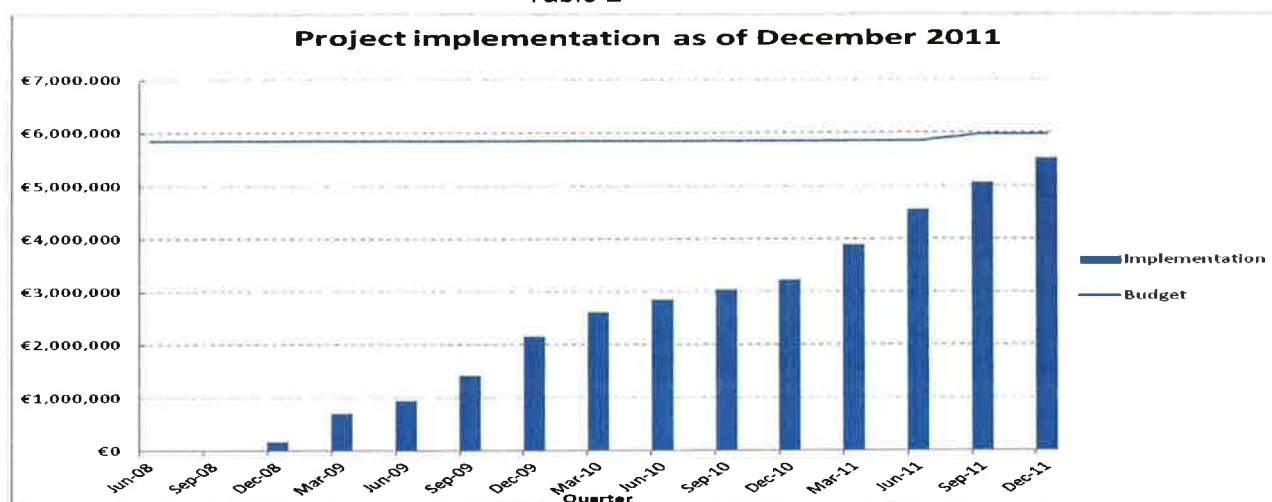
Table 1 – BESTF BUDGET AND ACTUAL EXPENDITURE BY 31 DECEMBER 2011

	Project Budget (000 €)	Project (000 €)	Expenditure (%)	Implementation rate (%) (Expenditure/budget)
Results 1&2: Permanent TA and core expertise	1582	1527	26.4	96.5
Result 3: Quality	2670	2425	41.9	90.8
Result 4: Information and Advisory Services for Trade	749	657	11,3	87.7
Result 5: Trade Facilitation	982	862	14,9	87.8
Sub-Total	5983	5470	94.4	91.4
Indirect costs	411	323	5.6	78.6
<b>TOTAL</b>	<b>6394</b>	<b>5793</b>	<b>100.0</b>	<b>90.6</b>

This spending performance may be considered very satisfactory, especially taking into account the long delays that have constrained project execution in the first phase. In fact, as Table 2 reveals, virtually no expenditure took place before the first quarter of 2009, and by the time of the mid-term review in April 2010, the implementation rate had formally reached 46% but in practice it was at a much lower level, considering that the project commitment for ITC subcontracting had been already recorded as expenditure while ITC activities started only in late 2010.<sup>3</sup> Table 2 also shows a remarkable acceleration in expenditure since the first quarter of 2011.

<sup>3</sup> In a contribution agreement, all the expenditures were obligations (contracts signed with third parties) but not necessarily paid expenditures corresponding to finalized activities.

Table 2



On the basis of the financial data contained in BESTF's Final Report, it is possible to calculate the share of expenditure for equipment in total expenditure by cluster (see table 3). It is interesting to note that:

- a) this share varies considerably between the trade facilitation cluster (around 70%) and the other two clusters, quality (about 29%) and IAST (some 24%).
- b) In the case of the trade facilitation cluster, the extremely high share of equipment was accompanied by the absence of specialized technical assistance being provided to AT through the Project Coordination Unit or the Head of Cluster, who was not a specialist in that field. There was, however, technical assistance in terms of drafting the technical specifications for the equipment.

In designing a project, it is very difficult to strike the right balance between the financing of equipment and that of technical assistance, including study tours and training. However, if the percentage of equipment being financed is too low or too high, this becomes a warning signal of a possible major trade-off between the benefits deriving from the use of equipment and those associated with the provision of technical assistance. The latter, if properly delivered, results in the transfer or adaptation of ideas, knowledge, best practices, technologies, and skills to foster economic development. Equally important, it can involve policy reform, institutional development, or capacity building and become a vehicle for the EC to enhance the value added of its assistance. The trade-off between these two expenditure items should constantly be kept in mind.

**TABLE 3 – EQUIPMENT EXPENDITURE BY CLUSTER**

BREAKDOWN OF ACTUAL EXPENDITURE	THOUSAND €	%
<b>Result 3: Quality</b>	<b>2425</b>	<b>100</b>
<i>Laboratory equipment</i>	<i>(635)</i>	<i>(26.1)</i>
<i>Transportation equipment</i>	<i>(68)</i>	<i>(2.8)</i>
<b>Result 4: Information and Advisory Services for Trade</b>	<b>657</b>	<b>100</b>
<i>Transportation and computer equipment</i>	<i>(156)</i>	<i>(23.7)</i>
<b>Result 5: Trade Facilitation</b>	<b>862</b>	<b>100</b>
<i>Language laboratory equipment</i>	<i>(302)</i>	<i>(35.0)</i>
<i>Computer equipment, software (Analyst Notebook), books</i>	<i>(172)</i>	<i>(20.0)</i>
<i>Remote border posts equipment</i>	<i>(127)</i>	<i>(14.7)</i>

### Efficiency

The efficiency of the project as a whole was severely shaken by the long delays that characterized project implementation. These delays, which are described in detail below, affected all clusters, but to different degrees. The Quality cluster was less hit than the other two, because it did not depend on the subcontracting arrangements with international organizations and was assisted by a competent Head of Cluster. These factors partly explain the higher level of efficiency reached by the Quality cluster. The other factor determining the better performance of this cluster was the strong ownership shown by the beneficiary.

#### a) Long delays in project implementation

Long and frequent delays became a recurring feature in the implementation of the whole project and particularly in its first phase and in the case of the IAST and trade facilitation clusters.

These delays, which led to a six-month extension of project duration, were due to several factors:

1. The Financing Agreement was signed in December 2007, but the project started six months later in June 2008, right after the signing of the Contribution Agreement with UNIDO. Before approaching UNIDO, the EUD had considered a partnership with UNDP.
2. The start of the project was quite difficult since the project staff was fully operational only several months after the official kick off date. The last recruitment (Head of Cluster for IAST and trade facilitation) took place in January 2009, i.e. more than one year following the signing of the FA.
3. The project suffered from the absence of a full-time Task Manager in the EUD for almost a year, from the beginning of the project until the appointment of the current Task Manager in May 2010.
4. The protracted negotiations between UNIDO and ITC over the terms and conditions of the subcontracting arrangement led to the postponement of the ITC activities for the export promotion cluster until June 2010, i.e. as late as two years after the start of the project.

5. Meaningful project implementation for the trade facilitation cluster did not begin before early 2010, following the withdrawal of UNCTAD as subcontractor and the lack of communication between AT and the project management which led to the cancellation of two important activities.
6. On the UNIDO side, several constraints related to the concentration of project management decisions in headquarters were softened with the appointment of a Head of Operations in the field office and the opening an Imprest Account, thus avoiding delays related to payments previously made by UNDP.

Interestingly, unlike many similar Aid-for-Trade projects around the world, most of the delays experienced during the implementation of BESTF are attributable to project management and associated executing international organizations, rather than beneficiaries.

#### b) Quality Cluster

Compared with similar projects in other countries at a comparable level of development and taking into account the specific environment and stakeholder capacities of Mozambique, the range of activities as originally envisaged was realistic. The project document and the work-plans seem to have been well understood by the INNOQ and MIC.

Overall, the cluster trained around 400 people (including 50 persons on English technical language), organized 4 study tours and 13 awareness seminars (on standardization, metrology and conformity assessment) reaching about 450 people, assisted metrology staff in 43 municipalities and supported 10 companies for certification and 10 laboratories for accreditation.

Out of the 55 activities in the Cluster, 49 were fully completed and 6 only partially (e.g. awareness raising and the development of management information systems).

Based on the experience with similarly sized projects in other countries, there has been value for money for most of the technical assistance activities in the field of Quality. A satisfactory use of financial and human resources (value for money), is confirmed also by 66% of the respondents to the questionnaire, half of which were associated to cluster activities.

Expenditures for equipment represented an important share of total cluster expenditures, approximately 29%, of which 26% for laboratory equipment (see Table 3). These outlays have been, overall, instrumental for INNOQ modernization, but in some cases loosely linked with the objectives of the project (i.e. vehicles).

#### c) IAST cluster

The efficiency of this cluster was adversely affected not only by the late conclusion of the subcontracting with ITC but also by other factors including: delays due to the performance of the Head of Cluster; IPEX's absorptive capacity; and communication problems between ITC and the Project Manager.



With regard to IPEX's absorptive capacity, it is revealing that a project progress report mentioned that *"It is a real concern that limited results in terms of concrete legacy to the beneficiary institutions will occur if the IPEX staff commitment and attitude toward the project do not change. The concern has been repeatedly raised in meetings between UNIDO and IPEX management and promises for more commitment have been repeatedly confirmed."*

#### **Box 2- CBI assistance to IPEX, 2006-2012**

CBI and IPEX have been working together since 2006. CBI trained IPEX staff on export related matters, we built together a new HR system for IPEX. The present project is aimed at value chain facilitation in the value chains of pineapple, green beans, mango, groundnuts, cashew, piripiri, and handicrafts. At the end of this project, around Q2 2012, IPEX will have the capacity to develop services and products for export development and export promotion. IPEX will have acquired the capacity to identify constraints in complying with buyer's requirements in EU and regional markets and translate that analysis into projects for export diversification.

There are currently two pilots where we are approaching an exportable offer – pineapple and handicrafts. IPEX is promoting the pilot projects throughout the export community. The pilots have resulted in acknowledgement by all parties of IPEX as a proactive player in export development and promotion, which is a significant progress. All parties we interact with in Mozambique know of the pilots and speak positively about them. From the road shows and round table in 2008 till today, IPEX is putting itself on the map.

Source: CBI website

Furthermore, the Head of Cluster's approach of delivering hands-on technical assistance at the micro-level, as opposed to providing advice and guidance to IPEX management, was deemed to be inefficient and led to the abolition of that post in November 2010 in concomitance with the launching of the NES.

Under these circumstances, it is not surprising that a number of planned activities were not fully completed:

1. As recognized by ITC in its Final Report, the activities concerning the Packaging Information Centre (PIC) and the Trade Information Management were partially completed, at a level of approximately 80%. The uncompleted undertakings were the hand-holding training of IPEX personnel on the uploading and management of the information systems.
2. Although the skills assessment of IPEX staff was 100% concluded, it transpired, during the course of the exercise, that a similar process was undertaken by the CBI (see Box 2). Surprisingly, the results from the CBI assessment were never made available by IPEX, nor by CBI itself. This episode casts doubt on IPEX's ownership of the BESTF project and on the effectiveness of aid coordination.
3. The preparation of the NES was technically concluded. However the NES was not validated, nor implemented, apart from some isolated activities. One of the

reasons for these shortcomings was the absence of a Portuguese translation, which became available only in 2013. Another cause of delay was the clearing process within MIC, which involved the approval by its Consultative and Coordinating Council.

The unspent amount of € 92 000 for this cluster (see Table 1), of which €77 000 in the ITC budget, would have been extremely useful to complete unfinished activities and implementing the NES.

#### d) Trade facilitation cluster

The efficiency of the trade facilitation cluster was severely hampered by two major setbacks in its work programme:

1. The implementation of this cluster was originally foreseen to be achieved through the subcontracting by UNIDO to UNCTAD. At the time of project design it was expected that the key component required for achievement of the objective of this result area would be the implementation of a “Single Electronic Window” (SEW) for customs management. Improved technology was deemed to be an important part of the solution to improving risk management, expediting release times, reducing corruption, and improving the availability and timeliness of trade data. However, in September 2008, Autoridade Tributaria (AT) communicated to the project management that the single window system offered by UNCTAD, the Automated System for Customs Data (ASYCUDA) was no longer required and requested instead the financing of an electronic tracking system (ETS) and investigative software.
2. Following the withdrawal of SEW from the workplan, the project started, as requested by AT, the implementation of the ETS by compiling the technical specifications for the procurement of the system and subsequently by launching an international bidding process which was concluded by October 2009. However, one month later, in November 2009, AT informed the project management that this activity should be discontinued because an ETS component was also embedded in the SEW project that was being undertaken within AT with a Public-Private Partnership (PPP) financing scheme, because of the high level of investment involved, about US\$ 15 million

However, the other ten activities that were implemented within this cluster were fully completed by end of the project, thus showing a relatively high level of efficiency after the problems encountered in the first 18 months. This was mainly due to the high degree of ownership of the revised work programme by AT.

## 2.3. EFFECTIVENESS

The level of BESTF's overall effectiveness is rated as medium-good, although the performance has been rather uneven across the various clusters:

- Quality cluster: good
- IAST cluster: low-medium
- Trade facilitation cluster: medium<sup>4</sup>

The overall qualitative judgment on BESTF's effectiveness is heavily influenced by the good performance of the Quality cluster that absorbed somewhat more than 60 per cent of the financial resources allocated to the 3 clusters. Among the key factors explaining the uneven performance of the clusters are the different levels of efficiency combined with different degrees of ownership.

### Quality cluster

The table below indicates in a synthetic way the level of achievement of the results as formulated in the theory of change. All results have been, to a good extent, achieved. However the intervention has focused more on results level rather than meeting the objectives.

Output/Results	Achievement
Upgraded testing laboratories with the aim of achieving accreditation (pilot programme in accreditation)	good
Increased capacity at INNOQ to: implement calibration and verification activities	good
Increased capacity at INNOQ to: -deliver QMS certification	good
Increased capacity at INNOQ to: -adopt and implement standards	good

Referring to the outcomes/objectives as described in theory of change (figure 1), findings show the following:

- There has been an improvement in relation to intermediary outcome 1 "increasing quality and supply of INNOQ's services in standards, metrology, and certification". Furthermore, there has been an improvement in the functioning, organization mandate, and operations in INNOQ. The mass and temperature metrological lab was also accredited. Legislation in the area of legal metrology was approved by the Parliament in the second year of the

<sup>4</sup> The level of achievement of the results is rated on a scale of 5 as: 1. No achievement; 2. Low; 3. Medium; 4. Good; 5. Excellent.

project implementation. The rest of the legislation (i.e. standardization, accreditation) needs to be revised and adopted. The National Quality Policy is still to be finalized and the Coordination Mechanism with the Quality Infrastructure to be established.

- There has been progress towards intermediary outcome 2 “Improved quality and supply of services in the area of testing”. The technical assistance provided to the testing laboratories enabled 4 of them to reach accreditation in the area of chemical and microbiological analysis (relevant for water and food tests). More assistance is however needed to enlarge the scope of accreditation and to increase the number of accredited laboratories.

A market analysis study was carried out in 2010 to identify strategic sectors where to focus the development of conformity assessment services and standards. There is no evidence that the results of this study were integrated into any strategic approach during BESTF implementation. COMPETIR reviewed and updated the results of this study with the aim of exploring the possibility to introduce a sector perspective in the implementation of the project.

- One of the major achievements of the project was the accreditation of 4 testing laboratories and 1 metrological laboratory. A pilot programme commenced early in 2010 with an initial survey of 10 laboratories. An indirect outcome of this pilot was that a network of laboratories was formed to discuss and fine-tune the technical assistance programme. This initiative eventually led to the creation of the Mozambique Laboratory Association (ALM). At the end of 2010, a pre-assessment of the laboratories was carried out and 4 laboratories were considered at appropriate level to proceed to a next phase (National Laboratory of Hygiene of Food and Water (LNHAA), SwissLab, ACT-UIS Laboratory of Mozambique, Fishery Laboratory (INIP-LIP). The new calibration laboratory of INNOQ was also an integral part of the training received during the pilot programme and now it is a member of the ALM. Support in the form of training and consulting was provided to these laboratories, which led to their accreditation by IPAC (Portuguese Accreditation Body) in the area of analytical chemistry for INIP and ACT-UIS and in the area of microbiology for SwissLab and LNHAA.

Accredited laboratories- Baseline (2008) number of accredited laboratories: 0  
Number of accredited laboratories by October 2013: 5

- The introduction of a national legal metrology system in Mozambique was supported by a trilateral cooperation with Brazilian and German metrological institutes (INMETRO and PTB). The law provided for INNOQ to act as the coordinator for the national system of legal metrology and to delegate the inspection functions associated to legal metrology system to the 43 municipalities of the country. Thanks to the project, INNOQ started the process of verifications in Maputo and various provinces.

Legal Metrology- Baseline (2008): Number of verifications: 0  
Number of verifications by end of 2012: 4456 in 43 municipalities

- The initial project intervention, mainly focused on training, allowed for limited support in the area of industrial metrology. During the project the SC agreed to include additional activities resulting in the refurbishment of the calibration laboratory. The new laboratory was inaugurated in 2010 and application for accreditation was submitted during December 2011 to IPAC.

Industrial Metrology-Baseline (2008): Number of calibrations: 156  
 Number of calibrations by end of 2012: 637

- Strengthening INNOQ certification department is considered another achievement of the project. INNOQ certification body was established since 1993. However no certifications were ever issued. The project supported the department to review their management procedures, and trained 3 trainee auditors. The project, in cooperation with CTA, launched a pilot to certify the management system of a small group of private companies. The pilot project gave assistance to 10 companies (5 in Maputo and 5 in the provinces) and 3 of them were certified ISO 9001. At project's end INNOQ certification department was not yet able to operate independently. There is the need to improve their internal management system based on the requirement of ISO 17021.

INNOQ Certification Department – Baseline (2008): Number of certifications: 0  
 Number of certifications ISO 9001 issued by end of 2012: 3

- INNOQ standardization department and standards development activities have been strengthened by the project through training and coaching. The number of standards developed and sold by the Institute increased since the start of the project. It remains challenging to ensure that national standards are aligned with needs of industry and to create awareness within the private sector. Study tours provided a good overview of how other institutes have organized their internal management processes and how benefits of standardization are promoted in the private sector.

Standardization Baseline (2008): Number of standards published: 36  
 Number of standards published by 2012: 528

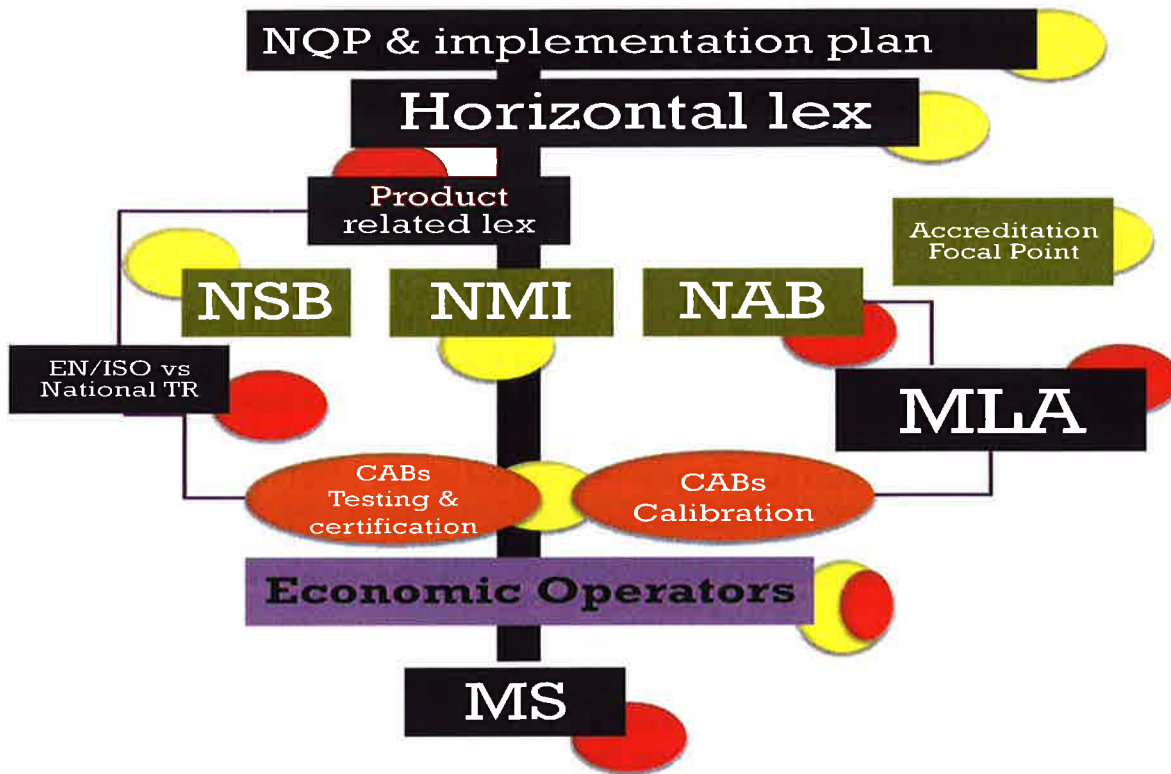
The project organized awareness raising seminars in Maputo and all provinces to sensitize the public about the importance of quality standards and metrology. It contributed to the preparation of some communications tools for INNOQ to increase public awareness on measurements in trade including TV, radio adds, etc. Also, the project tried to increase the visibility of relevant issues through events organized together with CTA.

The implementation of an awareness raising campaign is instrumental to increase pressure from the public to develop standards to protect consumers and health and therefore to have better and safer products produced and sold in Mozambique. As regards the general public and individual enterprises the results have been less significant so far, because a full-fledged awareness raising campaign has not yet been launched.

Figure 2 provides an overview of the current status of the quality infrastructure (QI). The graph is a simplified schematic representation of the major pillars of the QI (yellow

dot indicates that the QI is progressing well but is still not aligned to international standards; red dot where there are still fundamental gaps to be addressed)

**Figure 2 - Quality Infrastructure in Mozambique<sup>5</sup>**



As is illustrated above, there are still several outstanding issues that need to be addressed in the in Mozambique’s QI. The follow up project COMPETIR is addressing several of these issues, like the upgrading of the national quality policy and its implementation plan, the international recognition of the Mozambican conformity assessment bodies and responds to INNOQ’s goal of progressively increase its financial independence from donors and the Ministry.

Overall, increasing the viability and efficiency of the SMTQ actors is necessary condition, but not sufficient. It is important also to address the governance and mandates and capacities of the SMTQ actors in a strategic manner in relation to the engagement of the government at various levels. A key concern of this evaluation is that the project has only partially addressed this aspect, setting up a network of laboratories. Activities implemented for INNOQ such as committee meetings, trainings and assisting individual SMEs, concentrate on developing the awareness and capacities of individuals instead of the addressing important fundamentals in terms of organizational mandates and capacities. There are high expectations that this issue can be addressed in the follow up project COMPETIR.

<sup>5</sup> Horizontal Lex- Horizontal Legislation; NSB-National Standardization body; NMI- National Metrology Institute; NAB- National Accreditation body; CABs- Conformity Assessment Bodies, MLA- refers to EA Multilateral Agreement or ILAC Multilateral Agreement for accreditation, MS- Market Surveillance

COMPETIR also intends to clearly stress and demonstrate that consensual voluntary standards can only be useful when adequately applied, and that the enforcement of clear technical regulations (TR) should denote the basic and essential requirements of quality of products, services and installations. Furthermore, this project takes the task to collect, organize and review the Mozambican set of TR having in view the need to simplify its applicability and improve its enforcement, thus opening the way to further and permanent production and application of better legislation.

### IAST cluster

The level of achievement of the expected results for the IAST cluster is indicated in the table below

Output/Results	Achievement
-Increased institutional and technical capacity in IPEX to provide trade information services for exporters -Setting up of a packaging information centre	low
A National Export Strategy is developed defining the strategic and priority sectors	medium

The most noticeable result of this cluster was, undoubtedly, the development of the NES, whose key features are described in Box 3. The NES is a valuable product, resulting from a participatory process and proposing sector-specific strategies, as well as cross-sectoral strategies and a detailed implementation programme.

### **Box 3 - Key features of the NES**

- A National Export Strategy was developed from November 2010 to November 2011 by a team of national experts under the guidance of ITC experts as a tool for diagnosing key export sectors and their products, and for shaping-out strategic plans for implementing sector-specific strategies to generate value added products.
- The process provided for wide participation of public and private sectors in Mozambique and included regional consultations throughout all the provinces of the country.
- NES results were facilitated by 9 specialized sector teams (SST) set up jointly by IPEX and ITC to deal with specific issues.
- The final outcome of the NES consultative process was the formulation of five sectoral strategies dealing with: Sesame; Cashew; Crustaceans and Molluscs; Fruit Juices and Pulps Processing; Creative Industries: music and performing arts.
- The NES also focuses on four cross-sectoral “functions”, which are viewed as essential for export development and competitiveness. These are all areas in which Mozambique’s export sector faces major obstacles to its sustained inclusive growth. These functions include 1) Trade information 2) Quality management 3) Access to finance and 4) Skills development
- Finally, the NES puts forward a detailed and realistic implementation programme for the 2012-2017 period.

The design of the NES has brought about strengthening of Mozambique's capacity to formulate and manage export development strategies that are relevant and realistic. There are, however, a number of factors that have mitigated the effectiveness of this activity, namely:

1. Two years after its completion, NES still remains to be validated and implemented. One of the obstacles was the absence of a Portuguese version of the report. But this issue was resolved in early 2013 with ITC providing such translation at its own expenses. Reportedly, the MIC has recommended that the NES be incorporated into the next National Development Strategy which is being elaborated by the Ministry of Planning and Development.
2. Despite the lack of formal approval, there have been nonetheless some institutions, such as IPEME, the Cashew Institute, the Ministry of Fisheries and the Ministry of Culture, which is in charge of creative industries, that have used some elements of the NES to address trade promotion issues. These are, however, sporadic, uncoordinated actions, that do not result from a Government-sponsored overall implementation plan.
3. Because of the absence of endorsement, the availability of the translation of the NES into Portuguese has not resulted, as was expected, in the launching and distribution of the NES across Ministries and government agencies, their regional offices and the business community and their infrastructure. As an example, the evaluation team noted that a copy of the NES was not available to the Nampula office of IPEX and that the top management of CTA had little knowledge of the NES.
4. The long delay in the validation of the NES may also be attributed to a low degree of ownership of this output by IPEX and MIC, despite the deep involvement of IPEX's top management and the participatory process followed in the NES formulation.
5. There is a high risk that the NES will *de facto* be shelved, even if formally it is eventually embodied into the next National Development Strategy. A similar situation has emerged with regard to UNCTAD-sponsored Investment Policy Review (IPR), validated in November 2011 but not yet implemented. Whether this gloomy scenario will materialize or not depends heavily on Government priorities.
6. The lack of implementation so far is perhaps a sign of low national priority assigned to the NES, especially considering that it focuses on a narrow range of agricultural and fishery products and services, thus excluding industrial products, tourism and more importantly exports deriving from the exploitation of natural resources, as in the case of megaprojects or national firms linked to those projects.



7. Although the NES continues to be a valid instrument, also because of its implications for export diversification, regional and rural development and poverty alleviation, it risks to be neglected as a victim of a kind of “Dutch disease” or “natural resource curse” that affects Government attention and priorities, rather than the country’s exchange rate.

Other activities aimed at strengthening IPEX institutional capacity and its trade information services, such as training provided or organized by ITC and hands-on technical assistance delivered by the Head of Cluster, have been much less successful than the NES, as they did not result in a significant improvement in the institutional or technical capabilities of IPEX. The production of very basic materials, such as the Export Directory, which has not been updated since 2010, Export Bulletins, i.e. periodic press releases, and leaflets, are not signs of the presence of a modern trade information system.

The results have been even more disappointing in the case of the new IPEX website and the Packaging Information Centre (PIC). IPEX’s website ([www.ipex.gov.mz](http://www.ipex.gov.mz)) was redesigned and further improvements were introduced in late 2011. Two IPEX staff members were trained to maintain and upgrade the website. However, the information contained in the website has not been updated since March 2012 as the dedicated staff has not been able to have access to the server. Furthermore, since the Internet broadband in IPEX was not, and is not yet, adequately fast, the design of a centralized information system for IPEX that would link it to its regional offices could not be undertaken.

PIC, which, despite its misleading name, is just a web-based facility providing packaging information, was developed by the end of the project and appears to be technically sound and potentially useful to exporters. However, this facility is linked to the IPEX website and is not accessible to potential users because it has not been uploaded for the reasons explained above. Moreover, IPEX staff training in utilization of the PIC was only 50% trained, as recognized by the BESTF Final Report and thus information contained in the PIC has not been updated in the past two years.<sup>6</sup>

Since 2004, in addition to BESTF, IPEX has been receiving substantial financial and technical assistance from a variety of donors. Today, however, IPEX still suffers from a number of weaknesses stifling its effectiveness.

This situation is reflected by the remarks made in the NES itself, which was drafted at the very end of the project: *“Trade information and commercial intelligence is a critical aspect of exports which is currently weak in Mozambique. All strategy teams have reported the lack of timely and relevant information of trade information within their sectors. This strategic consideration aims at restructuring of the provision of services by aligning it better with exporters needs and strengthening collaboration between trade information providers”.*

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<sup>6</sup> However, through an unofficial IPEX website ([www.ipexmz.com](http://www.ipexmz.com)) that has been used only for testing purposes, it is possible to have access to PIC ([www.ipexmz/pic](http://www.ipexmz/pic)) because it has been uploaded there, but it has not been updated.

Moreover, in 2012, i.e. after the completion of the project, a World Bank report stated that “ IPEX does not have the capacity or resources to fulfill the function [of a pro-active trade information system]...IPEX is still perceived as an administration without practical experience, means and first-hand expertise to deliver on its mission.”<sup>7</sup>

### Trade facilitation

The table below illustrates the level of achievement of the results for the Trade Facilitation cluster.

Output/Results	Achievement
-Increased technical capacity of AT: senior staff trained in investigation, risk assessment/management, fiscal auditing, legislation, AEO scheme, English language -Upgrading of 4 border posts	medium

In contrast with the IAST cluster, it is rather difficult to pinpoint a prominent result in the area of trade facilitation, although the effectiveness of the activities implemented is, on average, satisfactory.

A major result would have undoubtedly been the development of the SEW, which was supposed to be the key element of the original work programme for the trade facilitation cluster. Box 4 contains the details of the SEW implementation that took place outside BESTF. However, these details are still important to understand the links between a number of BESTF activities and the SEW.

The successful experience with the SEW has been instrumental for Mozambique’s improved ranking in the Doing Business 2014. In fact, the just-released World Bank report acknowledged that “Mozambique made trading across the borders easier by implementing a SEW system.” and the country’s ranking with regard to the index measuring the ease of trading across the borders climbed to the 131<sup>st</sup> position compared to 134<sup>th</sup> in the 2013 edition. Although Mozambique’s customs procedures are still relatively slow and inefficient for world standards, improvements were registered in the average time to clear customs for exports (from 23 days to 21) and imports (from 28 days to 25). As a result of these achievements and other improvements in the business environment, the country’s overall ranking has moved to the 139<sup>th</sup> position from the 146<sup>th</sup> one year earlier. In comparison with Doing Business 2008, the ranking in trading across the borders has considerably improved (from 140<sup>th</sup> in 2008 to 131<sup>st</sup> in 2014), as well as the average time to clear customs for exports (from 27 days to 21) and for imports (from 38 days to 25).

<sup>7</sup> World Bank, Mozambique - Reshaping Growth and Creating Jobs through Trade and Regional Integration, CEM, March 2012

#### Box 4 – Development of SEW in Mozambique

- Discussions aimed at improving Customs' ability to deliver streamlined automated customs programs, stretch back well over 15 years. By 2009, a series of important decisions were in the process of being made, founded on a strong preference promoted through CTA and by the donor community, to move towards a system that would go beyond a closed electronic processing system, such as ASYCUDA. There was preference for an open SEW system that would tie together entire stakeholder and client trading communities both nationally and internationally.
- Mozambique's SEW was launched in 2011, providing a centralized platform to streamline and simplify the operation of customs and other government agencies involved in border control. Implementation was not easy. Mozambique had to overcome infrastructure weaknesses at land borders in remote areas and resistance from certain stakeholders. The system is the subject of continuous improvement.
- The creation of the Mozambique Community Network (MCNet) was an institutional mechanism that drove implementation of the SEW. MCNet was established under a public/private partnership. It is 60% owned by the Escopil Internacional and the SGS Mozambique consortium, and 40% by the State and CTA, each with a 20% stake. CrimsonLogic is MCNet's strategic partner in developing and operating the SEW. CrimsonLogic started to implement the system in Mozambique in 2010 and launched it in 2011. It took approximately 14 months for the facility to become operational.
- The initial investment cost of establishing the system was US\$ 15 million. On-going costs related to the operation and maintenance of the systems have been financed through a network charge levied on Customs declarations processed by the system.
- The first 9 months of implementation revealed some issues due to Infrastructure problems, temporary delays and other shortcomings related to the service agents and other government agencies who have not brought their internal systems up to adequate levels needed to support the SEW.
- Today, the system is able to handle up to 400,000 customs declarations per year, or about 1,500 per day, bringing many benefits to: a) the importer/exporter: faster clearance times (reduced from 3 days to a few hours), a more transparent process, a more predictable process and less bureaucracy; b) Customs: improved staff productivity through the upgraded infrastructure, increase in customs revenue, a more structured and controlled working environment, and enhanced professionalism.

Source: Mozambique, Trade Facilitation Implementation Guide, UNECE

<http://tfig.unece.org/cases/Mozambique.pdf>

Among the main interventions undertaken in this cluster to fill the vacuum left by the withdrawal of two activities, the SEW and the ETS, the following were the most significant actions in terms of achieved results:

#### **1. Strengthening of capacity in Risk Assessment and Risk Management.**

Several training activities for AT officers were implemented country-wide in this area. A total of 50 officers were trained by experts in courses that were

organized by Brazilian experts in Maputo and in Nacala for the Northern Region. A need for a refresher course for the officers trained in Maputo was subsequently identified and a contract was issued to KPMG for this purpose. The training provided AT officers with an in-depth understanding about the risks involved in goods movement, money laundering, fraud and the counterfeit of goods.

2. **Strengthening of the “Instituto de Finanças Publicas e Formação Tributaria” (IFPFT)**, the newly-created training institution of AT. The project provided technical assistance (training and equipment) primarily focussed on the establishment of a library, multimedia English language classrooms and network infrastructure. It was undertaken for the main IFPT campus in Matola as well as satellite campuses in Beira and Nacala.

The leader of the evaluation team visited the Matola and Nacala campuses and noted that the equipment and network infrastructure financed by the project were installed and functioning. However, data on course attendance that were assembled for the evaluation were not reassuring. In the Matola campus, only 74 students, of which less than half at the intermediate level, completed the English language course over the past 2 ½ years since the opening of the language laboratory. These students were officers from both the Customs and Tax Departments of AT. Furthermore, the drop-out rate, at over 30%, was very high and no feedback questionnaires were distributed to students at the end of the course.

The situation was worse at the Nacala campus, where the equipment was installed in October 2011, but started functioning only in March 2013, because of problems with the server, and since then only one training course for four language trainers has been organized. In conclusion, the proficiency of AT officers in English language has contributed to the improvement of various customs processes but only to a limited extent so far, also considering that not all officers were from the Customs Department.

There are other activities in this cluster that, for different reasons including the complexity of the system adopted, have, to date, displayed low effectiveness. These results, however, may eventually improve in the future, thanks to a number of actions, including follow-ups for specific trainings. These interventions are the following:

1. **Strengthening of investigative capabilities of the AT customs directorate.** This activity involved (a) introduction of the “Analyst Notebook”, a software platform that provides for the advanced analysis and visualization capabilities; (b) the acquisition of the “iBridge”, a software tool that is instrumental for linking the Analyst Notebook to the existing databases of the AT; c) training of all officers concerned and related technical assistance.

However, the effectiveness of this intervention was hampered by a number of factors: a) the Customs Department received only 1 out of the 8 licenses purchased for the Analyst Notebook and 2 out of the 6 licenses for the iBridge; b) among the 12 AT investigative officers who were trained, only two were from

the Customs Department; c) the Customs officers interviewed by the evaluation team stated that the software was used sporadically because of insufficient training and limitations in the AT database.

- 2. Supporting the AT pilot project for the Authorized Economic Operator (AEO)<sup>8</sup>.** This intervention consisted of the provision of office equipment (including computers, printers and fax machines) for two pilot AEO offices at two customs terminals that were selected to implement and test the effectiveness of the new AEO concept, introduced by law in 2009, with technical assistance of the World Bank.

The office equipment was originally used for training 10 enterprises in AEO operations but today is available for general customs office work alone because there are no AEO windows that are operative in the two terminals or elsewhere in the country. In fact, the regulation implementing the 2009 law was issued only in November 2012, and to date no Mozambican firm has applied for the status of AEO.

There are two factors that may explain this situation: a) the criteria for granting the status of AEO, which include customs and tax compliance and regular payments of social security benefits, may appear too strict to potential beneficiaries; b) the enormous benefits from the implementation of SEW, in terms of reduced time and cost of clearance operations, have dwarfed the additional benefits that may derive from the AEO status.

- 3. Supporting the upgrade of four remote border offices.** The activity comprised the provision of solar power electrical installations, communication systems and computer equipment to four border posts in the provinces of Tete and Gaza, where there was no electricity and customs operations were performed manually.

The evaluation team visited the Cassacatiza post at the border with Zambia and noted that all the equipment procured by the project was well functioning, including the batteries of the solar power installation which had experienced some problems in the recent past. The expected integration of transactions processed at that border post with rest of AT operations did take place through the concomitant installation of the SEW system.

However, the expected great improvement in the efficiency of operations did not materialize for a number of reasons, such as: a) the availability of electricity did not result in longer working hours, since those are linked to the working hours of the Zambian border post; b) before the project there were no bottlenecks in customs clearance, because of very little traffic (an average of approximately 20 clearing operations a day) and the waiting time was already very short; c) the

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<sup>8</sup> An AEO can best be defined as a party involved in the international movement of goods in whatever function that has been approved by or on behalf of the AT as complying with WCO or equivalent supply chain security standards. Authorized Economic Operators can include manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses and distributors.

marginal efficiency improvement on the Mozambican side of the border occurred in the context of continuing huge bottlenecks and waiting lines experienced by lorries on the Zambian side, where no improvement has so far taken place.

Among the various activities implemented within the trade facilitation cluster and perhaps within BESTF as a whole, there is only one whose relevance, and thus, effectiveness, is questionable. This is the **training on fiscal auditing** that was conducted by Ernst & Young for the benefit of 90 AT officers in Maputo, Beira and Nampula. The evaluation team interviewed four officers who had been trained in Nampula and found out that a) all officers in the Nampula course, as well in the Maputo and Beira courses, were from the AT's Tax Directorate and none from the Customs Directorate; b) the subject matter of the training, which originally was intended to be tax auditing of banks, dealt with basic principles and techniques of general tax auditing, with no links to customs issues; c) the training was much appreciated by participants and successful in enhancing and updating their knowledge of those principles and techniques.

This training was certainly efficient and relevant to AT's Tax Directorate operations and to Mozambique's efforts to fight against tax avoidance and evasion but not clearly relevant to the Customs Directorate and trade facilitation goals of BESTF. One could argue that trade facilitation as well might have indirectly benefited from that activity, but those indirect benefits appear to be quite remote and marginal. They have, in any case, to be measured against the cost of such activity, about €100 000, or 12% of total expenditure, a sum that could have been easily spent for much more relevant interventions for trade facilitation.

## 2.4. IMPACT ASSESSMENT

Although this final evaluation is taking place almost two years after the completion of BESTF, it is perhaps still too early to assess the project's full impact, i.e. its positive and negative, primary and secondary long-term effects that have already been produced, directly or indirectly, intended or unintended. This would eventually take place in a proper *ex-post* evaluation. Most of the observations that will be made in this section will, therefore, relate to the potential impact of the project. It should also be noted that this impact, although, on the whole, modest so far, varies across components, as unsurprisingly it is relatively stronger in the Quality cluster, which has displayed higher efficiency and effectiveness.

### Quality cluster

The main impact in this cluster is the increase of the level of quality-related services provided by INNOQ (see the previous section) and by some selected accredited laboratories. Other positive changes produced by the project are:

- Accreditation of INIP makes export procedures easier for local fish companies and reduces risks of rejection at port of entry.
- Creation of the laboratory association

- Awareness-raising activities in the areas of metrology (TV spots) and standardization increased the number of calibrations and standards sold.

The accreditation of laboratories had a positive impact on the number of tests sold. For example SwissLab was able to acquire 4 important new customers just after initiating the accreditation process (even before being accredited),. These 4 customers represent today a significant part of the turnover of the testing laboratory. This achievement, according to the management, was due to the BESTF project, which contributed to increasing confidence of tests results of the laboratory

The establishment of the national laboratory association is a positive and un-planned outcome of the project. Thanks to this set up it is expected to have a focal point running proficiency testing activities, which would be highly instrumental to increase the quality of services of the laboratory infrastructure.

Before 2005, there were no standards published in Mozambique. The project had an impact not only in increasing the number of standards published but also on the number of standards sold. There is evidence that there was an increase of about 40% in standards sold after the road shows organized by the project in cooperation with INNOQ.

Only 3 of the supported companies achieved Quality Management System (QMS) certification. There is, however, no evidence that the certification improved their competitiveness position or their business.

Overall, the project failed to have a significant impact in terms of increased exports in selected sectors and to engage the private sector in a constructive dialogue. The established laboratories have had, individually, an impact in terms of improved food safety and easier access to accredited analysis for the exporters (the quality and number of the analyses improved according to the management of the laboratories interviewed). However, the absence of a value chain and/or sector approach and the lack of an up-to-date regulatory framework for quality infrastructure prevented a wider impact at national level,

Lack of support in upgrading the regulatory framework and in finalizing the National Quality Policy slowed down the institutional modernization required to happen in a first generation type of TA project. The follow up project COMPETIR has been addressing this aspect providing support to have a revised and updated National Quality Policy in place and an implementation plan operational.

#### IAST cluster

A key element of BESTF's stated overall objective was the promotion of export-led growth. However, the implied overall objective was the promotion of growth generated by non-megaprojects exports, in line with the tasks of IPEX, which is not responsible for megaprojects, a matter which is under other government institutions. Then, the question to be asked is: to what extent did IPEX contribute to the promotion of these "other" exports, as a result of the project.

The quick answer is that such impact has not been perceptible so far, but there might be a potential impact if the NES is properly and timely implemented, although it will be very hard to achieve export diversification as the share of megaprojects in overall exports, 63% in 2012, is expected to increase further with the start of liquefied natural gas exports (LNG) in 2020. Chapter 4 contains a number of recommendations on how to maximize the potential impact of the NES.

### Trade facilitation cluster

The impact of this cluster has to be gauged against the element of the overall objective regarding the improvement of "the existing investment climate by alleviating trade-related constraints affecting the business environment in Mozambique".

An indicator of this improvement is the country's ranking in *Doing Business*. As was discussed in section 2.3, the main factor contributing to this improvement has been the development of the SEW system, which has occurred outside BESTF. However, the project has already contributed, and will increasingly contribute, to the achievements of the SEW and more generally, to the alleviation of trade-related constraints, in a number of ways, including:

1. The use of SEW in remote border posts made available through the provision of solar power electrical installations and related equipment
2. The inclusion of AEOs, whose concept has been developed within BESTF, in the SEW system.
3. Improved capabilities of AT officers in the areas of intelligence, risk management and proficiency in the English language.

As with the other clusters, this positive potential impact will naturally materialize only if the activities implemented by the cluster will be enhanced and continued, a matter which is discussed below.

## 2.5. SUSTAINABILITY

Among the various factors impinging on the sustainability of BESTF activities, the most important appear to be the following:

1. The **degree of beneficiaries' ownership** of the activities and their results. Ownership is relatively low in the case of IPEX and high for INNOQ and AT.
2. Whether a **sustainability strategy** has been developed towards the end of the project. A proper sustainability strategy does not exist for BESTF, although the Mid-term Evaluation recommended that "The project should prepare a sustainability plan indicating for each activity, output and outcome how sustainability will be assured after project completion". However, there are some elements of such strategy. Unlike many development projects, sustainability has been a recurring time of BESTF since the workshop on sustainability that was organized in June 2010. The workshop and BESTF's



Final Report highlighted the different degrees of sustainability among beneficiaries:

IPEX: *“The ability of IPEX to broaden the customer base through relevant value added services and derive revenues from these, retain budget support from Government and leadership from the management will be important to ensure sustainability” “In addition, the information team needs further resources in terms of staffing in order to be able to develop, maintain and upgrade the range of information services required by the business community.*

AT: *“No sustainability concerns were identified for the AT component which is well positioned to build on the successes of the project interventions and continue to benefit from budget support programs and donor assistance.*

3. The degree of **financial sustainability**. This a current key challenge for the Quality Cluster and a longer-term issue for the other two clusters. INNOQ did not reach financial sustainability. The issue of financial sustainability of the accreditation system is under discussion. A national accreditation body is not financially sustainable without public funding. A national accreditation focal point is certainly cheaper to operate, but key decision makers in the government are of the idea of having an independent and full-fledged institution. Until this issue is solved, the accreditation system will not be able to function properly. Public laboratories in some cases have poor environmental conditions to host the equipment and in most cases limited budget for consumables, which limit their ability to improve their services. Their sustainability will depend on the ability of the responsible ministries to upgrade their capacities and environmental facilities. MIC has demonstrated ownership in the management and coordination of the project, but at the time of the evaluation there is still not a department in charge of the quality infrastructure within the Ministry. The lack of a governance system at MIC level for the National Quality Infrastructure results in poor policy formulation and limited allocation of financial resources. Today all issues related to standards and quality are transferred directly to INNOQ. And this without distinction whether or not such issues are related to policy and/or regulated work or technical matters.

Today the further modernization of the quality infrastructure is largely dependent on donor support and in particular on COMPETIR. Sustainability of the quality infrastructure will depend on the financing of the National Quality Policy and the setting up of adequate coordination mechanisms between the various ministries.

4. The degree of **technical sustainability**. BESTF increased the technical capacity of the various agencies, especially INNOQ, while the weakest improvement was registered in the case of IPEX. The different levels of absorption capacity resulted in various levels of sustainability. INNOQ increased its technical capacity in all areas (standardization, conformity assessment and metrology), and this can be directly linked to BESTF. Currently, several of the officials trained during the project are still working in INNOQ at various levels of responsibility.

5. The degree of **institutional sustainability**. Those project activities that have contributed to the institutional/human changes, such as increased skills or knowledge, better practices, and enhanced capacity of the beneficiary organizations carry a high degree of institutional sustainability. A case in point is the successful training of AT officers in risk assessment and management.
6. The degree of **built-in sustainability**. A clear example of this concept is the AT's decision to provide English language training with an in-house facility involving a pool of English trainers and language laboratories. Medium-term commitments taken during the life of the project also belong to this category. For instance, AT stated it would continue to pay the yearly license's subscription in order to sustain the investigative software (Analyst Notebook and iBridge). And this commitment has been honoured. By contrast, IPEX's subscriptions to trade information periodicals, which were financed by the project, will not be renewed in 2014. AT has also confirmed that training on risk assessment and management is expected to continue within the training memorandum of cooperation existing between the AT and KPMG.
7. **COMPETIR** will certainly enhance the sustainability of the work undertaken in the Quality cluster of BESTF. Moreover, the other component of **COMPETIR** aimed at the development and promotion of SMEs has also the potential to contribute to achieving BESTF's overall objective.

## 2.6. CROSS-CUTTING ISSUES

Cross-cutting issues, such as environment, governance and gender equality, have not been mainstreamed into BESTF activities. They have virtually been neglected in the project design phase and ignored in project implementation, with the exception of gender, and even in the mid-term evaluation. However, some of BESTF activities have a bearing on such issues.

- a) **Environment:** Environmental benefits can also be expected when the upgraded SPS management and the control system is fully implemented. Improved ability of exporters to comply with EU standards of safety for fishery products should lead to a reduction in rejection of shipments at point of entry to the EU. Any reduction in rejections is seen to have a significant positive environmental impact. Fish caught and processed will have in fact to be destroyed anyway for non-compliance with SPs regulations. Disposal of rejected shipments could also pose a problem, especially if the packaging materials used are non-biodegradable. The project, however, has not taken into account the environmental dimension and did not introduce any measurement for its impact.
- b) **Governance:** Under the Trade Facilitation cluster, the interventions that have been implemented have also a dimension of integrity development. Activities such as support for the pilot project for the AEO and financing of equipment for the remote border posts that are closely linked to the development of the SEW, and the training on risk assessment and management have reinforced, or will reinforce, some core elements of the customs modernization reform that aim at

transparency and predictability of customs actions, therefore improving corruption prevention.

Automation of procedures, on-line paperless customs operations, as well as application of selective risk-based customs controls contribute to mitigation of corruption risks, because they reduce the possibility of face-to-face contacts between the personnel and customers. Such systems also minimize exertion of official discrete powers and the possibility of human and “intentional” mistakes. At the same time, all the AT training activities that have been supported by BESTF will help increase the staff morale, inspire the esprit de corps and stimulate the Customs officers’ pride of being part of the organization.

- c) Gender equality:** The PCU did not collect gender-disaggregated data for various activities under the three clusters. As a result, the evaluators are not in the position to provide the gender composition of the participants by cluster or by activity, with the exception of some ITC activities. In the regional workshops organized within the NES preparation process, among a total of 162 participants, there were 22 women, many of them representing firms, cooperatives or women-owned enterprises. This activity, therefore, might have contributed to enhancing women’s empowering role in economic development. Furthermore, according to ITC Final report, in the ITC training activities within IPEX, women staff were always involved and enabling an equal and inclusive learning environment. Finally, the project management team included several women in the SC, among whom the Chairperson and the EUD representative, and in technical assistance team (2 heads of cluster) playing an important role in the implementation of BESTF activities. However, the NGO Forum Mulher (Women’s Forum) did not participate in the SC, as was proposed in the FA.

Gender issues were identified in the formulation of the NES. In fact the NES recognized the potential of export products such as fruit processing and cashew in contributing towards financial security for women working in the agricultural sector. However, BESTF did not design any targeted activities in this area. In order to address gender concerns and to link improved export activity with increased opportunities for women, a study could have been conducted on the implications for women employment of different policy options regarding export promotion.

## 2.7. VISIBILITY

A communications and visibility plan was not included as part of the first year of project implementation. Surprisingly, a copy of the “Communication & Visibility Manual” of the European Commission was provided to UNIDO as late as May 2009, i.e. one year after signing of the Contribution Agreement. As a result, the mid-term evaluation team, which visited Mozambique in mid-2010, noted that the project lacked identity and recommended that the project develop, as part of its communication strategy, a clear identity to promote a sense of shared project ownership.

Visibility of both the project and the EU significantly improved since then, although with significant differences across the clusters, as a consequence of several communications and visibility measures that were taken, such as the following:

- At the end of the first year of implementation an activity for overall project communication and visibility with a budget of 20 000 Euro was created;
- However, most of the actions financed by this budget were implemented in the last six months of project implementation when a large number of outputs had been realized. These actions included the production of a video, a flyer and several posters.
- A dedicated media campaign for INNOQ was supported by the project with a focus on creating visibility of the institution and its work with the business community and the public. The Quality cluster was the one that benefited the most from the visibility activities, which were implemented with success. However, this is just a perception, as there was no measurement of the impact on the wider public. CTA supported INNOQ in raising visibility in the provinces within industry. Standards selling increased by 40% after the awareness raising events in Maputo and provinces. The number of verifications and calibrations also increased after the advertisements were broadcasted on TV.

Despite these achievements, visibility could have been further enhanced by a number of additional measures. As in the case of several EU-financed trade-related projects around the world, BESTF could have developed its own website, or at least an electronic newsletter, as was considered at one stage. Relying exclusively on the websites of the beneficiary institutions was not a good solution, especially because of the problems encountered with the IPEX website, which are still outstanding, and the absence of the project and the partnership with the EU on the AT website, at least in the present version. Unsurprisingly, BESTF is still known locally as “the UNIDO project”, as it was 3 ½ years ago, at the time of the Mid-term Evaluation.

## **2.8. PROJECT MANAGEMENT AND DONOR COORDINATION**

### **Project management**

BESTF was an initiative under the joint (EC-UNIDO) management modality, with UNIDO being the implementing agency. UNIDO procedures and operational rules were followed, with the EC keeping some prerogatives of control and verification. Within UNIDO, BESTF was led by a Project Manager located in the Trade Capacity Building Division at headquarters.

At the country-level, UNIDO established a Project Coordination Unit (PCU), comprising a Chief Technical Advisor (CTA) and a Project Assistant, and employed two international technical experts acting as Head of Clusters (HoC), who were based at the counterpart institutions (INNOQ and IPEX). The PCU was initially located in the UNIDO office in Maputo, but later moved to MIC, following a recommendation made by the Mid-Term Evaluation.

Since UNIDO did not have a fully-fledged field office with a resident representative in Mozambique, the regional representative based in South Africa would have had a certain degree of responsibility over the project. However, almost all decisions were made at headquarters level by the Project Manager in consultation with the CTA.

The processing of payments in the field used to be done via UNDP, thus creating long delays in such operations. The appointment of the Head of Operations in the local UNIDO office was instrumental in improving processes and procedures, including the establishment of a local Imprest Account after the first year of project implementation, resulting in faster administration of payments to national experts and service providers. However, in accordance with the UNIDO rules, procurement operations exceeding €20,000 were not delegated to the field office, which, therefore, was not in the position to expedite the slow, centralized procurement processes.

The project document proposed that the responsibility for the main project outputs was divided between UNIDO, ITC and UNCTAD. UNIDO would be responsible for the quality cluster, ITC and UNCTAD for, respectively, the IAST and the trade facilitation cluster, through subcontracting. However, UNCTAD never started its work for the reasons explained earlier. Furthermore, it took a very long time to agree with ITC on a contract and to commence work with IPEX. Under these circumstances, the Head of Cluster for IAST and trade facilitation looked after the implementation of activities for these two clusters until the end of her appointment in the final quarter of 2010. By then, ITC had started implementing its activities with IPEX, while the remainder of the Trade Facilitation cluster activities were implemented by the PCU.

BESTF was governed by a Steering Committee (SC), which met nine times during the life of the project. Its membership comprised the Government represented by MIC as the Chairperson and the National Authorizing Officer (NAO), the European Union and UNIDO. It also had a wide representation, including beneficiary institutions and the private sector (CTA). The SC was responsible for the approval of cluster-specific implementation plans, the consolidated detailed project budget and the progress reports. The meetings of the SC were not a mere rubber-stamping exercise, as is frequently the case in similar EU-financed projects, because lively discussions and important decisions on project implementation were taken, although the SC's strategic policy guidance and direction was rather weak. The SC could have played a proactive guiding role in (a) developing contingency planning to mitigate the risk of delays in subcontracting arrangements; (b) seeking partnerships with similar projects and (c) ensuring inter-cluster synergies, mainstreaming of cross-cutting issues and visibility. The SC could have better focused on these medium-term policy issues if the Project Management Committee – envisaged in the CA and recommended by the Medium-term Evaluation team – had been established to deal with the day-to-day and short-term management tasks.

The performance of the UNIDO project management team was mixed. Several problems arose during project implementation that adversely affected both BESTF's efficiency and effectiveness, although some of shortfalls were redressed. The key weaknesses were the following:

- Strong centralization of decision-making, with virtually all decisions being taken at the UNIDO headquarters in far distant Vienna, due to *de facto* absence of delegation to the field office or even to the regional office in Pretoria.
- Weak human resource management as short-term contracts of sometimes 1 or 2 months were offered to long-term consultants, although UNIDO rules allowed contracts of up to 12 months.
- Cumbersome and lengthy procedures for procurement of equipment and supplies
- Poor cash management, resulting in liquidity problems and financing gaps.
- Communication difficulties between the beneficiaries and the PM in charge of BESTF until September 2010.

However, there were also a number of strengths in UNIDO's project management, such as:

- In-depth knowledge of Mozambique's economic and social situation and of stakeholders in the public and private sectors
- Selection of long-term and short-term consultants, whose performance proved to be good, with the exception of the Head of Clusters for IAST and Trade Facilitation, whose skills did not match job requirements.
- Strong institutional knowledge and expertise in the area of quality infrastructure
- Serious consideration and implementation of most recommendations made by the Mid-term Evaluation. A detailed account of such implementation is contained in Annex 5.6.
- Working relations between UNIDO headquarters and beneficiaries significantly improved since the appointment of a new PM in September 2010.
- Pivotal role of the Head of Operations in the field office, who kept excellent and efficient relations with the Task Manager in the EU Delegation.

Finally, the involvement of the EU Delegation, which was weak until June 2009, considerably improved since then and was instrumental in monitoring and facilitating project implementation.

#### Donor coordination

In the three cluster areas covered by BESTF, Mozambique has received, in the past few years, a substantial volume of technical assistance and financing of equipment from several multilateral and bilateral donors.

The World Bank has supported training and coaching of INNOQ personnel in demand assessment and policy making, within its project on “Improving the Business Enabling Environment”. Through the GIZ/PTB programme in collaboration with Brazil, Germany has provided technical assistance focusing on reviewing and updating the Metrology Act, in the framework of the Trilateral Cooperation in the area of metrology. BEST and the German support have been complementary to each other.

As mentioned earlier, IPEX has benefited from donor assistance coming from a variety of multilateral and bilateral sources, including the World Bank, ITC, USAID and the Netherlands.

As for the AT, the World Bank has provided technical assistance, training and goods to buttress the Government’s effort to improve the overall trade facilitation framework, streamline procedures, systems and strengthen management and technical capacity of Customs in order to lower transaction costs, reduce clearance time of imports and exports, and improve governance. USAID has also assisted Customs in improving customs procedures and processes. Furthermore, under the Partnership for Trade Facilitation, USAID will support more transparency and faster clearance times, thus helping Customs in implementing aspects of the proposed WTO Trade Facilitation Agreement.

There has been a good exchange of information among donors who are active in trade-related areas and in private sector development. The establishment of the Private Sector Working Group and its Trade Sub-committee has been instrumental in fostering donor coordination. BESTF has therefore avoided overlapping and duplication with similar projects.

Furthermore, with the exception of the cooperation with the World Bank on the pilot project for the AEO and with GIZ/PTB on a project on metrology, there has been a lack of proactive coordination seeking to build the synergy of the interventions, through partnerships with other donors that could lead to co-financing or parallel financing, in line with the principles of the Paris Declaration on Aid Effectiveness. This has been a missed opportunity for the EU to play a catalytic role in involving other donors. But, admittedly, this was also a major challenge, in the light of the constraints for joint donor operations, even between the EU and its Member States, because of different procedures, programming cycles and different country and sector strategies.

### 3. CONCLUSIONS AND LESSONS LEARNT

#### 3.1 MAIN CONCLUSIONS: SUCCESSES AND FAILURES

Despite the ever increasing sophistication of its methodology, project evaluation is still an art, not a science. In assessing BESTF, evaluators have to answer the classic question of whether the glass is half full or half empty. To them, the glass is more than half full as they consider that, on the whole, the performance of the project has been satisfactory, although it was quite uneven across clusters. The frontrunner among them was Quality, where the bulk of project activities – almost two-thirds in terms of clusters expenditure – took place, followed by Trade Facilitation, and IAST in third position.

There has been, in fact, a considerable improvement in project implementation since the mid-term evaluation conducted in mid-2010. Remarkable progress has also been made in a number of areas where weaknesses had been found by the mid-term evaluation team, such as ownership, sustainability, expert performance and visibility.

Naturally, the glass would have been fuller if the long delays in implementation, particularly of the IAST and Trade Facilitation clusters, in the first phase of the project had been avoided. The impressive performance registered in the second phase was not sufficient to fully offset the previous shortfalls, especially in the case of the IAST cluster.

There are several factors explaining the success of BESTF as a whole, and of the Quality cluster, in particular. Among these factors, the most important are the following:

- Strong **relevance** across all components, with most activities coherently aligned with Government policies and strategies
- In project implementation, high degree of **ownership** by the beneficiaries in two clusters (Quality and Trade Facilitation) out of three.
- **Flexibility** in project execution, which generally responded quickly to changing needs and unforeseen circumstances. Some of such flexibility was built-in, as there were only indicative budget allocations by cluster and by activity.
- Satisfactory **project management**, especially in the second phase, with good knowledge of the institutions and of the broader economic, social and political context, and receiving full and timely support and monitoring from the EU Delegation.
- Efficient, problem-solving **Steering Committee**, which carefully examined the recommendations of the Mid-term Evaluation and agreed on the implementation of most of them.



- Thanks to the strong acceleration in project execution since the end of 2010, high **implementation rate** of 90% in terms of resource utilization. In fact, most of the planned activities were implemented and completed.
- Significant **achievements** were reached in all clusters, although with a varying degree of effectiveness and impact. The NES in the IAST cluster and the training on risk assessment and management and on English Language in the Trade Facilitation cluster are worth noting in this respect. BESTF also showed that it was uniquely placed to address institutional gaps in the Quality Infrastructure. BESTF was a first generation capacity-building project in this area. In this kind of projects, the biggest challenge is often achieving ownership among stakeholders, which was partly realized. On these foundations, COMPETIR should now move to the next phase, which is to initiate effective institutional reform in terms of the mandates and organizational capacities of the key stakeholders. Such structural changes will, however, depend on the political will of the Government and support of the MIC leadership.

At the same time, the project performance suffered from many shortfalls, among which the most significant are the following:

- Poor design, lacking proper identification and formulation phases as well as needs assessment and baseline
- Absence of careful ex-ante assessment of advantages and disadvantages of joint management with UNIDO and concomitant subcontracting arrangements with other international organizations
- Long and frequent delays in project execution, especially in the first phase, attributable mostly to project management and subcontracting agencies, rather than beneficiaries
- Episodes of poor communication between project management and beneficiaries, especially AT
- Lack of linkages between the three clusters. The most important missing linkage is between the IAST and Quality clusters.
- Weak participation of the private sector in project implementation
- Modest donor coordination, which did not produce meaningful synergies
- Shortcomings in effectiveness at the activity level and unfinished business in project implementation, especially because of late start, such as:
  - Quality cluster: project implementation not closely following a sectoral or commodity approach; quality culture not encouraged
  - IAST cluster: no NES implementation; no significant improvement in IPEX's institutional and technical capabilities;

- Trade Facilitation cluster: weaknesses in training in fiscal auditing and investigative capacity; excessive share of equipment, at the expense of technical assistance, in total cluster expenditures.
- Cross-cutting issues were not mainstreamed and not even tackled.
- Weak sustainability strategy.
- Despite improvements in the second phase, modest visibility of the project and the EU, except for the quality cluster.

### 3.2. MAJOR LESSONS LEARNT

This Final Evaluation has pointed out several lessons that can be drawn from the performance of BESTF, both in the area of overall project design and management and at the level of individual clusters. With regard to project design and management, the evaluation team appreciates that, thanks to the efforts and institutional memory of the EU Delegation, most of these lessons have been already mainstreamed into the successor project, COMPETIR, namely:

- Importance of solid project preparation following carefully the project cycle phases and investing time and resources in identification and formulation.
- Recognizing the need for prior cost-benefit analysis and safeguard measures in the joint management modality and avoiding involvement of more than one international organization.
- At the project design stage, ensuring:
  - commitment and ownership of the beneficiaries and their involvement in the selection of long-term experts;
  - adequate focus on cross-cutting issues, inter-cluster linkages and visibility.
- The presence of a UNIDO office in Mozambique resulted in a positive impact in terms of visibility and synergies with other stakeholders' programmes, especially for the Quality Cluster.

At the level of the individual clusters, the key lessons are the following:

#### Quality Cluster

- Approval and implementation of the National Quality Policy plan and related legal framework speed up the modernization of the quality infrastructure. BESTF did not address this point, with consequences on sustainability.
- Without an adequate M&E tools and projects are likely to deviate from the initial plans and lose perspective about the impact the project is expected to have.

This lesson has turned into a recommendation (see below), although it has been already incorporated into COMPETIR.

#### IAST Cluster

- Recognizing the key role of ownership in determining the degree of efficiency and effectiveness in the implementation of cluster activities
- Importance of the need for closer donor coordination, as in the case of the CBI project.

#### Trade facilitation Cluster

- Recognizing the trade-off between financing of equipment and financing of technical assistance and training in the allocation of expenditures.
- Recognizing the trade-off between broadening the scope of the cluster and deepening the content of activities. In simpler words, this is the frequent alternative between more quantity and more quality. In a number of instances, the former has prevailed over the latter, leading to fragmentation of activities some of which have not reached the critical mass of activities necessary to generate significant positive outcomes.
- Importance of an integrated approach at the regional level and cooperation with neighboring countries for improving the efficiency of border posts and associated matters, including the establishment of one-stop border offices and “development corridors”.

In accordance with the Terms of Reference of this evaluation, most of the recommendations in this chapter are geared to COMPETIR. The evaluation team was in fact requested “to propose practical recommendations for similar projects and for the COMPETIR in particular”.

## 4. KEY RECOMMENDATIONS

### 4.1. RECOMMENDATIONS FOR COMPETIR PROJECT

The recommendations for COMPETIR are grouped into two categories: a) those related to project management and implementation as a whole; b) recommendations for the Quality Infrastructure component.

In the evaluators’ view, among the recommendations listed below, priority should be given to: a.2; a.10; b.2 and b.3

#### a) Project management and implementation

1. Within UNIDO rules and procedures, project management should attempt to maximize **delegation of decision-making** to the Head of Operations in the Maputo office, in order to avoid delays and dispersion of responsibility. Greater focus on accountability is also desirable.

COMPETIR project management should recognize that **donor coordination** involves more than just avoiding duplication and adopt at an early stage a proactive approach seeking to build the synergy of the interventions through partnerships with other donors that could lead to co-financing or parallel financing.

2. Project management should enhance **coordination and synergies** not only between INNOQ and IPEME but also **among all institutions involved in private sector development**, including IPEX and CPI.
3. **Visibility** of the project and EU should be closely monitored. A website for COMPETIR and an electronic newsletter should be launched as soon as possible. Visibility on the websites of beneficiary organizations should also be ensured. The evaluation team noted that on the INNOQ website, the EU logo is present and BESTF support is acknowledged, but COMPETIR is not mentioned. Furthermore, on the IPEME website as well, there is no mention of COMPETIR and neither the EU or UNIDO are listed among the institution’s international partners.
4. Ownership, as well as synergies and visibility, should be sustained by permanent follow up, motivation and trust building among stakeholders,
5. The mainstreaming of **cross-cutting issues** into project implementation (as in the case of women entrepreneurs) should start at an early stage of the project,

otherwise there is a high risk, common to many similar projects, of paying only lip services to such issues.

6. Project management should endeavor to optimize **EU value added** by enriching project activities with the sharing of EU experience and best practices in dealing with issues concerning quality infrastructure and SME development in new Member States and developing countries, particularly ACP. Study tours to EU headquarters and teleconferences with EC specialists could be envisaged for this purpose.
7. The preparation of a comprehensive and useful **sustainability strategy** should start at least one year before the completion of COMPETIR.
8. A **project database** should be soon established in order to meet different requirements. The database would be instrumental for monitoring a) the quantifiable and qualitative indicators included in the logical framework or developed during implementation (see Recommendation b.3 below); b) the cross-cutting issues, particularly gender equality, requiring gender-disaggregated data; c) visibility d) participants in training activities, study tours, workshops, including short-term experts. This information would nurture the networking among alumni and trainers as well as tighten the links developed under the project, thus enhancing sustainability. The project database would greatly facilitate writing project progress reports and providing information to monitors and evaluators, especially if it contains both baseline data and any progress data which can capture the changes and results attributable to the intervention.
9. One of the findings of this final evaluation is that the logic of the intervention focused more on the activities and outputs rather than aiming at having an impact. It is recommended that COMPETIR develop its own **theory of change**, so that greater emphasis is placed on achieving results and the desired impact. This recommendation is quick to put in place, and above all it will enable stakeholders to address several issues related to the future impact of COMPETIR.

b) Quality Infrastructure component

For this component of COMPETIR, the evaluation team puts forward three sets of recommendations. In the next section, there is another set of recommendations on quality infrastructure for a wider audience and eventually for future interventions.

**1. Technical recommendations for improving the quality infrastructure**

- Increasing adoption of harmonized SADC standards in Mozambique, and enhancing Mozambique's participation in drafting harmonized standards at regional level in light to promote better regional integration.
- Improving performance in proficiency testing and inter-laboratory comparisons to determine the performance of individual laboratories.

- Continuing the support in accreditation of labs (already taken into account in the current workplan of COMPETIR).
- Developing a management information system (possibly open source) to geo-localize the instruments requiring verification and manage the process of verification.
- Supporting the development of a traceability chain of measurements.
- Increasing awareness on the benefits of standardization among importers, industry and consumers and increasing their participation into the standards setting processes.

## 2. **Strategic recommendations**

COMPETIR should adopt a strategic approach working with beneficiaries, rather than primarily involving them in consultation exercises or training. COMPETIR should engage stakeholders in **strategic partnerships**. This would be a way to increase programme effectiveness to address institutional and organizational gaps. In particular:

- In light of the coordination mechanism to be put in place with the new legislation, the programme needs to engage more with relevant ministries and agencies to review their mandates and structures in relation to standards and quality.
- Private sector associations should be supported to develop local codes of conduct for local producers or train trainers on quality issues.

## 3. **Recommendations for improving the reporting and Monitoring & Evaluation framework**

- Quarterly reporting should be more articulated and provide more details about financial funds committed and disbursed over the past period and forecasts over the next period. Technical reporting should show indicative levels of achievements of outputs in terms of percentages.
- For better monitoring it is recommended to develop indicators that properly reflect project activities and expected results and most importantly that are actually measured by the use of realistic means of verification and reported in an accessible way. During this work, the log-frame may need to be revised to better reflect the strategic approach recommended by this evaluation and to make it more monitorable. In particular, recommended indicators at the outcome level are:
  - Number of consumer complaints to relevant authorities
  - Number of regional harmonized standards implemented nationally
  - Number of products previously not tested and now able to be tested
  - Increase in number of calibrations and verifications

- Percentage increase in the number of SMEs that apply for product certification as a result of project training, awareness and other related activities
- Government budget dedicated to key quality and standards actors
- Useful indicators at output level are:
  - Number of awareness sessions with key stakeholder groups implemented
  - Share of participants satisfied with trainings and stating that they changed the way they work 6 months after training
  - Progress of MoU between INNOQ and CTA

Considering that a Monitoring Framework already exists within COMPETIR, it is recommended to look into possible synergies with these recommendations and the existing tools and methods.

## 4.2. RECOMMENDATIONS FOR BESTF BENEFICIARIES AND FUTURE INTERVENTIONS

Within this group of recommendations, priority should be given to the following: a.1; b.1 and c.3.

### a) Quality Infrastructure

#### **Increased compliance in selected sectors and value chains**

BESTF made an attempt to link the quality infrastructure with the private sector. This attempt proved to have little impact and no strategic focus. In an emerging economy like Mozambique a full-fledged quality infrastructure is not necessary nor financially sustainable. The development of the quality infrastructure should follow industrial/trade priorities and/or focus on specific selected value chains.

A bottom-up approach covering immediate needs will ensure a higher effectiveness and impact in future interventions. In the area of standardization and quality, there are two main forces pulling the system up. One force is the regulatory area (which we covered in the previous chapters) and the other are large industrial groups in need for qualified suppliers. In Mozambique, there are megaprojects, requiring different type of supplies.

For the reason above, it is recommended to further support the development of standards at company level in two directions:

- increasing compliance of Mozambican suppliers of selected megaprojects
- increasing the level of compliance in selected value chains (i.e. fishery products, fruit & vegetables) and in particular increase compliance at the level of the distribution channels

In order to achieve this, it is not necessary to launch a new programme, rather to create synergies between existing donor private sector development initiatives and in particular:

1. developing a joint work programme with other UNIDO projects addressing the issue of compliance at company level in selected value chains. Overall it is important to pay special attention to creating synergies and linkages with other UNIDO projects, in particular in relation to: spatial linkages; value chain linkages, knowledge sharing, and logistics. In particular the development of the quality infrastructure can be scaled up connecting, in an effective way, the institutional side with the improvement of standards in the value chain. Whilst the same type of programme cannot efficiently address both issues, synergies can be achieved creating adequate coordination mechanisms between programmes.
2. exploring cooperation agreement between COMPETIR, World Bank and/or USAID in relation to on-going projects, addressing issues of compliance at the level of value chain.
3. Involving CTA into strategic discussion in relation to improvement of compliance at company and develop services for their members:
  - organizing training and workshops for CTA members
  - developing internal capacity in CTA to promote the benefits of standardization among their member companies.

b) Export promotion

1. BESTF has left a major unfinished business in the IAST cluster: the **implementation of** a valuable, potentially very useful document, **the NES**. As suggested by ITC, a concerted effort needs to be undertaken by a variety of private and public stakeholders, including MIC, IPEX, UE, UNIDO, ITC for this purpose, requiring a number of actions, such as:
  - High-level endorsement of the NES
  - Establish a public-private implementation management framework
  - Sensitize implementing institutions to build ownership
  - Direct budget support

The EU and UNIDO could play a key catalytic role in NES implementation, with the technical support from ITC or an experienced consulting firm, including by exploring different channels in order to draw the attention of the donor community to this effort. These channels could be the regular meetings of the Trade Subcommittee of the Private Sector Working Group and the discussions on the preparation of the forthcoming Action Matrix for the DTIS Update.

2. Another outstanding issue after BESTF implementation is the **strengthening of IPEX's institutional and technical capacity**. This matter cannot be dissociated from the implementation of the NES. In fact, the NES itself has proposed, among the cross-sectoral issues, a trade information strategy, with a roadmap



specifying the objectives of this strategy and a plan of action to achieve such objectives.

This strategy should be revisited and eventually improved, in the context of NES endorsement and implementation. It could also be complemented by exploring different institutional alternatives, all aiming at establishing a cost-effective, viable trade information system. Integrating investment and trade promotion in a single agency could be a rational approach for a country like Mozambique, where financial and human resources are scarce and the need for international marketing is great.

Malawi's recent experience in this area is worth noting.<sup>9</sup> Similarly, since trade promotion is essentially geared to SMEs, trade and SME promotion could be merged in a single agency, thus reaping the benefits of economies of scale and reaching a critical mass of financial and human resources needed by an organization in order to be efficient and effective in today's complex and ever changing international economic environment.

3. Looking at the longer term, an interesting proposal is the **use of revenues from extractive industries**, which are expected to expand massively in the next few years, for export diversification. As argued in the concept paper for the forthcoming DTIS update, this policy "can be considered as an antidote to the Dutch disease. Investing in alternative export sectors can help sustain growth and diversify risk, with a view to maximizing job creation and poverty reduction, so that non-renewable natural resources become a blessing, not a curse".

Sharing the experience of other resource-rich countries in earmarking revenues for export diversification programmes and projects could be very useful for Mozambique. In adopting a sector-wide approach linked to policy reforms, donors could play a catalytic role in supporting and contributing to a common fund that the Government may eventually decide to create for this purpose.

#### c) Trade facilitation

1. As a priority, AT should meet the outstanding training and equipment needs in areas that benefited from BESTF assistance: **investigation and risk assessment and management**. It should also try to increase attendance at the English **language laboratories** in different ways, including making proficiency in English a requirement for career advancement; publicizing the benefits of the labs among AT officers and eventually using them for other purposes, such as IT training.

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<sup>9</sup> The Malawi Investment and Trade Centre (MITC), a merger of the Malawi Investment Promotion Agency (MIPA) and Malawi Export Promotion Council (MEPC), was incorporated under the Companies Act in December 2010 and became operational on 1st October, 2011. The organization is geared toward promoting production (investment promotion) and marketing (export promotion) of Malawi's goods and services. This broad mandate is expected to complement the functions and resources (both human and financial resources) of the pre-existing institutions and therefore enhance efficiency in performance.

2. There are other training needs requiring urgent attention in the areas of **ex-post auditing**, which will become increasingly useful when the AEO system becomes fully operational, and **coordinated border control**, involving harmonization of the practices of different agencies, in addition to AT, working at border posts.
3. Another priority area is **training in transparency and fight against corruption**. Mozambique's Customs have, over a 15-year period, made great efforts to improve and provide professional services with high levels of integrity. However, according to Transparency International's Global Corruption Barometer 2013, more than two out five surveyed households in Mozambique pointed to the interaction with the customs administration as an area where bribes are demanded. Additional reform efforts and resources, both domestic and international, will be needed in this area. Sharing the EU's recent experience with anti-corruption programmes and projects in new Member States could be extremely useful in this regard.
4. Many of the training activities mentioned above are likely to be implemented through AT's budgetary resources, but further assistance by bilateral and multilateral donors is warranted to support AT's reform efforts. One channel available to donors is the **AT Common Fund**. This multi-donor pooled funding clearly reduces the fragmentation of numerous bilateral and multilateral projects and closely matches the Paris Principles for Aid Effectiveness as it entails a single action plan and an agreement on joint planning, funding, implementation and monitoring. Donors who have so far contributed to the AT Common Fund include Belgium, Denmark, Germany, Norway, Switzerland, and United Kingdom. In 2012, donors disbursed around \$6 million to the Common Fund to support AT projects in the areas of taxation and customs.

# **ANNEXES**



## **ANNEX 5.1 - TERMS OF REFERENCE**

**(sent in a separate file)**

## **ANNEX 5.2 - UPDATED LOGICAL FRAMEWORK**

**(sent in a separate file)**

## ANNEX 5.3 - LIST OF PERSONS INTERVIEWED AND MISSION SCHEDULE

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	16.00	Meeting with Mr. Alfredo Siteo, INNOQ Director	INNOQ	FA, SS, INNOQ's Heads of Departments
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	10.00	Meeting with Ms. Helena Matusse, Ms. Carla Meneses, Ms. Ana Paula Leite	Agricultural Research Institute (DCA)	SS
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	9.30	INNOQ, Zimpeto	ZIMPETO	SS
	14.00	Mr. S. Chaile, Instituto de Finanças Publicas, AT	MATOLA	FA
	14.00	INNOQ, Metrology – Maputo	MAPUTO	SS
29 Oct Tue	08.30	Ms. Ana Paula Mandlaze, Director of Mozambique Laboratories Association	UNIDO	SS
	8.30	Mr. M. Becher, GIZ	MIC	FA

	10.00	INIP		SS
	11.30	Consumers Associations, Mr. A Bacio	UNIDO	SS
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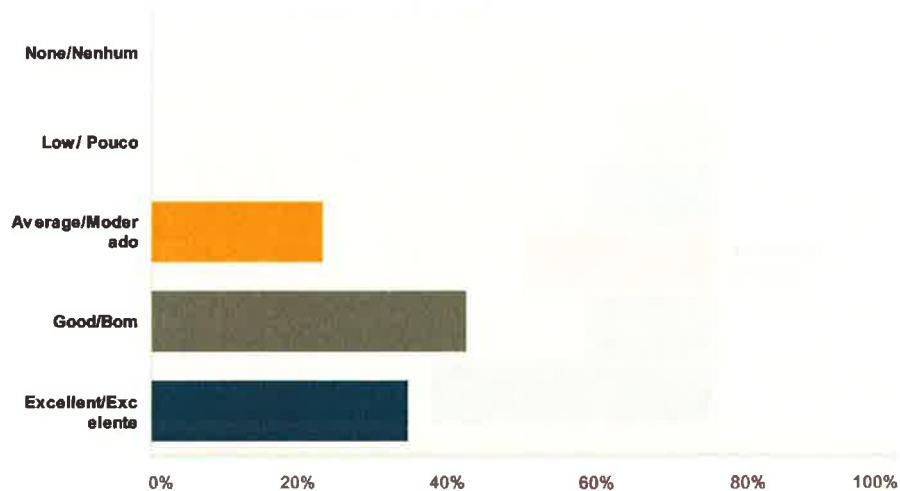


## ANNEX 5.4 - RESULTS OF THE EVALUATION QUESTIONNAIRE

Business Environment Support and Trade Facilitation Project in Mozambique (BESTF)

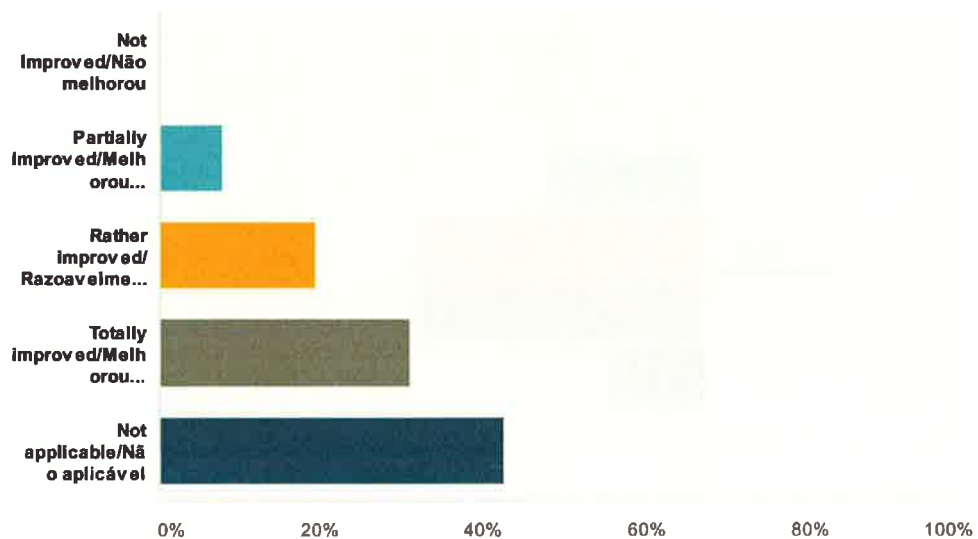
**Q2 Please indicate your level of knowledge of the project and its key priorities/ Por favor indique o nível de conhecimento do projecto e suas prioridades essenciais**

Answered: 26 Skipped: 0



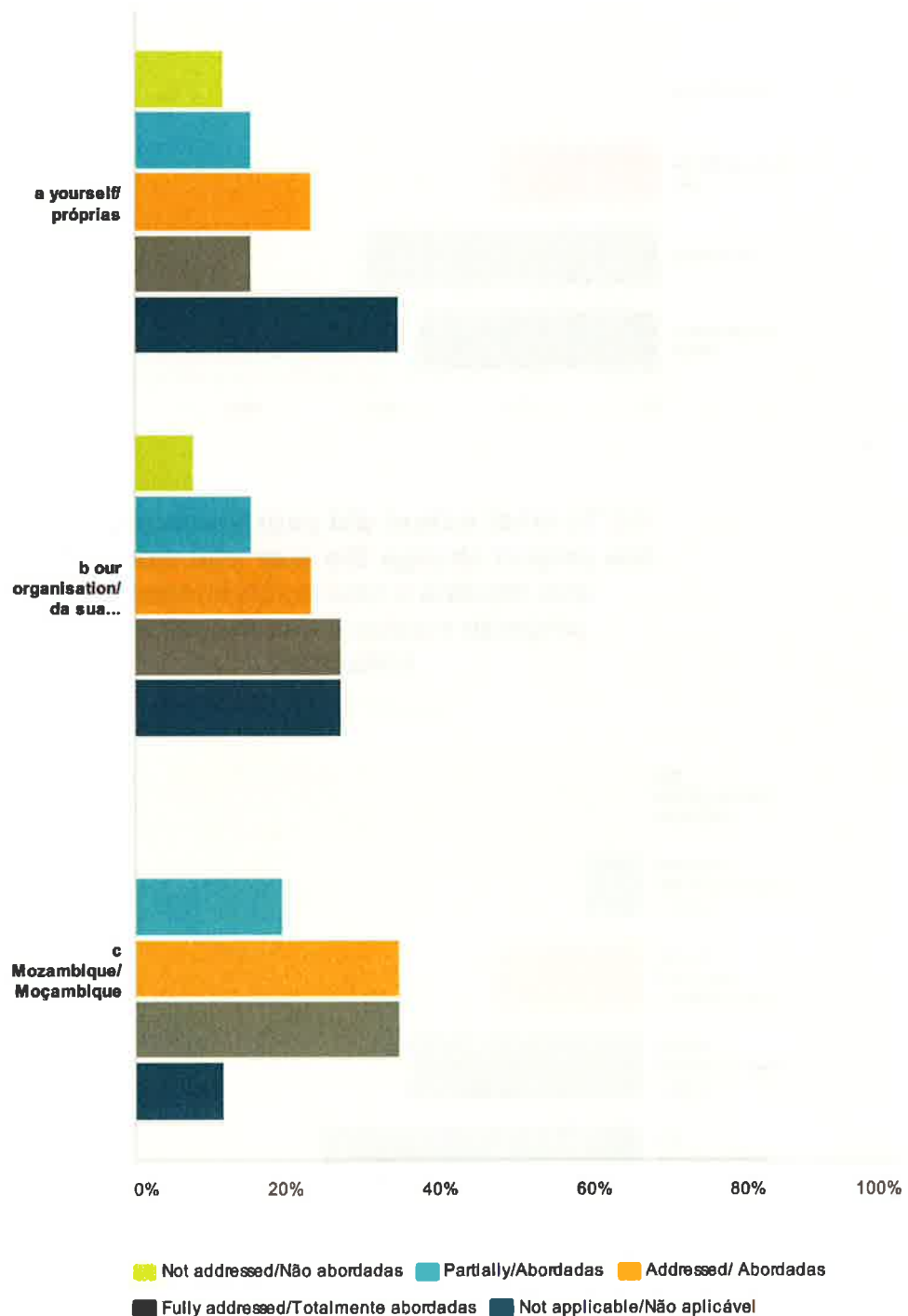
**Q3 To what extent did your involvement in the project change the way you work?/ Em que medida o seu envolvimento no projecto mudou a sua maneira de trabalhar?**

Answered: 26 Skipped: 0



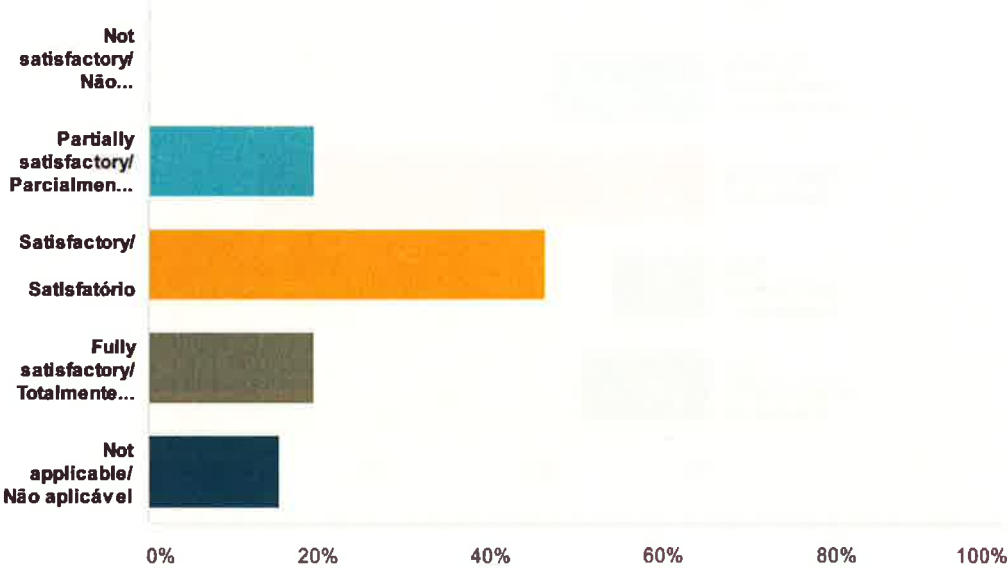
**Q4 To what extent do you think that the project activities in which you were involved addressed the needs and priorities of a) yourself b) your organisation c) Mozambique ?/ Em que medida pensa que as actividades do projecto em que esteve envolvido abordaram as necessidades e prioridades: a) próprias ? b) da sua organização? c) de Moçambique?**

Answered: 26 Skipped: 0



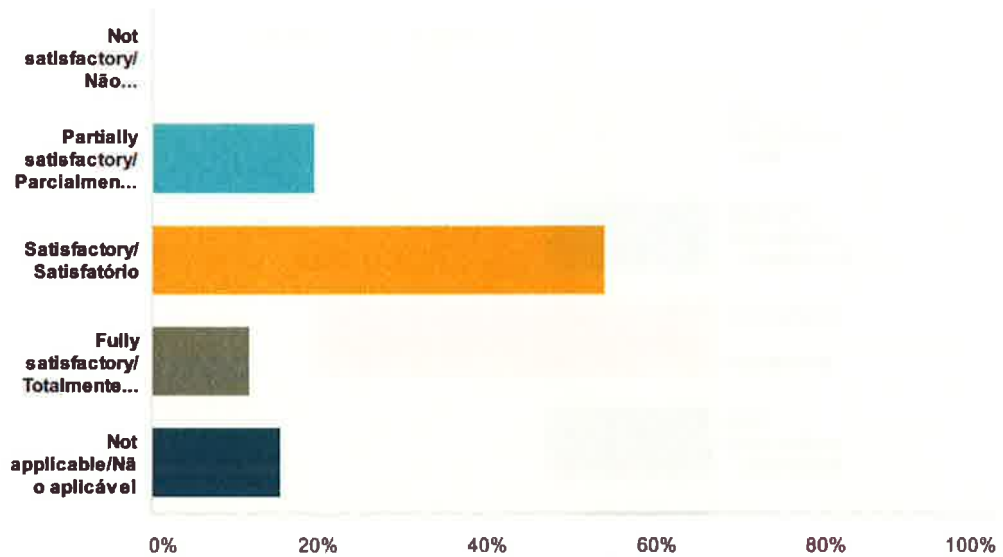
**Q5 To what extent do you think that the activities in which you were involved were satisfactory in terms of planning, quantity and quality?/Em que medida pensa que as actividades do projecto em que esteve envolvido foram satisfatórias no que concerne a planificação, quantidade e qualidade?**

Answered: 26 Skipped: 0



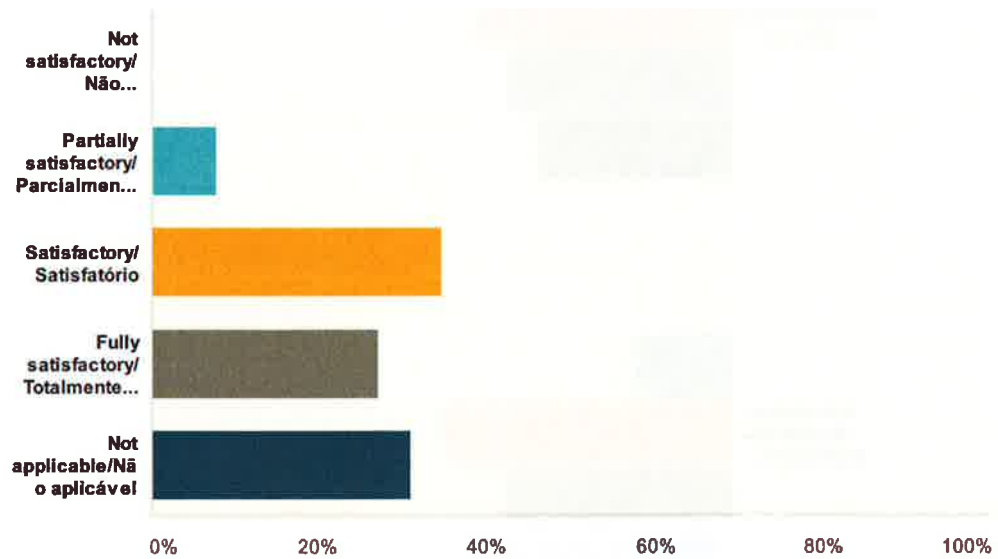
**Q6 To what extent do you think that the project used available human and financial resources in an optimal way?/Em que medida pensa que o projecto usou os recursos financeiros e humanos de uma forma optimal?**

Answered: 26 Skipped: 0



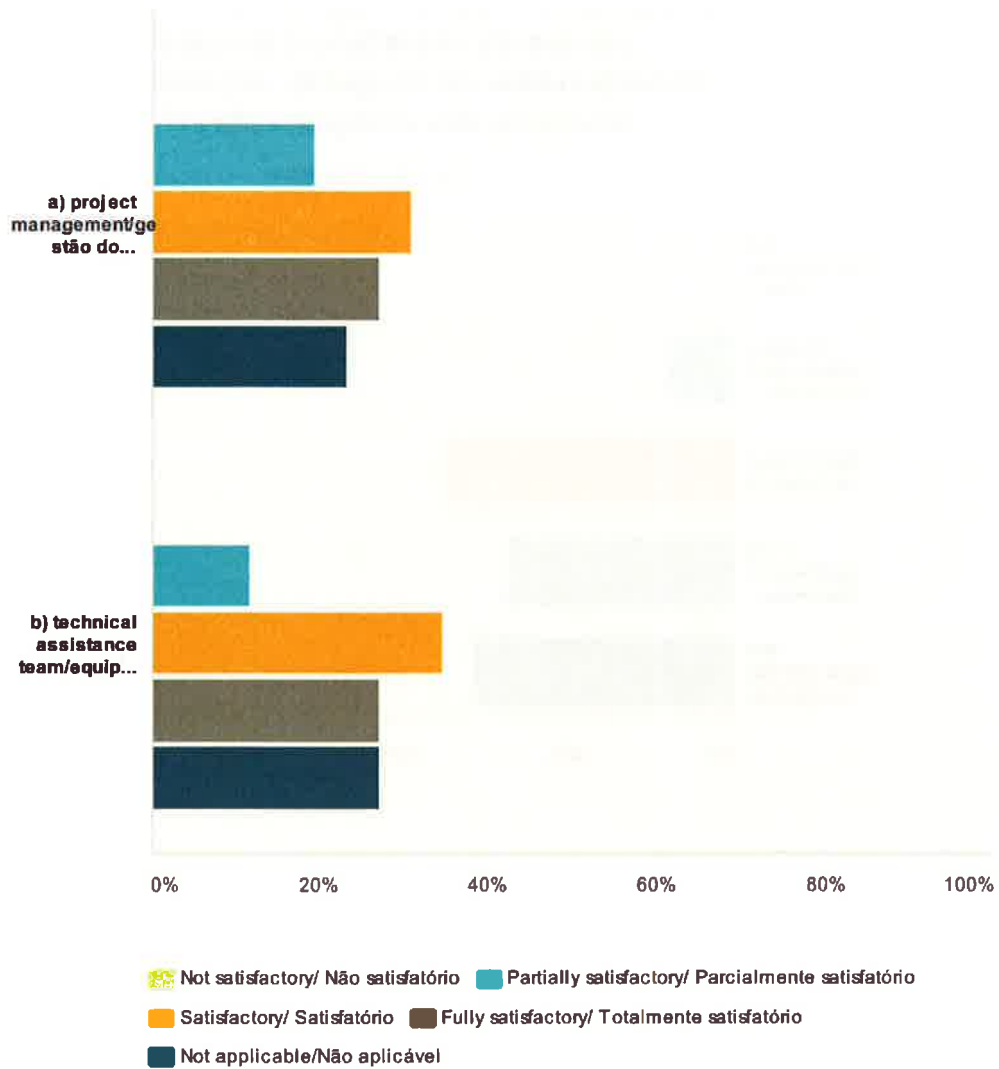
**Q7 To what extent do you think that the activities in which you were involved were supported by the project management (UNIDO, EU Delegation) and the technical assistance team (Project Coordinator, Heads of Cluster)?/Em que medida pensa que as actividades em que esteve envolvido foram apoiadas pela gestão do projecto (UNIDO, Delegação da UE) e a equipa da assistência técnica (Coordenador do Projecto, assistentes técnicos das componentes)?**

Answered: 26 Skipped: 0



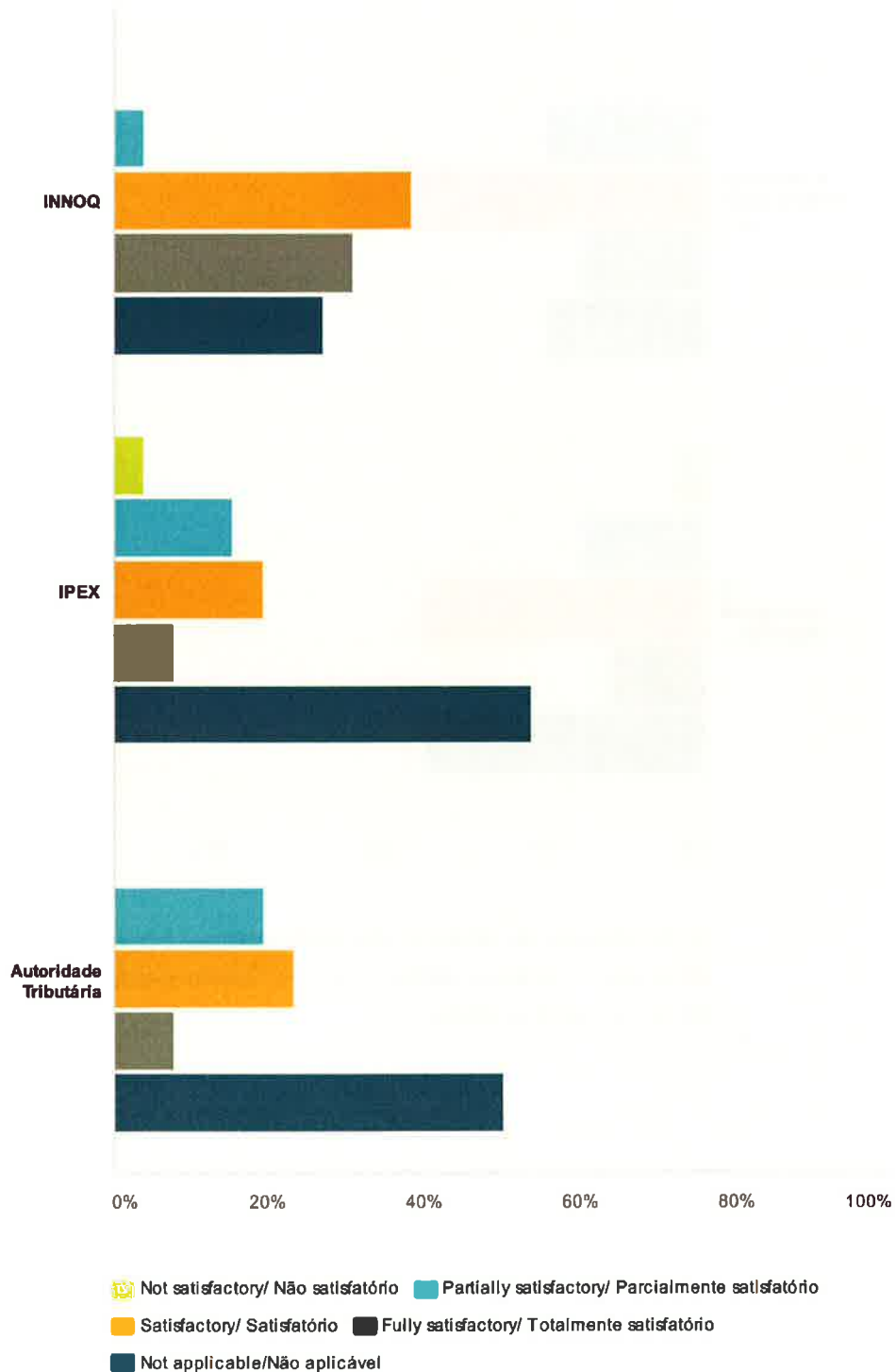
**Q8 How do you assess the quality of the results and performance of a) project management ; b) technical assistance team ?/ Como avalia a qualidade dos resultados e o desempenho da: a) gestão do projecto; b) equipa de assistência técnica?**

Answered: 26 Skipped: 0



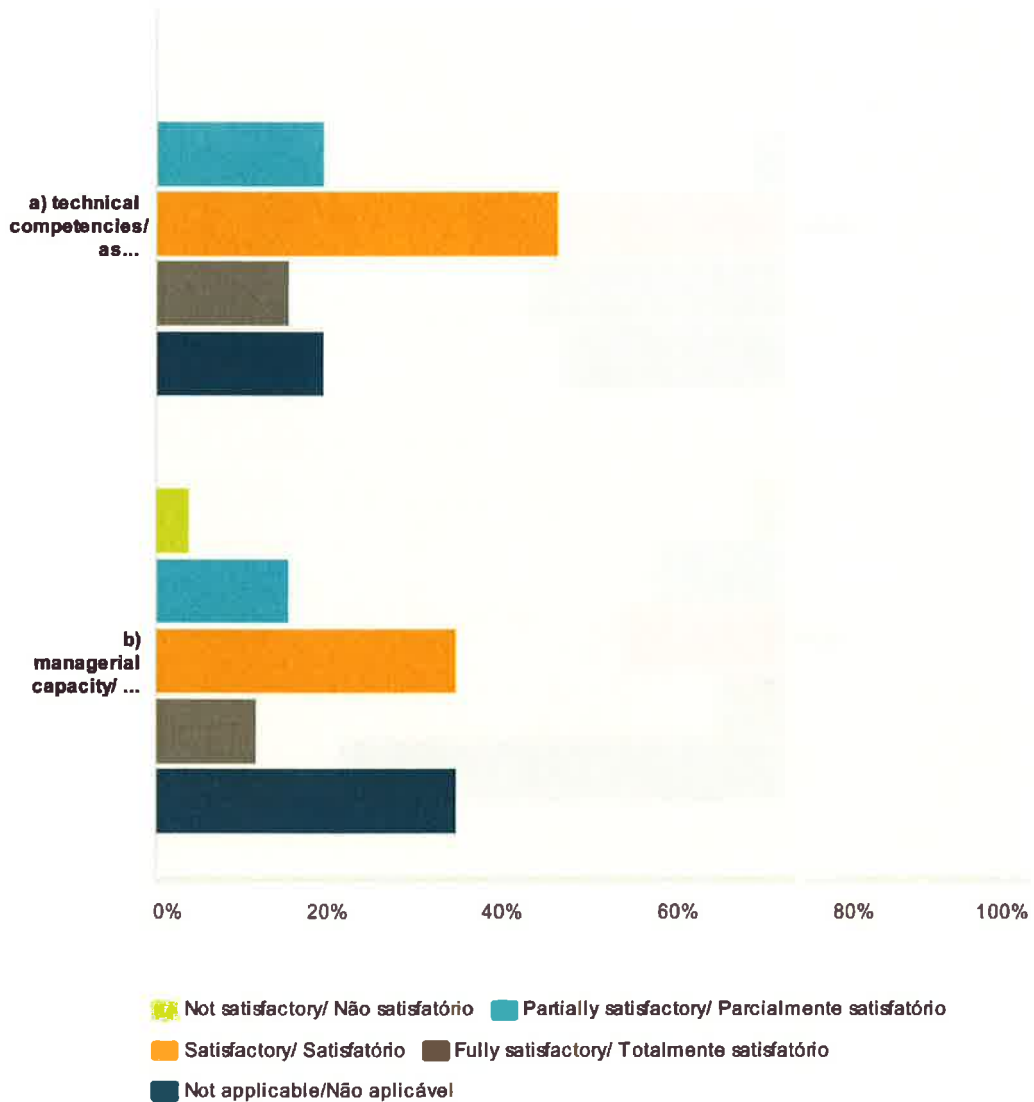
**Q9 How do you assess the participation of the main beneficiaries (INNOQ, IPEX and Revenue Authority) and their contribution to project implementation?/ Como avalia a participação dos principais beneficiários (INNOQ, IPEX e Autoridade Tributária) e a contribuição destes na implementação do projecto?**

Answered: 26 Skipped: 0



**Q10 To what extent do you think the project activities improved beneficiaries' technical competencies & managerial capacity?/Em que medida pensa que as actividades do projecto melhoraram as competências técnicas & a capacidade de gestão dos beneficiários?**

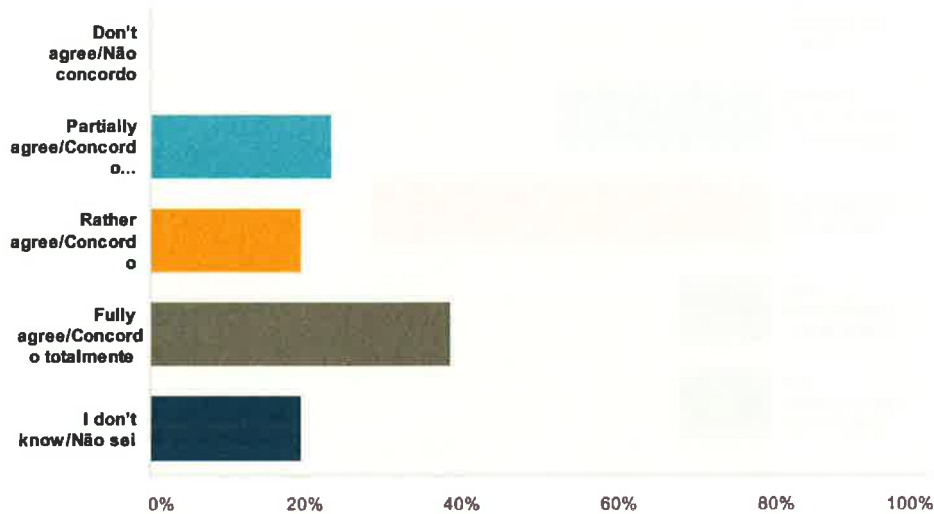
Answered: 26 Skipped: 0





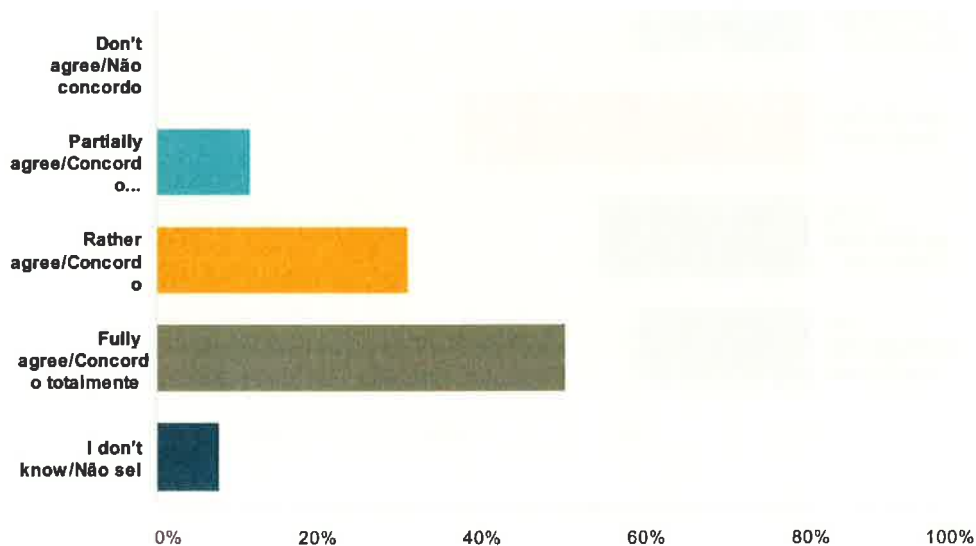
**Q11 To what extent do you think that project activities will be followed up by the beneficiaries and that there will be a positive impact in the long term?/  
Concorda que os beneficiários irão prosseguir com os resultados e actividades e que haverá impactos positivos a longo prazo?**

Answered: 26 Skipped: 0



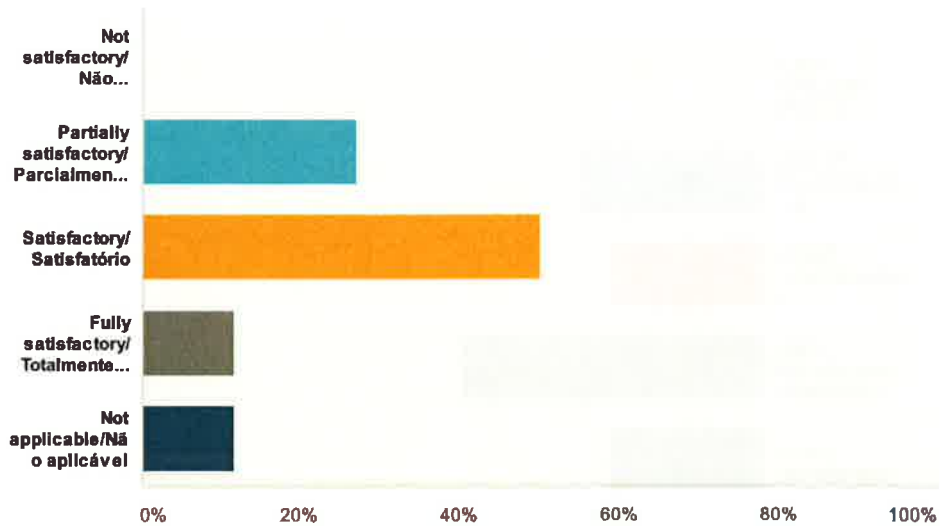
**Q12 Do you agree that the project increased the image and visibility of the EU as an important partner for the development of Mozambique?/  
Concorda que o projecto aumentou a imagem e a visibilidade da UE como um parceiros importante para o desenvolvimento de Moçambique?**

Answered: 26 Skipped: 0



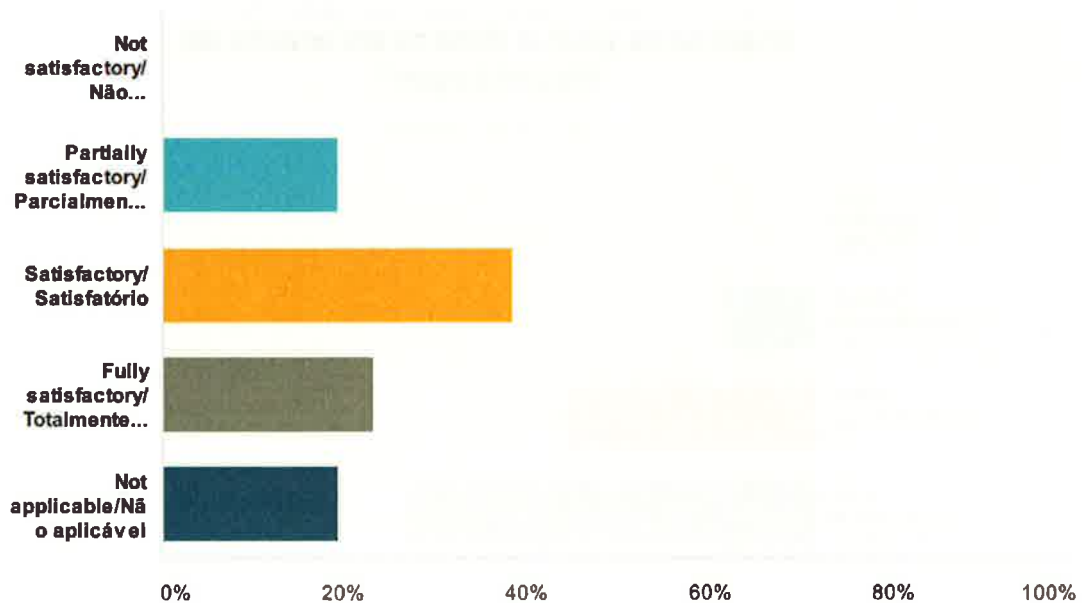
**Q13 To what extent do you think project activities improved public and private sector cooperation in supported sectors?/Em que medida pensa que as actividades do projecto melhoraram a cooperação entre o sector publico e o sector privado nas áreas apoiadas?**

Answered: 26 Skipped: 0



**Q14 Were your expectation with regard to the BESTF Project met?/As suas expectativas em relação ao projecto BESTF foram satisfeitas?**

Answered: 26 Skipped: 0



## ANNEX 5.5 - THE NATIONAL QUALITY INFRASTRUCTURE AND THE INTERNATIONAL SYSTEM

The National Quality Infrastructure can be organised differently in different countries, depending on national priorities and level of development. It consists of the following components: standardization, metrology, testing, certification and accreditation (Figure 1). This illustration provides an interface between the left and the right columns and it is valid for all products and processes to be found in the left side column of the figure and it also relates to the international and/or regional system of standardisation to be found in the right side column.

Figure 1. The National Quality Infrastructure and the International System



Source: Sanetra, C. and Marbán, R, *The Answer to the Global Quality Challenge: A National Quality Infrastructure*, PTB, OAS, SIM, p. 107

## **ANNEX 5.6 - STATUS REPORT - RECOMMENDATIONS FROM THE MID-TERM EVALUATION**

(sent in a separate file)

## ANNEX 5.7 - LIST OF COMMENTS NOT ADDRESSED IN THE FINAL REPORT

SOURCE	COMMENT	REPLY
UNIDO Evaluation Group	Should there be a recommendation of only having one implementing agency?	The evaluation team reached that conclusion and mentioned it among the lessons learnt that have been mainstreamed into COMPETIR, namely "avoiding involvement of more than one international organization"
	Coherence could be treated more in depth.	Coherence of BESTF with the EC assistance to Mozambique was treated within a rather lengthy section 2.1, where the evaluation team decided to focus on more important issues, such as relevance and design.
UNIDO Country Office	Caution should be exerted upon guessing that despite the low effectiveness of activities under TF cluster, "results may eventually improve in the future" – it is too vague, too optimistic and beyond the project control.	Such "optimistic" statement was supported by arguments contained in the "Impact Assessment" and "Sustainability" sections. Since this is the Report of the Final Evaluation taking place almost two years after the completion of the project, future results under the TF cluster, as well as under the other clusters, are, by definition, "beyond the project control".
AT	Nível de investimento da JUE, cerca de 12 milhões de dólares	The amount of \$15 million used in the Final Report is derived from the publication "Mozambique, Trade Facilitation Implementation Guide", which is mentioned in Box 4, p. 40 above. This publication is based on official Mozambican sources (Mr. G. Mambo, Customs)
	Formação em matéria de auditoria fiscal .....importante para a facilitação de comercio justo no geral.	The evaluators are not convinced that training in fiscal auditing is important for fair-trade facilitation. They have instead argued in the Final Report that "This training was certainly efficient and relevant to AT's Tax Directorate operations and to Mozambique's efforts to fight against tax avoidance and evasion but not clearly relevant to the Customs Directorate and trade facilitation goals of BESTF."
	Não conheci o interesse do Banco Mundial no Projecto OEA	BESTF's Final Report prepared by UNIDO mentions that the AEO "pilot project is being implemented by AT in close partnership with the CTA (representing the private sector) and with technical support and expertise of the World Bank"
	The following sentence was deleted: RECOMENDAÇÕES • Maior utilização do Fundo Comum da AT por parte dos doadores	Since the reasons for the deletion were not mentioned, this recommendation has been kept.



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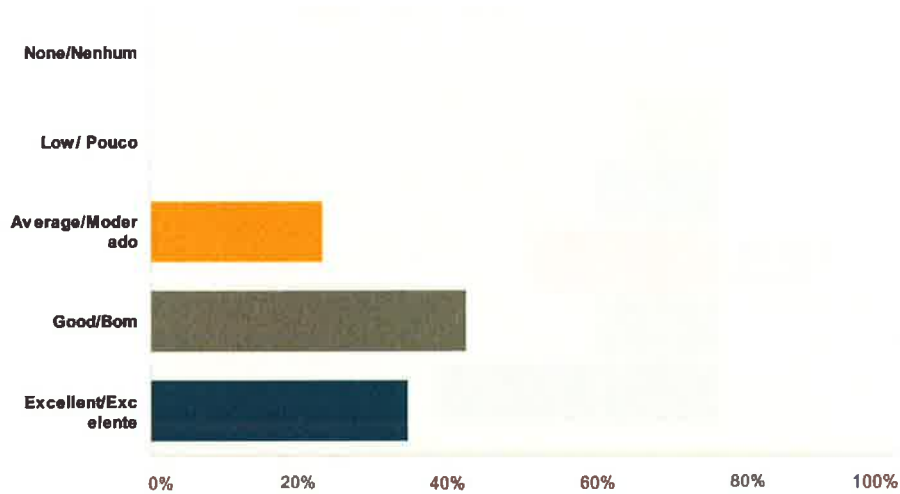
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## ANNEX 5.4 - RESULTS OF THE EVALUATION QUESTIONNAIRE

Business Environment Support and Trade Facilitation Project in Mozambique (BESTF)

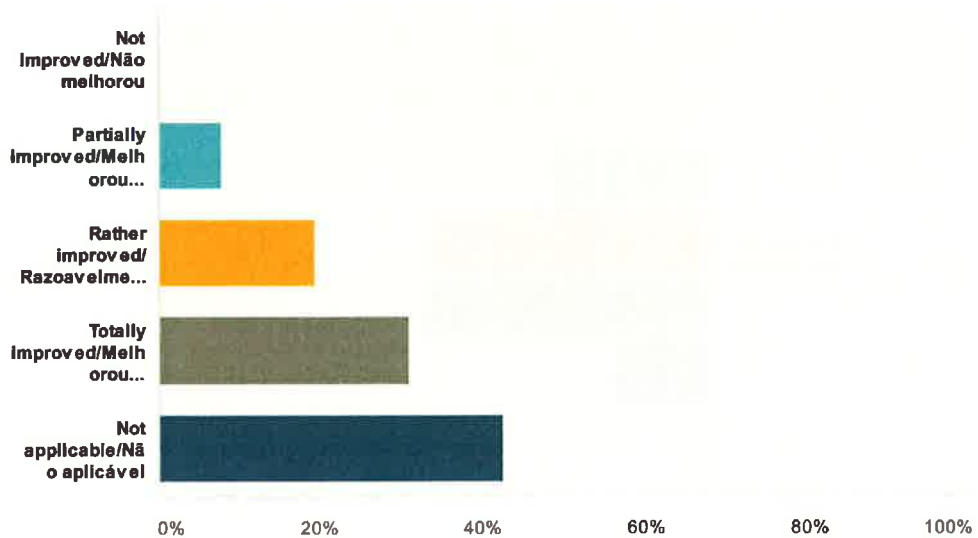
**Q2 Please indicate your level of knowledge of the project and its key priorities/ Por favor indique o nível de conhecimento do projecto e suas prioridades essenciais**

Answered: 26 Skipped: 0



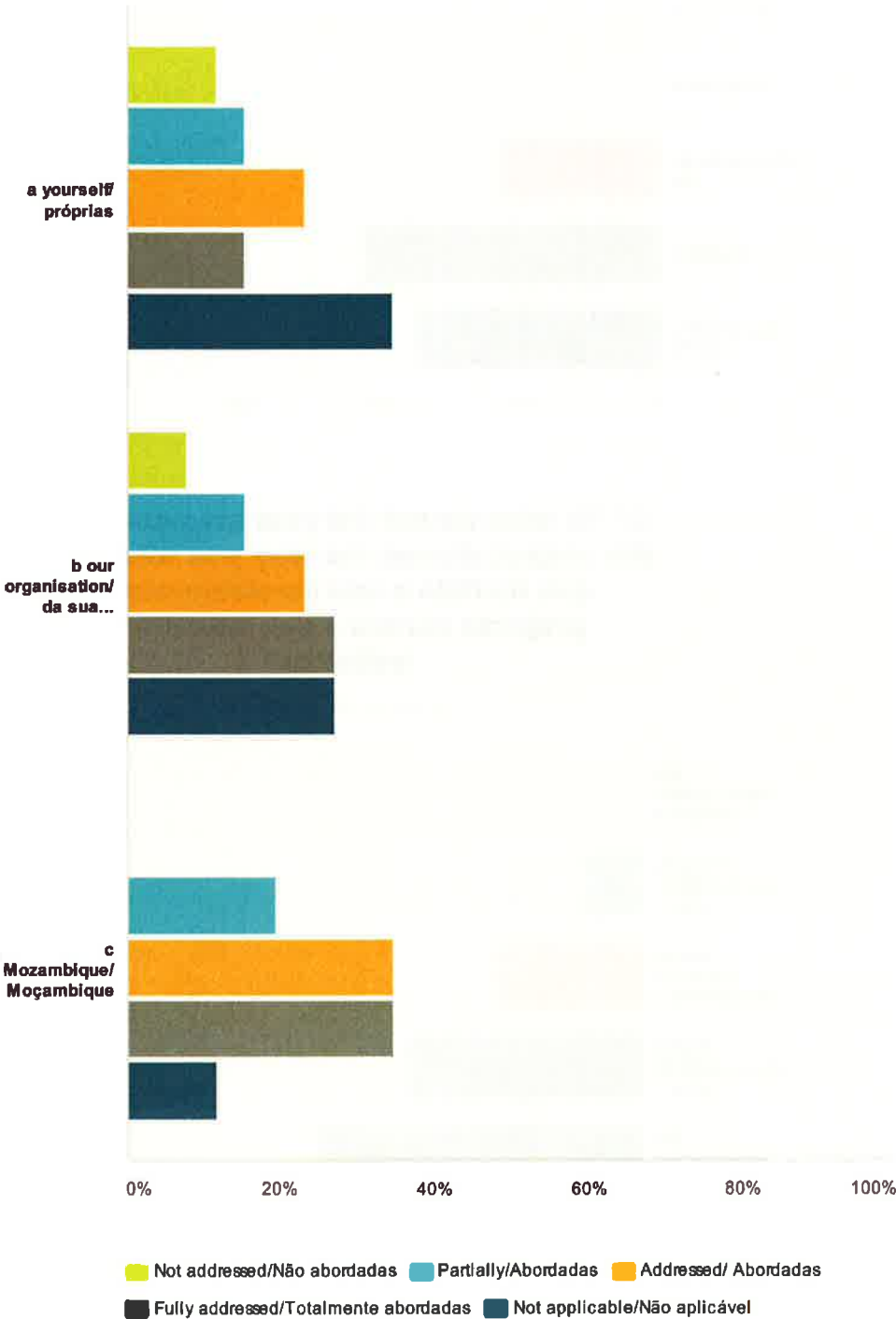
**Q3 To what extent did your involvement in the project change the way you work?/ Em que medida o seu envolvimento no projecto mudou a sua maneira de trabalhar?**

Answered: 26 Skipped: 0



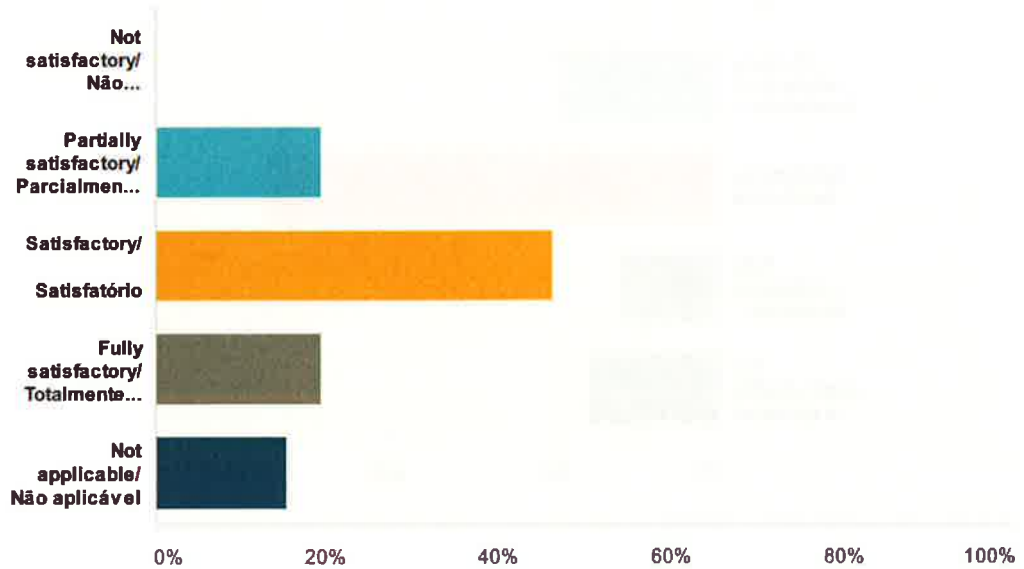
**Q4 To what extent do you think that the project activities in which you were involved addressed the needs and priorities of a) yourself b) your organisation c) Mozambique ?/ Em que medida pensa que as actividades do projecto em que esteve envolvido abordaram as necessidades e prioridades: a) próprias ? b) da sua organização? c) de Moçambique?**

Answered: 26 Skipped: 0



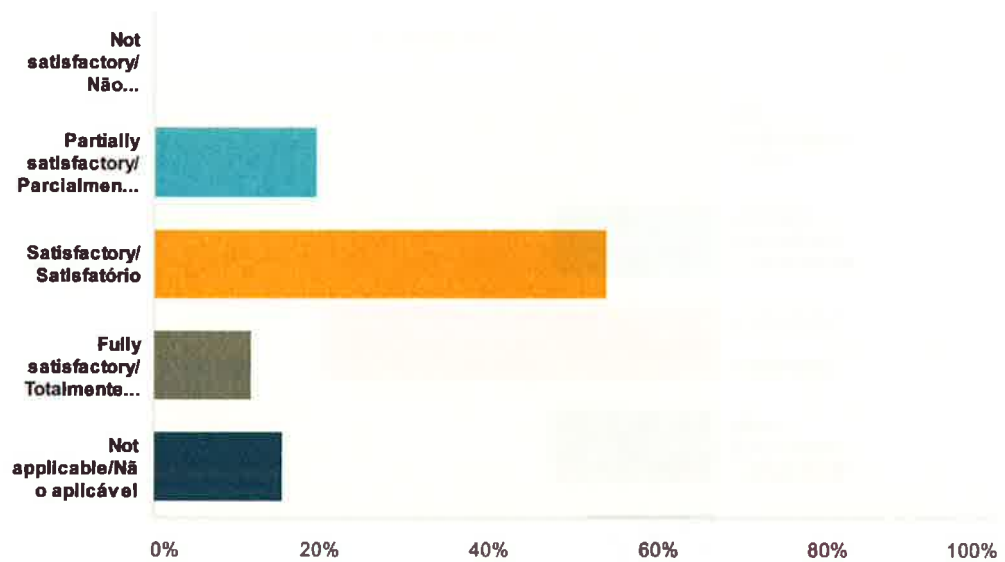
**Q5 To what extent do you think that the activities in which you were involved were satisfactory in terms of planning, quantity and quality?/Em que medida pensa que as actividades do projecto em que esteve envolvido foram satisfatórias no que concerne a planificação, quantidade e qualidade?**

Answered: 26 Skipped: 0



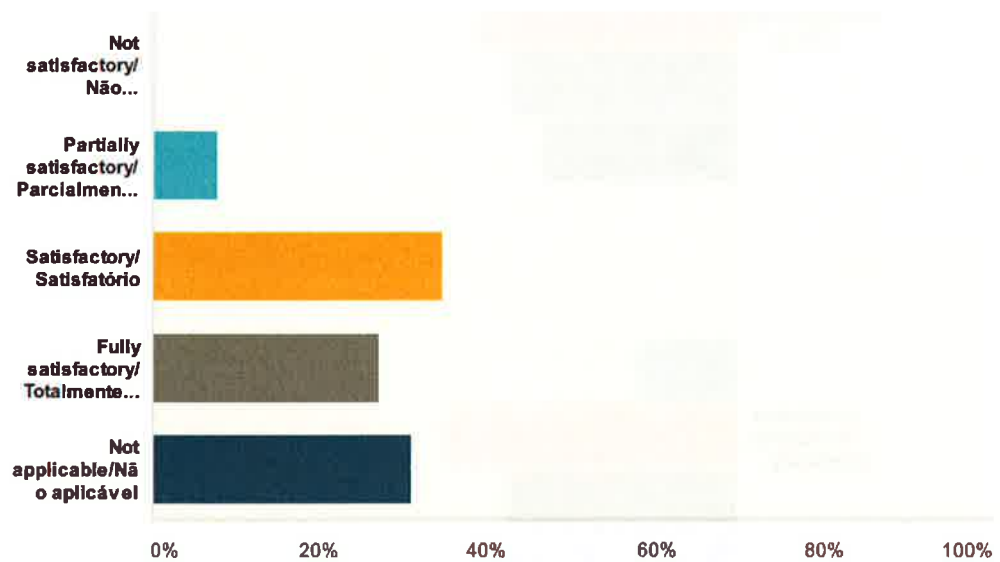
**Q6 To what extent do you think that the project used available human and financial resources in an optimal way?/Em que medida pensa que o projecto usou os recursos financeiros e humanos de uma forma optimal?**

Answered: 26 Skipped: 0



**Q7 To what extent do you think that the activities in which you were involved were supported by the project management (UNIDO, EU Delegation) and the technical assistance team (Project Coordinator, Heads of Cluster)?/Em que medida pensa que as actividades em que esteve envolvido foram apoiadas pela gestão do projecto (UNIDO, Delegação da UE) e a equipa da assistência técnica (Coordenador do Projecto, assistentes técnicos das componentes)?**

Answered: 26 Skipped: 0



**Q8 How do you assess the quality of the results and performance of a) project management ; b) technical assistance team?/ Como avalia a qualidade dos resultados e o desempenho da: a) gestão do projecto; b) equipa de assistência técnica?**

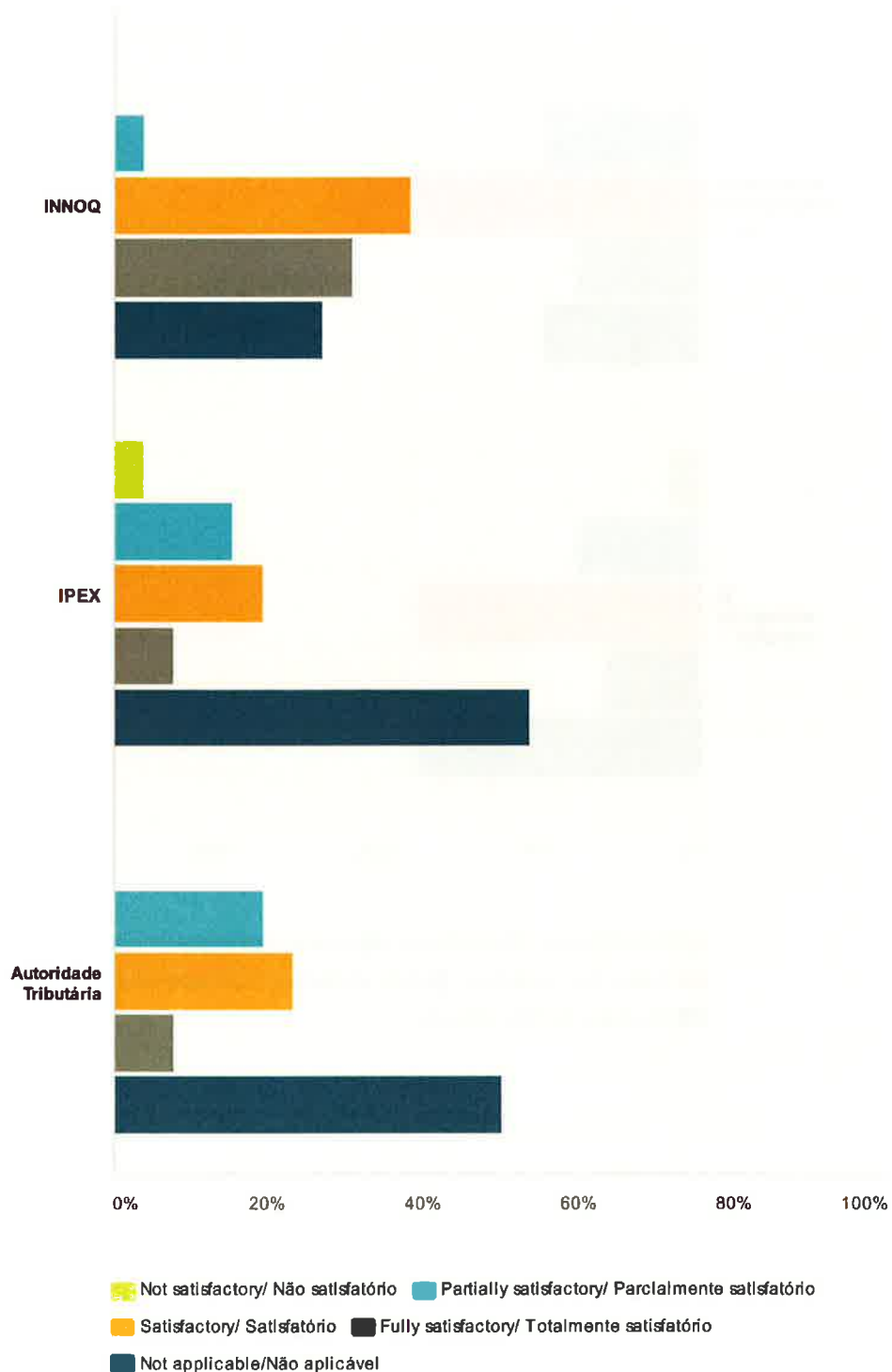
Answered: 26 Skipped: 0





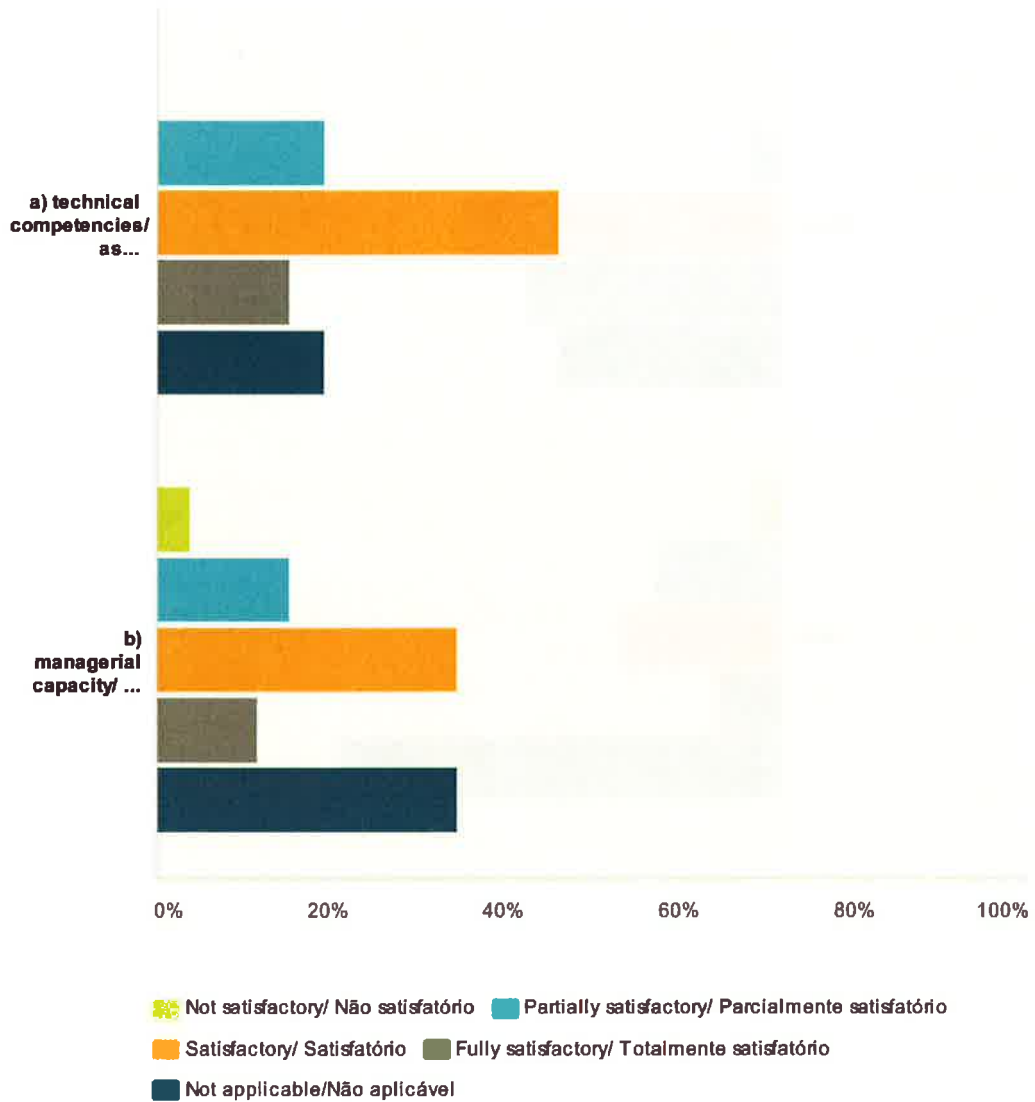
**Q9 How do you assess the participation of the main beneficiaries (INNOQ, IPEX and Revenue Authority) and their contribution to project implementation?/ Como avalia a participação dos principais beneficiários (INNOQ, IPEX e Autoridade Tributária) e a contribuição destes na implementação do projecto?**

Answered: 26 Skipped: 0



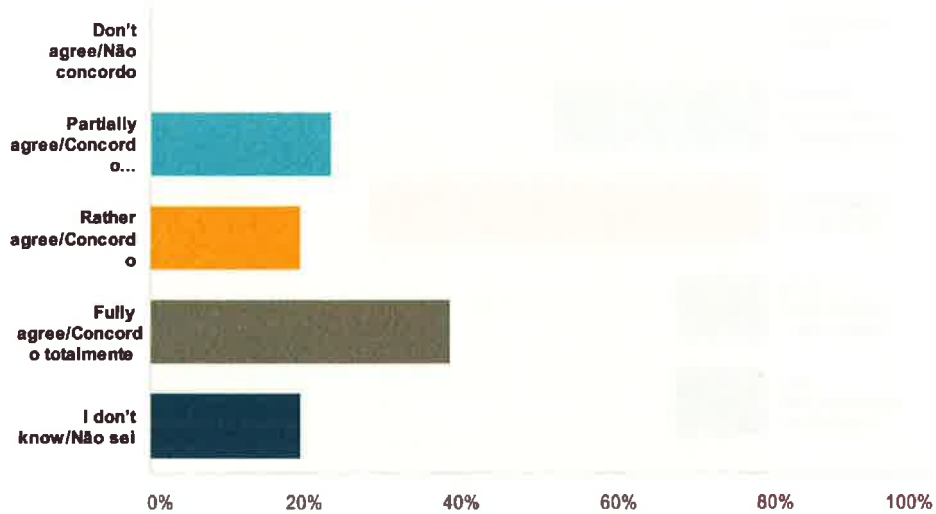
**Q10 To what extent do you think the project activities improved beneficiaries' technical competencies & managerial capacity?/Em que medida pensa que as actividades do projecto melhoraram as competências técnicas & a capacidade de gestão dos beneficiários?**

Answered: 26 Skipped: 0



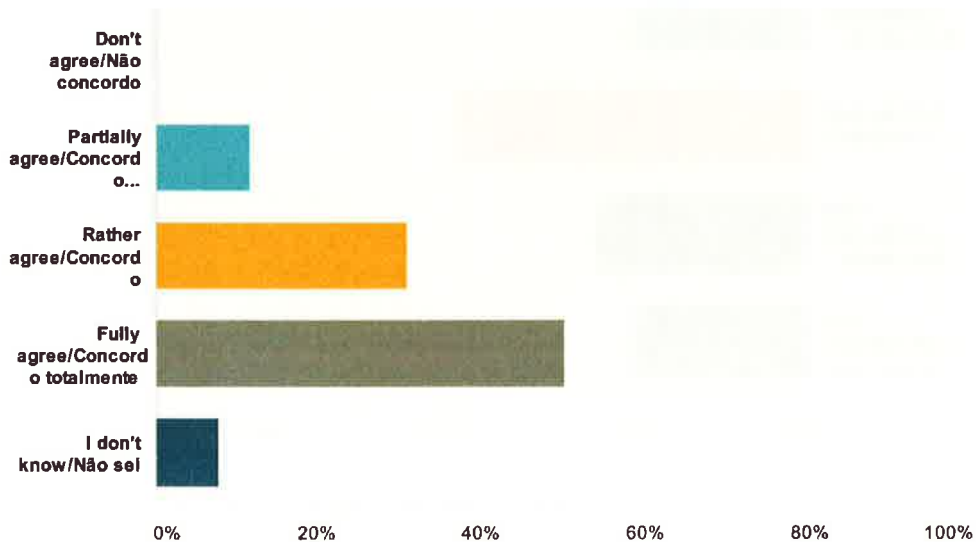
**Q11 To what extent do you think that project activities will be followed up by the beneficiaries and that there will be a positive impact in the long term?/Concorda que os beneficiários irão prosseguir com os resultados e actividades e que haverá impactos positivos a longo prazo?**

Answered: 26 Skipped: 0



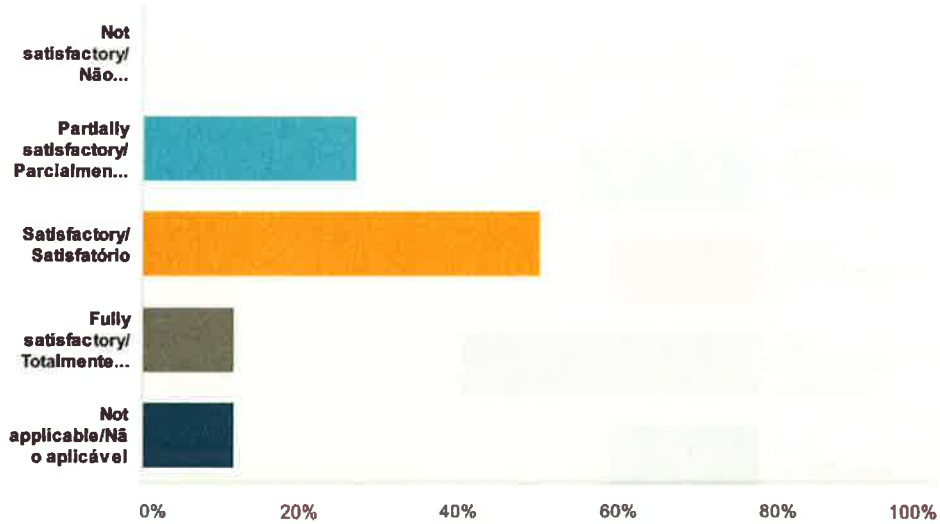
**Q12 Do you agree that the project increased the image and visibility of the EU as an important partner for the development of Mozambique?/Concorda que o projecto aumentou a imagem e a visibilidade da UE como um parceiros importante para o desenvolvimento de Moçambique?**

Answered: 26 Skipped: 0



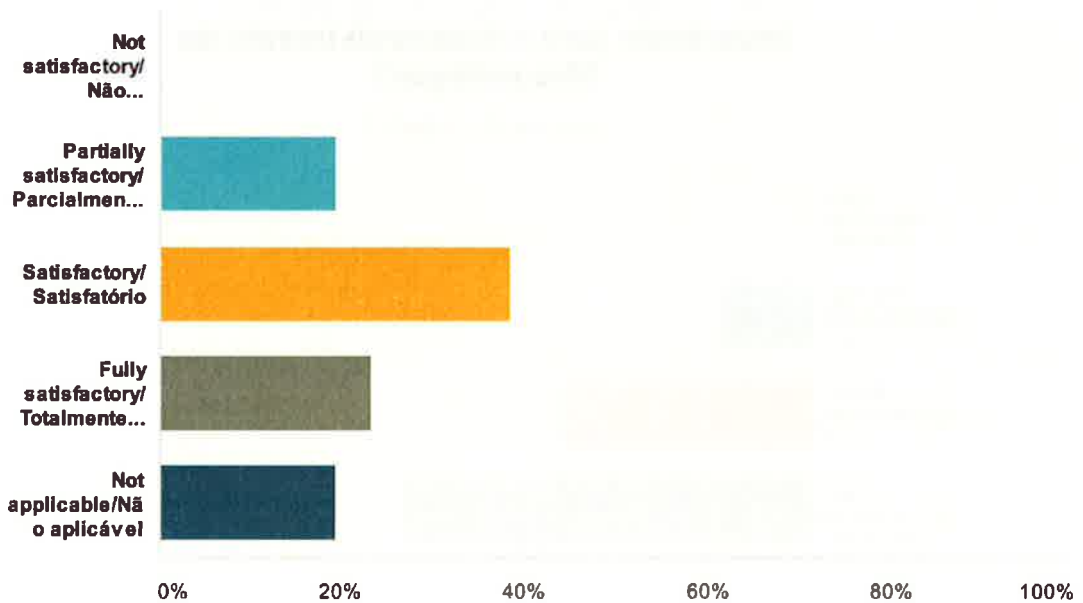
**Q13 To what extent do you think project activities improved public and private sector cooperation in supported sectors?/Em que medida pensa que as actividades do projecto melhoraram a cooperação entre o sector publico e o sector privado nas áreas apoiadas?**

Answered: 26 Skipped: 0



**Q14 Were your expectation with regard to the BESTF Project met?/As suas expectativas em relação ao projecto BESTF foram satisfeitas?**

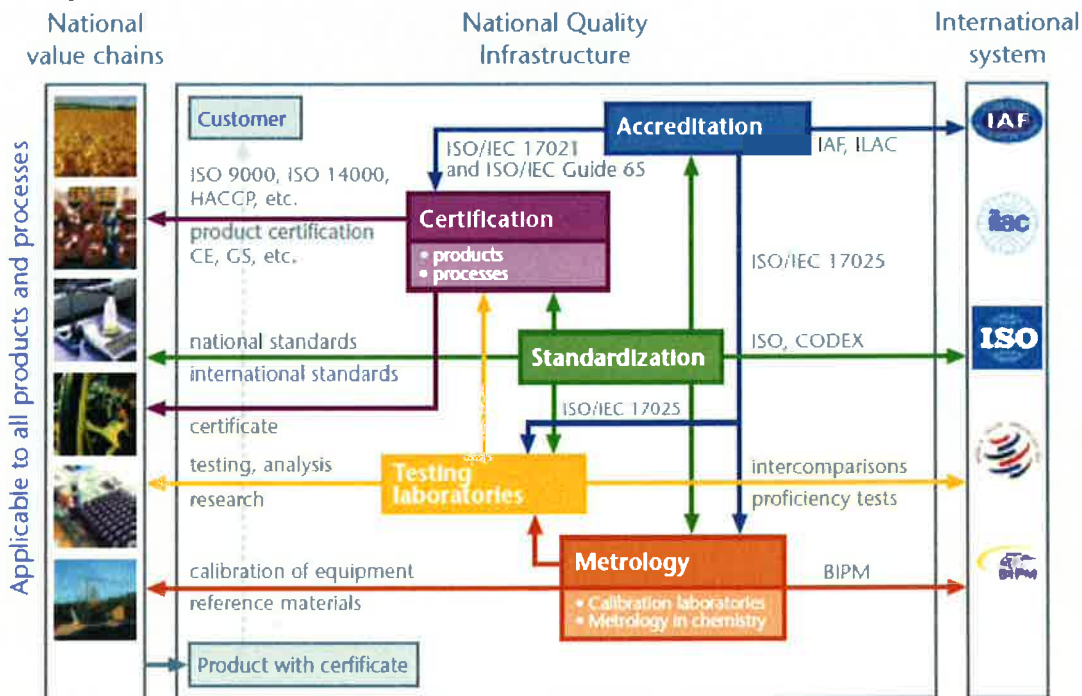
Answered: 26 Skipped: 0



## ANNEX 5.5 - THE NATIONAL QUALITY INFRASTRUCTURE AND THE INTERNATIONAL SYSTEM

The National Quality Infrastructure can be organised differently in different countries, depending on national priorities and level of development. It consists of the following components: standardization, metrology, testing, certification and accreditation (Figure 1). This illustration provides an interface between the left and the right columns and it is valid for all products and processes to be found in the left side column of the figure and it also relates to the international and/or regional system of standardisation to be found in the right side column.

Figure 1. The National Quality Infrastructure and the International System



Source: Sanetra, C. and Marbán, R, *The Answer to the Global Quality Challenge: A National Quality Infrastructure*, PTB, OAS, SIM, p. 107

## **ANNEX 5.6 - STATUS REPORT - RECOMMENDATIONS FROM THE MID-TERM EVALUATION**

(sent in a separate file)

## ANNEX 5.7 - LIST OF COMMENTS NOT ADDRESSED IN THE FINAL REPORT

SOURCE	COMMENT	REPLY
<b>UNIDO Evaluation Group</b>	Should there be a recommendation of only having one implementing agency?	The evaluation team reached that conclusion and mentioned it among the lessons learnt that have been mainstreamed into COMPETIR, namely “avoiding involvement of more than one international organization”
	Coherence could be treated more in depth.	Coherence of BESTF with the EC assistance to Mozambique was treated within a rather lengthy section 2.1, where the evaluation team decided to focus on more important issues, such as relevance and design.
<b>UNIDO Country Office</b>	Caution should be exerted upon guessing that despite the low effectiveness of activities under TF cluster, “results may eventually improve in the future” – it is too vague, too optimistic and beyond the project control.	Such “optimistic” statement was supported by arguments contained in the “Impact Assessment” and “Sustainability” sections. Since this is the Report of the Final Evaluation taking place almost two years after the completion of the project, future results under the TF cluster, as well as under the other clusters, are, by definition, “beyond the project control”.
<b>AT</b>	Nível de investimento da JUE, cerca de 12 milhões de dólares	The amount of \$15 million used in the Final Report is derived from the publication “Mozambique, Trade Facilitation Implementation Guide”, which is mentioned in Box 4, p. 40 above. This publication is based on official Mozambican sources (Mr. G. Mambo, Customs)
	Formação em matéria de auditoria fiscal .....importante para a facilitação de comercio justo no geral.	The evaluators are not convinced that training in fiscal auditing is important for fair-trade facilitation. They have instead argued in the Final Report that “This training was certainly efficient and relevant to AT’s Tax Directorate operations and to Mozambique’s efforts to fight against tax avoidance and evasion but not clearly relevant to the Customs Directorate and trade facilitation goals of BESTF.”
	Não conheci o interesse do Banco Mundial no Projecto OEA	BESTF’s Final Report prepared by UNIDO mentions that the AEO “pilot project is being implemented by AT in close partnership with the CTA (representing the private sector) and with technical support and expertise of the World Bank”
	The following sentence was deleted: <b>RECOMENDAÇÕES</b> • Maior utilização do Fundo Comum da AT por parte dos doadores	Since the reasons for the deletion were not mentioned, this recommendation has been kept.





**SPECIFIC TERMS OF REFERENCE**  
**Final Evaluation of the Business Environment Support and Trade Facilitation Project**  
**FWC BENEFICIARIES 2009 - LOT 10 : <Title>**  
**EuropeAid/127054/C/SER/multi**

**1. BACKGROUND**

The National Indicative Programme (NIP) of the 9<sup>th</sup> EDF signed by the Government of Mozambique and the European Commission reflects the EC's willingness to support the trade facilitation in Mozambique. The project started on 1 July 2008 following the signing of the Contribution Agreement (reference 09.ACP.MOZ.036) during May 2008 between the National Authorizing Officer for the Republic of Mozambique (the Contracting Authority), the Mozambique Delegation of the European Union and UNIDO (the International Organisation).

The “Business Environment Support and Trade Facilitation project for Mozambique” (BESTF Project) with a budget of € 6,394,376 concluded on 31 December 2011. The project was jointly funded by the European Union (EU) (€ 5,494,376) and the United Nations Industrial Development Organization (UNIDO) (€ 900,000).

The table below provides an overview of the intervention logic of the project, specifically the objective, purposes (outcomes) and results (outputs).

Intervention Logic	Indicators
<p><b>Overall Objective</b> To promote export-led growth and to improve the existing investment climate by alleviating trade-related constraints affecting the business environment in Mozambique.</p>	<p>Increased level of exports Increased diversification of exports Increased diversification of target markets</p>
<p><b>Project Purposes [Outcomes]</b></p> <ul style="list-style-type: none"> <li>• To strengthen existing national quality infrastructure and institutions involved in the delivering of services in the area of metrology, standardization, and conformity assessment (cluster area QUALITY);</li> <li>• To strengthen the existing institution concerned and to enhance the availability, access and quality of information and advisory services for trade, including training (cluster area INFORMATION &amp; ADVISORY SERVICES FOR TRADE); and</li> <li>• To strengthen the existing institution concerned and to reduce the time and costs associated with import and export operations (cluster area TRADE FACILITATION).</li> </ul>	<ul style="list-style-type: none"> <li>• Number of Mozambican standards increased significantly, recognised and used by industry;</li> <li>• National Legal Metrology System established for mass and volume fields;</li> <li>• National calibration services available;</li> <li>• National accredited tests available;</li> <li>• Number of Mozambican companies certified increased significantly.</li> </ul> <p>Number of companies receiving regular information increased significantly and increased level of exports by enterprises</p> <p>Time and associated costs of foreign trade clearing operations reduced significantly and organisational efficiency increased</p>

Intervention Logic	Indicators
<p><b>Project Results [Outputs]</b></p> <p><u>Result 1:</u> Permanent TA (coordination) deployed and operating.</p> <p><u>Result 2:</u> Core expertise in specific cluster areas hired and operating in leading institutions.</p> <p><u>Result 3:</u> Cluster QUALITY. Available services in standards, metrology and certification have been enhanced significantly.</p>	<ul style="list-style-type: none"> <li>• Project Coordination Unit operating.</li> <li>• Heads of Cluster operational and Clusters' Implementation Plan approved.</li> <li>• Institutional capacity strengthened through provision of assistance, training and equipment.</li> <li>• Number of Mozambican standards increased significantly.</li> </ul>

<p><u>Result 4:</u> Cluster INFORMATION &amp; ADVISORY SERVICES FOR TRADE. Number of companies performing export/ import operations increased significantly.</p> <p><u>Result 5:</u> Cluster TRADE FACILITATION. Speed and costs associated to import and export operations reduced</p>	<ul style="list-style-type: none"> <li>• National legal metrology system in place.</li> <li>• Number of clients making use of metrology services by INNOQ increased significantly.</li> <li>• Number of certified Mozambican companies increased significantly.</li> <li>• Number of accredited laboratories increased.</li> <li>• Institutional capacity strengthened through provision of assistance, training and equipment.</li> <li>• Number of available services for exporters increased.</li> <li>• Number of companies seeking and receiving regular information increased significantly.</li> <li>• Satisfaction rates of IPEX's services users increased.</li> <li>• Export Drive Initiative completed.</li> <li>• Institutional capacity, efficiency and service delivery strengthened through provision of assistance, training and equipment.</li> <li>• Time associated with clearing export &amp; import operations significantly reduced.</li> <li>• Overall costs associated with clearing export &amp; import operations significantly reduced.</li> </ul>
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The project implementation approach as outlined in the original project document was to structure the project in three clusters of intervention as outlined above. A leading public institution was identified during the project development stage to lead each of these three clusters of intervention. Each cluster of intervention having different levels of development in Mozambique, the nature of intervention and activities implemented was consequently different per cluster:

(i) The first cluster comprised activities containing actions related to the improvement of the quality of the national production through the strengthening of the existing national quality infrastructure and institutions involved in the delivering of services in the area of metrology, standardization, and conformity assessment. The leading institution was the National Institute of Standardization and Quality (INNOQ) which has traditionally been receiving limited financial support from the Government and as result lacked many fundamental means and facilities to respond to its mandate. A significant challenge faced by the institution was to respond to the needs of the Mozambican business environment (private and public sector) and contribute towards the development, enhancement and harmonisation of standards and conformity assessment infrastructure in the SADC region and internationally.

The main interventions undertaken in the implementation of the project in this cluster were:

- Institutional capacity strengthening at INNOQ
- Introduction of the concept of ISO17025 accreditation in testing and calibration laboratories through a pilot program in accreditation
- Strengthening of the INNOQ Standardization Department and standards development activities in Mozambique
- Strengthening of the Mozambican legal metrology system and INNOQ Metrology Department
- Strengthening of the INNOQ Certification Department and support of the private sector through a pilot program in company certification.

(ii) The second cluster comprised activities containing information and advisory services directed to companies engaged in foreign trade operations through the strengthening of the existing institution IPEX (Mozambique Institute for Export Promotion). The technical assistance was provided through the International Trade Centre (ITC) subcontracted by UNIDO for the implementation of the key elements of this cluster.

The main interventions undertaken in this cluster were:

- Institutional capacity strengthening at IPEX
- Strengthening the Trade Information Services capacity of IPEX
- Supporting an export drive initiative with primary focus on the development of a National Export Strategy for Mozambique
- Establishing a Packaging Information Centre at IPEX

(iii) The third cluster comprised activities on trade facilitation targeting the reduction of time and costs associated to moving goods across the borders through the strengthening of the existing institution concerned, the Mozambican Revenue Authority (AT). The original project outputs defined during the project development stage were aimed at custom services improvement including the implementation of a “Single Window” system to simplify the clearing process of foreign trade transactions and to implement this cluster with the support of the United Nations Conference on Trade and Development (UNCTAD). During the first year of implementation the project stakeholders were informed by the leading institution that the “Single Window” system was however implemented through a separate project. This resulted in a redesign of intervention in this cluster and the eventual withdrawal of UNCTAD.

The main interventions undertaken in this cluster were:

- Strengthening of investigative capabilities of the AT customs directorate
- Strengthening of capacity in Risk Assessment and Risk Management, Fiscal Auditing and in Legislation and Procedures
- Strengthening of the “Istituto de Financas Publicas e Formacao Tributaria” (IFPFT), the training institution of AT.
- Supporting the AT pilot project for the Authorized Economic Operator (AEO) through provision of equipment
- Supporting the upgrade of four remote border offices

The main governance body of the project was a Steering Committee comprising (i) the Government of Mozambique represented by the Ministry of Industry and Trade (MIC) as the Chairperson and by the National Authorising Officer (NAO), (ii) the European Union and (iii) UNIDO.

At the end of the first year of implementation a series of review workshops were held between UNIDO, the beneficiary institutions, and with the participation of the EU and MIC. An important element of this review was a strategic presentation, led by the beneficiary institutions, to focus on the main objectives of the project, the strategy, main challenges and key result areas, including also an analysis of strengths, weaknesses, opportunities and threats. This provided the opportunity for the participants to adopt resolutions with a focus on the critical success factors in order to ensure the achievement of objectives, indicators and results and therefore the success of the project. Resolutions adopted varied from operational (eg the need for improved communications and project coordination) to resolutions of a more strategic nature.

A mid-term evaluation of the project was commissioned by UNIDO’s evaluation department. . This evaluation was conducted mid 2010 in Mozambique by a team of independent national and international experts. The evaluation method was a combination of in-depth key informant interviews with a sample of stakeholders, review of appropriate documents and a number of validation meetings to discuss the findings. The findings and the recommendations made by this evaluation team to UNIDO, the Government of Mozambique and to the European Union were discussed by the project stakeholders and the majority of these recommendations were implemented.

Apart from the challenges linked to institutional capacity building processes in countries with weak public institutions, low level of salaries and shortage of high skilled human resources, some of the challenges of the BESTF project have also been linked to the subcontracting arrangements that the implementing agency (UNIDO) had with ITC and UNCTAD.

At the end of the project, the use of financial resources has been 77%.

A follow-up project, COMPETIR, was launched in August 2012 in order to build upon some results achieved by the BESTF project in order to further enhance and strengthen the level of development and the competitiveness of private sector companies in Mozambique. This will be achieved in two components that will allow for the continued development of the national quality infrastructure and for the development and promotion of small and medium enterprises (SMEs), the backbone of a competitive private sector. The project will, in addition, provide for policy dialogue on quality and the related industrial policy.

## **2. DESCRIPTION OF THE ASSIGNMENT**

### **2.1 Global objective**

The global objective is to assess and continually improve the quality of EU assistance projects in order to support better Mozambique's development efforts.

### **2.2 Specific objective(s)**

The specific objective is to elaborate the final evaluation which will provide the decision-makers in the Government of Mozambique, the relevant external co-operation services of the European Commission and the wider public with sufficient information to:

- a. make an overall independent assessment about the past performance of the project/ programme, paying particularly attention to the results and impact of the project against its objectives;
- b. identify key lessons and to propose practical recommendations for similar projects and for the COMPETIR in particular

It will also be key to assess whether institutional capacity building has taken place in the beneficiary institutions and if this project has had an impact on the private sector.

### **2.3 Requested services**

The evaluation study responds to the requirements of the last phase of the project cycle. The consultants shall verify, analyse and assess in detail the project against the five evaluation criteria endorsed by the OECD-DAC (relevance, effectiveness, efficiency, sustainability and impact), and to the EC-specific evaluation criteria (EC added value and coherence).

This evaluation should be organised around a set of specific evaluation questions. These questions are intended to articulate the key issues of concern to stakeholders, thus optimising the focus and utility of the evaluation. The development of those questions will be drafted in the inception report and based on the analysis of available documents. The evaluation questions will be identified in the first instance by the evaluation team.

The four components of the program should be covered: Cluster QUALITY, Cluster INFORMATION & ADVISORY SERVICES FOR TRADE, Cluster TRADE FACILITATION

The team will also address the following aspects:

#### **Relevance**

- the extent to which the project has been consistent with, and supportive of, the policy and programme framework within which the project is placed, in particular the EC's Country

Strategy Paper and National Indicative Programme, and the Partner Government's development policy and sector policies

- the extent to which objectives/results have been updated in order to adapt to changes in the context;
- the degree of flexibility and adaptability to facilitate rapid responses to changes in circumstances;
- the stakeholder participation in the design and in the management/implementation of the project, the level of local ownership, absorption and implementation capacity;
- the realism in the choice and quantity of inputs (financial, human and administrative resources)

### **Efficiency**

- the quality of day-to-day management: operational work planning and implementation (input delivery, activity management and delivery of outputs), and management of the budget, management of personnel, information, property, etc, whether management of risk has been adequate, i.e. whether flexibility has been demonstrated in response to changes in circumstances;
- Extent to which the costs of the project have been justified by the benefits whether or not expressed in monetary terms in comparison with similar projects or known alternative approaches, taking account of contextual differences and eliminating market distortions.
- Technical assistance: how well did it help to provide appropriate solutions and develop local capacities to define and produce results?
- Quality of monitoring: its existence (or not), accuracy and flexibility, and the use made of it; adequacy of baseline information;
- Whether the recommendations made by the midterm review were followed

### **Effectiveness**

- Assessment of the extent to which the programme's results have contributed to the purpose. Particular attention should be given to the outcomes for the beneficiaries.
- Whether the assumptions required to translating the results into the purpose were realised or not, and how this might have affected the programme. In this context, it should consider which accompanying measures should have been taken / were taken by government and partner authorities and what were the consequences for the project
- Identify the main lessons learned in relation to the approach adopted and its implementation which will be of use in the design and implementation of future programme.
- whether behavioural patterns have changed in the beneficiary organisations; and how far the changed institutional arrangements and characteristics have produced the planned improvements;

### **Sustainability**

- whether the institutions appears likely to be capable of continuing the flow of benefits after the project ends; whether counterparts have been properly prepared for taking over, technically, financially and managerially;
- financial sustainability, e.g. whether the products or services being provided are affordable for the intended beneficiaries and are likely to remain so after funding ended; whether enough

funds are available to cover all costs (including recurrent costs), and continued to do so after funding ended;

### **Impact**

- Extent to which the project has contributed to the overall objective (whether direct or indirect, positive or negative, and intended or unintended).

### **Coherence**

Considering other related activities undertaken by Government or other donors, at the same level or at a higher level:

- likelihood that results and impacts will mutually reinforce one another
- likelihood that results and impacts will duplicate or conflict with one another

### **EC value added**

Extent to which the project (its objectives, targeted beneficiaries, timing, etc .)

- is complementary to the intervention of EU Member States and other donors/IFIs in the country
- is creating actual synergy (or duplication) with the intervention of EU Member States and other donors/IFIs

### **Visibility**

Assess the project's strategy and activities in the field of visibility, information and communication

### **Conclusions and Recommendations**

- Draw conclusions, summarize the overall outcome
- Formulate lessons learnt and proposals for the COMPETIR project and possible future interventions in support to private sector development.
- Analyse what the main successes and failures of the programme were and whether the effects justify the costs involved.

#### **2.3.7 The evaluation process**

The evaluation process is mentioned below but should be further developed during the inception phase.

#### **The EU Delegation and the National Authorising Office will supervise the study execution.**

A reference group composed by representatives of the EU Delegation, UNIDO's independent evaluation's group and UNIDO Head of Operations in Mozambique, the Ministry of Industry and Commerce and possibly other stakeholders will accompany the process and act as the quality assurance group for the evaluation.

The evaluation process will be carried out through three phases: an Inception Phase, a Field Phase and a Synthesis and reporting Phase, as described below:

#### **Inception phase**

The inception phase is constituted by desk work and first interviews on the field.

During the desk work, the evaluation team should carry out the following tasks:

- Review systematically the relevant available documents (see Annex I);
- Present an appropriate methodology for the overall assessment of the project;
- Prepare each evaluation question stating the sources of information,
- Identify and present the list of tools and methods to be applied in the Field Phase;
- Identify places to visit and organizations/persons to interview and stakeholders to be consulted. The EU Delegation can help in providing contacts of the main stakeholders.
- Develop a work plan for the field phase.

After the desk work either home based or in the field, the evaluation team should:

- Hold a briefing meeting with the EU Delegation and the Reference Group;
- Make first key interviews and collect additional documentation;
- Plan visits outside of Maputo if necessary;
- Submit the inception report including a detailed work plan. This plan has to be applied in a way that is flexible enough to accommodate for any last-minute difficulties in the field.

### **Field phase**

The Field Phase should start upon approval of the inception report by the evaluation managers (National Authorising Officer/ Ministry of Foreign Affairs (GON/MINEC) and EU Delegation)

During the field phase, the evaluation team should:

- Ensure adequate contact and consultation with, and involvement of, the different stakeholders; working closely with the relevant government authorities, agencies and private sector representatives and representatives of individual companies during their entire assignment.
- Use the most reliable and appropriate sources of information and harmonise data from different sources to allow for analyses;
- Conduct visits outside of Maputo if necessary;
- Analyse the set-up of the new project COMPETIR in order to draft constructive recommendations;
- Summarise the findings of the field work at the end of the field phase, discuss the reliability and coverage of data collection, and present its preliminary findings in a meeting with the Reference Group and the main project stakeholders.

### **Synthesis and reporting phase**

This phase is mainly devoted to the preparation of the draft final report. The consultants will make sure that findings are triangulated; their assessments are objective and balanced, affirmations accurate and verifiable, and recommendations realistic.

If the evaluation manager considers the draft report to be of sufficient quality, it will be circulated for comments to the reference group members and to the main project stakeholders.

On the basis of comments expressed by the reference group members, and collected by the evaluation manager, the evaluation team has to amend and revise the draft report. Comments requesting factual corrections or methodological quality improvements should be taken into account, except where there is a demonstrated impossibility, in which case full justification should be provided by the evaluation team. Comments on the substance of the report may be either accepted or rejected. In the latter instance, the evaluation team is to motivate and explain the reasons in writing.

Quality of the Final Evaluation Report: The quality of the final report will be assessed by the evaluation managers using a quality assessment grid (see annexe IV).

## **2.4 Required outputs**

- Inception report
- Report on the Evaluation of the BESTF programme (including lessons learnt from this project for similar projects and in particular the EU- UNIDO COMPETIR project)
- consultation workshops;
- All other reports described under the section "reporting".

## **3. EXPERTS PROFILE or EXPERTISE REQUIRED**

### **3.1 Number of requested experts per category and number of person-days per expert or per category**

A total of 70 working days of expertise: 30 days for the senior expert I and 30 days for the senior expert II and 10 days will be allocated to the teamleader (either senior expert I or II- to be defined by the consultant company) will be provided.

### **3.2 Profile per expert or expertise required:**

#### **Senior expert I, Expert in SMTQ (Standards, Metrology, Testing and Quality)**

Category and duration of equivalent experience: Senior Expert with at least 10 years of professional experience required

Education: The consultant must have a university degree in economics, engineering or other related discipline

Experience:

- Strong and specific experience of at least 10 years in private sector development required
- At least 5 years of professional experience in developing countries, preferably in design, development and implementation of development projects
- Experience in SMTQ projects would be a strong asset
- Experience in conducting evaluations of EU funded projects would be a strong asset
- Working experience in Southern Africa and in particular Mozambique would be a strong asset

Very good knowledge of Microsoft Office (Word, Excel, Powerpoint) required.

Language skills: Capacity to work under this assignment in **Portuguese** and **English**.

#### **Senior expert II- Expert in trade facilitation, export promotion**

Category and duration of equivalent experience: Senior Expert with at least 10 years of professional experience required

Education: The consultant must have a university degree in economics, law, engineering or other related discipline

Experience:

- Strong and specific experience of at least 10 years in private sector development required



- At least 5 years of professional experience in developing countries in the design, development and implementation of projects of trade facilitation and export promotion would be a strong asset
- Experience in conducting evaluations of EU funded projects would be a strong asset
- Working experience in Southern Africa and in particular Mozambique would be a strong asset

Very good knowledge of Microsoft Office (Word, Excel, Powerpoint) required.

Language skills:

- Capacity to work under this assignment in **Portuguese** and **English**.

**It is required that at least one of the experts has team leader experience combined with a very good experience in evaluations, as he/she will be the team leader.**

All experts will have excellent writing, editing and communicational skills. If the team proves unable to meet the level of quality required for drafting the report, the consulting firm will provide, at no additional cost to the Commission, an immediate technical support to the team to meet the required standards.

#### **4. LOCATION AND DURATION**

##### **4.1 Starting period**

October 2013.

##### **4.2 Foreseen finishing period or duration**

2 months.

##### **4.3 Planning including the period for notification for placement of the staff as per art 16.4 a)**

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##### **4.4 Location(s) of assignment**

Maputo (City and Province) and two trips within Mozambique to the provinces.

#### **5. REPORTING**

##### **5.1 Content**

The reports must match quality standards (see quality grid assessment under Annex IV). The text of the report should be illustrated, as appropriate, with maps, graphs and tables; a map of the project's area(s) of intervention is required (to be attached as Annex).

The consultant will submit the following reports in English (with translation in Portuguese):

- **Inception report** of maximum 12 pages to be produced after 10 days from the start of the consultancy services. In the report the consultant shall describe the first findings of the study, the foreseen degree of difficulties in collecting data, other encountered and/or foreseen difficulties in addition to his programme of work and staff mobilization.
- **Draft evaluation report** (of maximum 60 pages) using the structure set out in **Annex 2** and taking due account of comments received from the reference group members. Besides

answering the evaluation questions, the draft final report should also synthesise all findings and conclusions into an overall assessment of the project/programme and include realistic recommendations. The report should be presented within 10 days from the receipt of the reference group's comments.

- **Final evaluation report** with the same specifications as mentioned above, incorporating any comments received from the concerned parties on the draft report, to be presented within 15 days of the receipt of these comments.

## **5.2 Language**

The contractor will submit three (3) copies of the consolidated final report in English and Portuguese as well as a CD including all the reports and relevant documents. The inception report should be sent per email. The cost of the translation of the studies into Portuguese shall be responsibility of the consultant.

## **5.3 Submission/comments timing**

15 working days.

## **5.4 Number of report(s) copies**

3 copies + electronic support.

## **6. ADMINISTRATIVE INFORMATION**

### **6.1 Interviews if necessary indicating for which experts/position**

Phone interviews for the experts 1 and expert 2 if judged useful.

### **6.2 Language of the specific contract**

English.

### **6.3 Request for a succinct methodology when needed**

A short concept note (3-5 pages) commenting the TORs as well as the outline for the evaluation of the project (to be discussed with stakeholders and detailed in the inception phase after the first mission in Mozambique) should be submitted with the proposal of the consultant.

### **6.4 Management team member presence required or not for briefing and/or debriefing**

Not needed.

### **6.5 Other authorized items to foresee under 'Reimbursable'**

Items foreseen include travel costs and per diems.

Items to cover costs of publication, printing and translations for the different studies and information material should also be included specifying the price per page.

### **6.6 Others**

During all contacts with the Mozambican authorities or any other institution, the consultants will clearly identify themselves as independent consultants and not as official representatives of the European Commission. All documents and papers produced by the consultants, will clearly mention on its first page a disclaimer stating that these are the views of the consultant and do not necessarily reflect those of the Commission.

**Experts who have been involved in the design, management, implementation or the midterm review of the BESTF project will be not considered for this assignment.**

#### **ANNEX I: KEY DOCUMENTS FOR THE EVALUATION**

- Action fiche and Log Frame
- Country Strategy Paper and Indicative Programme for Mozambique for the period covered
- Government national and sector policy documents
- Project financing agreement and addenda
- Project Contribution Agreement and addenda
- Project's Work plans
- Project's quarterly and annual progress reports, and technical reports
- Project's final report
- Project's mid-term evaluation report. The evaluation team should not repeat the points already covered by such documents, but use them and go beyond them.
- UNIDO Mozambique Country Evaluation (2011)
- National Export Strategy prepared in the context of the project

Note: The evaluation team has to identify and obtain any other document worth analysing, through its interviews with people who are or have been involved in the design, management and supervision of the project / programme.

## ANNEX II: LAYOUT, STRUCTURE OF THE FINAL REPORT

The final report should not be longer than approximately 60 pages. Additional information on overall context, programme or aspects of methodology and analysis should be confined to annexes.

*The cover page of the report shall carry the following text:*

“ This evaluation is supported and guided by the European Commission and presented by [name of consulting firm]. The report does not necessarily reflect the views and opinions of the European Commission”.

*The main sections of the evaluation report are as follows:*

### 1. EXECUTIVE SUMMARY

A tightly-drafted, to-the-point and free-standing Executive Summary is an essential component. It should be short, no more than five pages. It should focus mainly on the key purpose or issues of the evaluation, outline the main analytical points, and clearly indicate the main conclusions, lessons learned and specific recommendations. Cross-references should be made to the corresponding page or paragraph numbers in the main text that follows.

### 2. INTRODUCTION

A description of the project and the evaluation, providing the reader with sufficient methodological explanations to gauge the credibility of the conclusions and to acknowledge limitations or weaknesses, where relevant.

### 3. ANSWERED QUESTIONS/ FINDINGS

A chapter presenting the evaluation questions and conclusive answers, together with evidence and reasoning.

The organization of the report should be made around the responses to the Evaluation questions which are systematically covering the DAC evaluation criteria: relevance, effectiveness, efficiency, impact and sustainability, plus coherence and added value specific to the Commission. In such an approach, the criteria will be translated into specific questions. These questions are intended to give a more precise and accessible form to the evaluation criteria and to articulate the key issues of concern to stakeholders, thus optimising the focus and utility of the evaluation.

*The appropriate evaluation questions and sub questions, based on this set of issues, should be elaborated for each project and will be defined in the inception phase.*

#### 3.1 Problems and needs (Relevance)

The extent to which the objectives of the development intervention (projects/ programme) are consistent with beneficiaries' requirements, country needs, global priorities and partners' and EC's policies.

### **3.2 Achievement of purpose (Effectiveness)**

The effectiveness criterion, concerns how far the project's results were attained, and the project's specific objective(s) achieved, or are expected to be achieved.

### **3.3 Sound management and value for money (Efficiency)**

The efficiency criterion concerns how well the various activities transformed the available resources into the intended results (sometimes referred to as outputs), in terms of quantity, quality and timeliness. Comparison should be made against what was planned.

### **3.4 Achievement of wider effects (Impact)**

The term impact denotes the relationship between the project's specific and overall objectives.

### **3.5 Likely continuation of achieved results (Sustainability)**

The sustainability criterion relates to whether the positive outcomes of the project and the flow of benefits are likely to continue after external funding ends or non funding support interventions (such as: policy dialogue, coordination).

### **3.6 Mutual reinforcement (coherence)**

The extent to which activities undertaken allow the European Commission to achieve its development policy objectives without internal contradiction or without contradiction with other Community policies. Extent to which they complement partner country's policies and other donors' interventions.

### **3.7 EC value added**

Connection to the interventions of Member States. Extent to which the project/programme (its objectives, targeted beneficiaries, timing, etc .)

## **4. VISIBILITY**

The consultants will make an assessment of the project's strategy and activities in the field of visibility, information and communication

## **5. OVERALL ASSESSMENT**

A chapter synthesising all answers to evaluation questions into an overall assessment of the project/programme. The detailed structure of the overall assessment should be refined during the evaluation process. The relevant chapter has to articulate all the findings, conclusions and lessons in a way that reflects their importance and facilitates the reading. The structure should not follow the evaluation questions, the logical framework or the seven evaluation criteria.

## **6. CONCLUSIONS AND RECOMMENDATIONS**

### **6.1 Conclusions**

This chapter introduces the conclusions relative to each question. The conclusions should be organised in clusters in the chapter in order to provide an overview of the assessed subject and should stem out of the findings.

**Note:**

**The chapter should not follow the order of the questions or that of the evaluation criteria (effectiveness, efficiency, coherence, etc.)**

It should feature references to the findings (responses to the evaluation questions) or to annexes showing how the conclusions derive from data, interpretations, and analysis and judgement criteria.

The report should include a self-assessment of the methodological limits that may restrain the range or use of certain conclusions.

The conclusion chapter features not only the successes observed but also the issues requiring further thought on modifications or a different course of action.

The evaluation team presents its conclusions in a balanced way, without systematically favouring the negative or the positive conclusions.

A paragraph or sub-chapter should pick up the 3 or 4 major conclusions organised by order of importance, while avoiding being repetitive. This practice allows better communicating the evaluation messages that are addressed to the Commission.

If possible, the evaluation report identifies one or more transferable lessons, which are highlighted in the executive summary and presented in appropriate seminars or meetings so that they can be capitalised on and transferred.

## **6.2 Recommendations**

They are intended to improve the follow-up project COMPETIR which is also implemented by UNIDO with a component on quality infrastructure and a component on SME development.

**Note:**

**The recommendations must be related to the conclusions without replicating them. A recommendation derives directly from one or more conclusions.**

The ultimate value of an evaluation depends on the quality and credibility of the recommendations offered. **Recommendations** should therefore be as realistic, operational and pragmatic as possible; that is, they should take careful account of the circumstances currently prevailing in the context of the project, and of the resources available to implement them both locally and in the Commission.

They could concern policy, organisational and operational aspects for both the national implementing partners and for the Commission; the pre-conditions that might be attached to decisions on the financing of similar projects; and general issues arising from the evaluation in relation to, for example, policies, technologies, instruments, institutional development, and regional, country or sectoral strategies.

Recommendations must be clustered and prioritised, carefully targeted to the appropriate audiences at all levels, especially within the Commission structure (the project/programme task manager and the evaluation manager will often be able to advise here).

## **7. ANNEXES O THE REPORT**

The report should include the following annexes:

- The Terms of Reference of the evaluation

- The names of the evaluators and their companies (CVs should be shown, but summarised and limited to one page per person)
- Detailed evaluation method including: options taken, difficulties encountered and limitations. Detail of tools and analyses.
- Logical Framework matrices (original and improved/updated)
- Map of project area, if relevant
- List of persons/organisations consulted
- Literature and documentation consulted
- Other technical annexes (e.g. statistical analyses, tables of contents and figures)



### **ANNEX III - METHODOLOGICAL OBSERVATIONS**

The evaluation team should refer to the project/programme's logical framework.

It is suggested that the evaluation team carry out:

- a rapid appraisal through a field visit and a series of interviews
- a questionnaire survey involving a sample of beneficiaries

The proposal in response to these terms of reference should identify any language and/or cultural gap and explain how it will be bridged.

The project/programme is to be judged more from the angle of the beneficiaries' perceptions of benefits received than from the managers' perspective of outputs delivered or results achieved. Consequently, interviews and surveys should focus on outsiders (beneficiaries and other affected groups beyond beneficiaries) as much as insiders (managers, partners, field level operators). The proposal in response to these terms of reference, as well as further documents delivered by the evaluation team, should clearly state the proportion of insiders and outsiders among interviews and surveys.

A key methodological issue is whether observed or reported change can be partially or entirely attributed to the project / programme, or how far the project/programme has contributed to such change. The evaluation team should identify attribution / contribution problems where relevant and carry out its analyses accordingly.

It must be clear for all evaluation team members that the evaluation is neither an opinion poll nor an opportunity to express one's preconceptions. This means that all conclusions are to be based on facts and evidence through clear chains of reasoning and transparent value judgements. Each value judgement is to be made explicit as regards:

- the aspect of the project/programme being judged (its design, an implementation procedure, a given management practice, etc.)
- the evaluation criterion is used (relevance, effectiveness, efficiency, sustainability, impact, coherence, EC value added)

The evaluation report should not systematically be biased towards positive or negative conclusions. Criticisms are welcome if they are expressed in a constructive way. The evaluation team clearly acknowledges where changes in the desired direction are already taking place, in order to avoid misleading readers and causing unnecessary offence.

#### ANNEX IV - QUALITY ASSESSMENT GRID

*\*This grid is annexed to the ToRs for information to the consultants*

The quality of the final report will be assessed by the evaluation manager using the following quality assessment grid where the rates have the following meaning:

- 1 = unacceptable = criteria mostly not fulfilled or totally absent
- 2 = weak = criteria partially fulfilled
- 3 = good = criteria mostly fulfilled
- 4 = very good = criteria entirely fulfilled
- 5 = excellent = criteria entirely fulfilled in a clear and original way

Concerning the criteria and sub-criteria below, the evaluation report is rated:	1	2	3	4	5
<b>1. Meeting needs:</b>					
a) Does the report precisely describe what is evaluated, including the intervention logic in the form of a logical framework?					
b) Does the report clearly cover the requested period of time, as well as the target groups and socio-geographical areas linked to the project / programme?					
c) Has the evolution of the project / programme been taken into account in the evaluation process?					
d) Does the evaluation deal with and respond to all ToR requests. If not, are justifications given?					
<b>2. Appropriate design</b>					
a) Does the report explain how the evaluation design takes stock of the rationale of the project / programme, cause-effect relationships, impacts, policy context, stakeholders' interests, etc.?					
b) Is the evaluation method clearly and adequately described in enough detail?					
c) Are there well-defined indicators selected in order to provide evidence about the project / programme and its context?					
d) Does the report point out the limitations, risks and potential biases associated with the evaluation method?					
<b>3. Reliable data</b>					
a) Is the data collection approach explained and is it coherent with the overall evaluation design?					
b) Are the sources of information clearly identified in the report?					
c) Are the data collection tools (samples, focus groups, etc.) applied in accordance with standards?					
d) Have the collected data been cross-checked?					
e) Have data collection limitations and biases been explained and discussed?					
<b>4. Sound analysis</b>					
a) Is the analysis based on the collected data?					
b) Is the analysis clearly focused on the most relevant cause/effect assumptions underlying the intervention logic?					
c) Is the context adequately taken into account in the analysis?					
d) Are inputs from the most important stakeholders used in a balanced way?					

<b>Concerning the criteria and sub-criteria below, the evaluation report is rated:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
e) Are the limitations of the analysis identified, discussed and presented in the report, as well as the contradictions with available knowledge, if there are any?					
<b>5. Credible findings</b>					
a) Are the findings derived from the data and analyses?					
b) Is the generalisability of findings discussed?					
c) Are interpretations and extrapolations justified and supported by sound arguments?					
<b>6. Valid conclusions</b>					
a) Are the conclusions coherent and logically linked to the findings?					
b) Does the report reach overall conclusions on each of the five DAC criteria?					
c) Are conclusions free of personal or partisan considerations?					
<b>7. Useful recommendations</b>					
a) Are recommendations coherent with conclusions?					
b) Are recommendations operational, realistic and sufficiently explicit to provide guidance for taking action?					
c) Do the recommendations cater for the different target stakeholders of the evaluation?					
d) Where necessary, have the recommendations been clustered and prioritised?					
<b>8. Clear report</b>					
a) Does the report include a relevant and concise executive summary?					
b) Is the report well structured and adapted to its various audiences?					
c) Are specialised concepts clearly defined and not used more than necessary? Is there a list of acronyms?					
d) Is the length of the various chapters and annexes well balanced?					
<b>Considering the 8 previous criteria, what is the overall quality of the report?</b>					



**ANNEX I: LOGICAL FRAMEWORK- Updated 20/07/2010**

<b>Intervention Logic</b>	<b>Objective Verifiable Indicators</b>	<b>Sources &amp; Means of Verification</b>	<b>Assumptions &amp; Risks</b>
<p><i>Overall objective</i></p> <p>To promote export-led growth and to improve the existing investment climate by alleviating trade-related constraints affecting the business environment in Mozambique.</p>	<p>Increased level of exports Increased diversification of exports Increased diversification of target markets</p>	<p>I.N.E. Statistical Year Book of Mozambique. International institutions' economic reports</p>	<p>No major external shock impacts the Mozambican economy</p>
<p><i>Project purposes</i></p> <ul style="list-style-type: none"> <li>• To strengthen existing institutions involved in the delivering of services in the area of metrology, standardization, and certification (cluster area QUALITY);</li> <li>• To enhance the availability, access and quality of information and advisory services for trade, including training (cluster area INFORMATION &amp; ADVISORY SERVICES FOR TRADE); and</li> <li>• To reduce the time and costs associated with import and export operations (cluster area TRADE FACILITATION).</li> </ul>	<p>Number of Mozambican standards increased significantly  Number of companies receiving regular information increased significantly  Time and associated costs of foreign trade clearing operations reduced significantly</p>	<p>Annual Report of INNOQ  Annual Reports of IPEX  Annual Report of Customs Services  Doing Business Report</p>	<p>Government to continue providing support to INNOQ on new premises  IPEX to continue being supported by Ministry of Industry &amp; Trade through secured annual budget  Common Fund to provide support to the reform process of the new National Tax Authority is established and road map for reform has been agreed between the parties</p>
<p><i>Project results</i></p>			<p>Project approved by FED</p>

<p>Result 1. Permanent TA (coordination) deployed and operating.</p> <p>Result 2. Appropriate expertise provided to the three Clusters</p>	<p>PCU operating</p> <p>Heads of Cluster Operational and Clusters' Implementation Plan approved.</p>	<p>EC/UNIDO</p> <p>Steering Committee</p> <p>Annual Report INNOQ</p>	<p>Committee and FA signed with GoM</p> <p>Government facilitates Steering Committee establishment</p> <p>Leading institutions facilitates start of TA for each cluster</p>
<p>Result 3. Cluster QUALITY. Available services in standards, metrology and certification have been enhanced significantly.</p>	<ul style="list-style-type: none"> <li>• Number of Mozambican standards increased significantly.</li> <li>• Number of companies using calibrated instruments by INNOQ increased significantly.</li> <li>• Number of certified Mozambican companies increased significantly.</li> <li>• Number of accredited laboratories increased.</li> </ul>	<p>Annual Report IPEX</p>	<p>Government provides same level (or higher) of budget to IPEX.</p>
<p>Result 4. Cluster INFORMATION &amp; ADVISORY SERVICES FOR TRADE. Number of companies performing export/ import operations increased significantly.</p>	<ul style="list-style-type: none"> <li>• Number of available services for exporters increased.</li> <li>• Number of companies receiving regular information increased significantly.</li> <li>• Satisfaction rates of IPEX's users increased</li> </ul>		

<p>Result 5. Cluster TRADE FACILITATION. Speed and costs associated to import and export operations reduced</p>	<ul style="list-style-type: none"> <li>• <i>Export Drive</i> completed.</li> <li>• Time associated with clearing export &amp; import operations significantly reduced</li> <li>• Overall costs associated with clearing export &amp; import operations significantly reduced</li> </ul>	<p>Annual Report Customs Services Doing Business Reports</p>	<p>Donors support ongoing reforms at the National Revenue Authority and Government continues prioritizing that reform.</p>
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Project Activities	Means	Estimated Costs (€)	Assumptions
<p><i>Result 1. Project Coordination Unit established and operating</i></p> <ul style="list-style-type: none"> <li>• Hiring of one International Expert (Project Coordinator).</li> <li>• Hiring of one Assistant to the Project Coordinator.</li> <li>• Procurement of all equipment of the Project Coordination Unit.</li> <li>• Establishment of the Steering Committee of the Project</li> <li>• Short-term TA</li> </ul>	<p>Long- term TA Long- term TA Equipment</p>	<p>635,765</p>	<p>Government (MIC) facilitates the process of Steering Committee establishment and functioning</p>
<p><i>Result 2. Appropriate expertise provided to the three Clusters</i></p> <ul style="list-style-type: none"> <li>• Mobilisation of expertise (Quality; Information and Advisory Trade services and Trade Facilitation)</li> <li>• Procurement of all equipment related to each Cluster Expert.</li> <li>• Production and approval of each Cluster Intervention Plan.</li> </ul>	<p>Long- term TA Equipment</p>	<p>793,000</p>	<p>MoU signed between Project Coordination Unit and Leading Institutions for placing TA within their senior staff structure</p>
<ul style="list-style-type: none"> <li>➤ Missions</li> <li>➤ Office equipment</li> <li>➤ Monthly office costs</li> </ul>		<p>108,000 40,000 45,000</p>	



<p><b>Result 3. Cluster QUALITY.</b>  <i>Institutional capacity of the National Institute of Standardization and Quality strengthen</i></p> <ul style="list-style-type: none"> <li>• Language training for existing and new staff members of INNOQ.</li> <li>• Specific technical training of staff members of INNOQ in the sub – areas of standardization, metrology (legal and industrial metrology); and certification.</li> <li>• Technical Assistance for the production of a selection of standards related to priority-products as defined in the cluster action plan.</li> <li>• Dissemination of legal aspects of metrology among stakeholders.</li> <li>• Technical Assistance in delivery of calibration services nationwide.</li> <li>• Technical Assistance and equipment for upgrading laboratories towards international accreditation.</li> </ul>	<p>Training</p> <p>Training</p> <p>Short- term TA</p> <p>Seminars &amp; Workshops</p> <p>TA</p> <p>TA &amp; equipment</p>	<p>950,880</p> <p>752,041</p> <p>465,880</p> <p>500,934</p>	<p>Government to continuing providing support to INNOQ for its news premises</p>
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<p><i>Result 4. Cluster INFORMATION &amp; ADVISORY SERVICES FOR TRADE. Institutional capacity of the National Institute of Export Promotion strengthen, and Export Drive initiative completed</i></p> <ul style="list-style-type: none"> <li>• Complete <i>Export Drive</i> initiative.</li> <li>• Procurement of equipment for IPEX's HQ and regional offices</li> <li>• Procurement of transportation means for IPEX's HQ and regional offices</li> <li>• Production of promotional tools</li> <li>• Development of services offer adjusted to customers needs</li> <li>• Delivery of training modules directed to business community involved in foreign trade</li> <li>• Alert service unit to be established within IPEX</li> <li>• Completion of a catalogue of international publications &amp; on-line services.</li> </ul>	<p>TA Equipment Vehicles Promotion materials TA Training TA Publications</p>	<p>418,500 36,000 110,000 44,000 20,000 35,500 21,000 25,000</p>	<p>IPEX to continue being supported by Ministry of Industry &amp; Trade through secured annual budget</p>
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<p><i>Result 5. Cluster TRADE FACILITATION. Time and costs associated to import and export operations reduced</i></p> <p>Technical Assistance directed to implement an electronic payment system for clearance duties, fees and associated costs.</p> <p>Technical Assistance directed to the implementation of a Single Window system for foreign trade transactions.</p>	<p>TA</p> <p>TA</p>	<p>858,500</p>	<p>Common Fund to provide support to the reform process of the new National Tax Authority is established and road map for reform has been agreed between the parties</p>
		<p>UNIDO's provision for administrative costs € 402,500 Contingencies € 287, 500 Audit € 50,000 Monitoring and Evaluation € 50,000</p> <p><b>TOTAL COSTS: € 6,650,000</b></p>	



**Independent Evaluation of the UNIDO Project: EU/MOZ/08/001  
“Business Environment Support & Trade Facilitation Project in Mozambique”**

**STATUS REPORT - RECOMMENDATIONS FROM THE MID-TERM EVALUATION, APR 2010**

Rev2, June 2011

**Context:**

This report presents a summary of the status as of June 2011 of actions taken in response to the decisions by the Steering Committee (SC) of the project following the consideration by this committee of the recommendations arising from the independent midterm evaluation of the project:

Recommendation		Status
<b>A</b>	<b>TO UNIDO</b>	
1	The project should prepare a sustainability plan indicating for each activity, output and outcome how sustainability will be assured after project completion.	<p><b>ACTION TAKEN:</b></p> <ul style="list-style-type: none"> <li>• During the 1 June 2010 special meeting of the SC, this item was tabled for discussion and it was agreed that beneficiary institutions should consider this where appropriate as part of the July budget planning exercise of the Government. And for UNIDO to facilitate a workshop with INNOQ in support of this process.</li> <li>• The workshop involving INNOQ, EC and UNIDO was conducted on 29 June 2010 with objectives:               <ul style="list-style-type: none"> <li>(i) consider elements to be taken up in a next project;</li> <li>(ii) ensure a smooth conclusion of certain activities (eg hand-over of equipment);</li> <li>(iii) support institutional budget preparation for 2011 (incl targeting of other projects for activity continuation).</li> </ul> </li> </ul> <p>There is however no clarity yet on a dedicated institutional budget for INNOQ by Government, a necessary condition in support of sustainable operational costs of INNOQ.</p> <ul style="list-style-type: none"> <li>• During the last quarter of 2010, the EC initiated a market survey study related to the national quality system, the outcomes expected to provide important data for INNOQ services as well as providing baseline data in support of formulation of a possible new project. Initial results expected by end of first quarter 2011.</li> <li>• In the first quarter of 2011, the EC also initiated a process for formulation of a possible new project which potentially provides for the continuation of some areas of work in the Quality component, including a specific component related to the institutional sustainability of INNOQ.</li> </ul> <p><b>NEXT ACTION:</b></p> <ul style="list-style-type: none"> <li>• The broader perspective of the sustainability of the quality infrastructure in the country will require the private sector and business community to assume certain responsibility to support the services and the system. The Seminar on Trade Facilitation and Technical Standards (foreseen for July) will have a specific discussion on the sustainability of standardization structures in particular.</li> <li>• The CTA will prepare the sustainability plan in consultation with the project team and in consideration of the matters above. To be concluded during the final semester of implementation.</li> </ul>

	Recommendation	Status
2	<p>The project should conduct needs assessment and baseline activity to provide the necessary data for future assessment of impact. This should include inter alia:</p> <ul style="list-style-type: none"> <li>• Institutional and stakeholder analysis (including the private sector)</li> <li>• Development of achievable, time-bound and measurable indicators, including milestones and impact indicators</li> <li>• More detailed risks and analysis</li> <li>• Assessment of the current status of stakeholders needs</li> <li>• Comprehensive monitoring and evaluation plan</li> </ul> <p>Once this is complete, the project should prepare a new logical framework for endorsement by the project Steering Committee.</p>	<p><b>ACTION TAKEN:</b></p> <ul style="list-style-type: none"> <li>• The item was tabled and discussed during the 1 June 2010 SC meeting where the SC agreed that a needs assessment and baseline study should have been conducted prior to project onset or at early stages of implementation and that a baseline study at this stage of the project will have no practical benefits. Although needs assessment can be carried out for future reference of each beneficiary it was agreed this is not a priority. It was further agreed during this meeting that: <ul style="list-style-type: none"> <li>(i) INNOQ will do this as part of the General Needs activities of the project and with the project assistance. However this is now being addressed through the project which was embarked on by the donor (EC) to undertake a market assessment of SME needs in relation to the development of SMEs and Quality.</li> <li>(ii) This is already embedded within the IPEX component and to be undertaken by ITC and IPEX as part of the export drive initiative activities which is well advanced (National Export Strategy (NES) development.</li> <li>(iii) This is not critical for the Trade Facilitation component for AT.</li> </ul> </li> <li>• A revised project logic framework was prepared in consultation with all parties and was tabled and approved at the SC meeting of 17 November 2010 and was attached as an annex to Amendment 2 of the Contribution Agreement concluded during December 2010.</li> </ul> <p><b>NEXT ACTION:</b></p> <ul style="list-style-type: none"> <li>• Outcome of the market assessment of SME needs in relation to the development of SMEs and Quality to be shared by the EC with INNOQ.</li> <li>• Conclusion of the NES development by ITC and IPEX.</li> </ul>
3	<p>Creation of the project management unit within the UNIDO offices is not good practice and we strongly recommend that this unit, its staff and equipment be transferred to suitable accommodation in MIC at the earliest opportunity.</p>	<p><b>ACTION TAKEN:</b></p> <ul style="list-style-type: none"> <li>• The matter was tabled for discussion during the 1 June 2010 meeting and the SC supported this recommendation.</li> <li>• MIC provided a suitable office and the CTA relocated. The BESTF Project Office is now operational at MIC, Room 830 and the CTA works regularly from that office. Some unavoidable additional costs related to the process of relocation (installation of telephone and ADSL lines, limited refurbishment and office equipment) were identified but these were and continue to be accommodated within the budget of the PCU (Result 1). The office telephone number is: 21 304 614.</li> <li>• The video conference system was also moved with support of a subcontractor to the Board Room of the Minister on the 7<sup>th</sup> floor and MIC ICT technicians were trained on the use thereof. The project supported equipment to increase the bandwidth at MIC and the final configuration of the MIC network (GovNet) was concluded by the MIC ICT Director by 6 June 2011. A final test of the system is scheduled for 10 June 2011. The system IP address is 172.31.0.220 and use of the system must be arranged through the Office of the Minister (Ms Silvia: +258 828584410 and the MIC Network Administrator (Mr Alfonso, +258 824345110)</li> <li>• A detailed inventory of all equipment at the project office was provided to MIC.</li> </ul>

	Recommendation	Status
		<p><b>NEXT ACTION:</b></p> <ul style="list-style-type: none"> <li>UNIDO will provide a project server to this office with VPN access to UNIDO systems in Vienna. This will also alleviate the current challenges as result of the project data currently being managed on the UNIDO field office server.</li> <li>Conclude final renovations (eg security issues and meeting room) and remainder of equipment installations (eg shelving, scanner, computer).</li> <li>Update and present a final inventory to MIC.</li> </ul>
4	<p>Given the agreement reached between UNIDO, IPEX and ITC to initiate activities in result 4, a Head of Cluster is no longer needed or appropriate. We recommend that this post is discontinued and the released funds use in agreement will all parties for efficient implementation of results 4 and 5.</p>	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>During the 1 June 2010 special meeting of the SC, this item was tabled for discussion and that meeting recommended to UNIDO to phase out the position of Head of Cluster in line with this recommendation.</li> <li>UNIDO phased out the position of Head of Cluster of Information and Advisory Services for Trade and Trade Facilitation by November 2010.</li> <li>An amount of 39 387 Euro were transferred from Result 1 to Result 4 during the Work Plan and Budget June 2010 process.</li> <li>Amounts of 20 000 Euro and 10 000 Euro were reserved in Result 1 for additional short technical assistance to be provided in support of Results 4 and 5 respectively. IPEX and ITC confirmed that this will be used for the contracting of a team of National Experts to support the NES development process and AT indicated that no additional TA is required at this time, providing for an increase of allocation to Result 4.</li> <li>Result 2 provides in addition for limited additional short term TA to all components of the project.</li> <li>Implementation of Result 5 activities is being managed by the Project Coordination Unit (PCU).</li> <li>UNIDO also explored whether the UN methodology of HACT (Harmonised Approach to Cash Transfer) can be utilised to transfer procurement responsibilities to AT for activities in Result 4 where this could be applied but the implementation of this methodology was not feasible within the time scales of this project. The UNIDO Head of Operation (Mozambique) since continued the involvement of beneficiaries in HACT processes in order to possibly utilise this mechanism for future projects.</li> </ul>
5	<p>The Evaluation Team recommends that ITC start its in-country activities immediately.</p>	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>The matter was tabled for discussion during the 1 June 2010 meeting and the SC supported this recommendation.</li> <li>ITC implementation commenced and monitoring and coordination activities related to the implementation of the ITC activities continue as is being reported.</li> <li>Good progress is being made in the National Export Strategy component, however implementation of the components on Trade Information Services and Packaging Information Centre was delayed. These delays were discussed in detail amongst UNIDO, IPEX and ITC and indications are that outputs will be achieved.</li> </ul>

	Recommendation	Status
6	It is recommended that ITC reconsider its activities in the light of the current IPEX needs and submit an amended work plan for the remaining project period.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>The matter was tabled for discussion during the 1 June 2010 meeting and the SC supported this recommendation.</li> <li>The Work Plan and Budget June 2010 revision processes incorporated the updated plans.</li> </ul>
7	The envisaged Project Management Committee should be convened with a remit to address operational issues that occur in country and promote stakeholder communication. We recommend that this committee be chaired by a suitable senior official in the lead Ministry and consist ad hoc of senior representatives of beneficiary organisation. Where this committee cannot reach agreement, or if policy decisions are needed, these should be promoted to the project Steering Committee.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>During the 1 June 2010 special meeting of the SC, this item was tabled for discussion and the SC agreed that this proposed committee is duplicative to the SC and may become a bureaucratic step. The SC agreed that day to day decisions are taken at the level of the respective result areas and that this is appropriate.</li> </ul>
8	The title "Head of Cluster" implies a spurious hierarchy within the project and does not reflect co-management principles enshrined in the Paris Declaration on Aid Effectiveness. The Evaluation recommends that an alternative and more appropriate title be adopted (e.g. Technical Advisor: Quality).	<p><b>ACTION TAKEN:</b></p> <ul style="list-style-type: none"> <li>During the 1 June 2010 special meeting of the SC, this item was tabled for discussion and the meeting confirmed that his terminology was imbedded in the original project design, subsequent job descriptions and contracts. The SC expressed doubt whether such a change at this late stage of the project will indeed be necessary and this recommendation was eventually not supported.</li> <li>The donor however provided for this to be included in Amendment 2 of the Contribution Agreement concluded during December 2010. Specifically:  <b>"B. Annex I Description of the Action</b>  3) The terms "Cluster experts" and "Heads of Clusters" are replaced by the expertise throughout the Description of the Action."</li> </ul> <p><b>NEXT ACTION:</b></p> <ul style="list-style-type: none"> <li>All parties to the Contribution Agreement, beneficiary institutions and project team to continue efforts to phase out this terminology.</li> </ul>
9	We recommend that the project develop, as part of its communication strategy, a clear identity to promote a sense of shared project ownership.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>The matter was tabled for discussion during the 1 June 2010 meeting and the SC noted these recommendations but agreed that elements of this form part of the communications and visibility plan for the project and of promotional activities embedded within the project in all result areas.</li> </ul>
10	Repeated short-term contracts for long-term technical advisors are unfair. The Evaluation recommends that in future, UNIDO should offer its long-term hired staff contracts that reflect the length of the project delivery period.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>During the 1 June 2010 special meeting of the SC, this item was tabled for discussion and the SC agreed that the institutional position of UNIDO applied in this respect.</li> </ul>
11	The Evaluation Team recommends that the project support the proposed temporary national industrial metrology laboratory proposed by INNOQ as an important interim measure to deliver services to business while the INNOQ HQ is under construction. After the INNOQ HQ is commissioned, this laboratory should be handed over the Maputo Municipality.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>During the 1 June 2010 special meeting of the SC, this item was tabled for discussion and supported.</li> <li>INNOQ prepared a position paper on this new activity and this was included and provided for during the Work Plan and Budget June 2010 revision processes and is being implemented as part of the ongoing project activities.</li> </ul>



	<b>Recommendation</b>	<b>Status</b>
12	Evaluation Team recommends that the proposed new activities at ATM in replacement of the tracking system should be supported by the project.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>During the 1 June 2010 special meeting of the SC, this item was tabled for discussion and supported.</li> <li>AT prepared a position paper on the new activities and these were included and provided for during the Work Plan and Budget June 2010 revision processes and is being implemented as part of the ongoing project activities.</li> </ul>
13	Evaluation Team supports the new activities suggested by IPEX, notably the development of a National Export Strategy and commends them to ITC for implementation.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>The matter was tabled for discussion during the 1 June 2010 meeting and the SC supported this recommendation.</li> <li>This component was incorporated and provided for during the Work Plan and Budget June 2010 revision processes and is being implemented as part of the ongoing project activities.</li> </ul>
14	The Evaluation Team strongly recommends that the UNIDO urgently reviews the technical design proposals for INNOQ new HQ and the proposed temporary industrial metrology laboratory to ensure that these investments will meet future requirements and comply with international norms.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>During the 1 June 2010 special meeting of the SC, this item was tabled for discussion and the SC agreed that INNOQ has taken care of this with support of international expertise and that no requirement for further action in this regard was required under this project.</li> </ul>
15	We recommend that UNIDO seek every opportunity to enhance ownership and increase implementation efficiency by delegating to the CTA and his/her counterpart as much responsibility for day-to-day decision making as possible.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>During the 1 June 2010 meeting of the SC, this item was tabled for discussion and supported.</li> <li>UNIDO has continued to explore ways to improve efficiency in this regard. Examples of this include the process of development of a Project Quality Manual including Standard Operating Procedures that outline responsibilities for all processes as recently concluded.</li> </ul>
16	It is recommended that BESTF and its counterparts/stakeholders develop sustainability and exit plans before the final evaluation.	<p><b>ACTION TAKEN:</b></p> <ul style="list-style-type: none"> <li>As outlined in actions for recommendation 1</li> </ul> <p><b>NEXT ACTION:</b></p> <ul style="list-style-type: none"> <li>The CTA will prepare the sustainability plan in consultation with the project team and in consideration of the matters above. This plan will be conclude during the final semester of project implementation.</li> </ul>
<b>B</b>	<b>TO GOVERNMENT</b>	
17	We recommend that MIC make available a suitable office space to allow the project management to relocate its offices from their current location in UNIDO.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>As outlined in actions for recommendation 3.</li> </ul>
18	MIC and all stakeholders should formally name/nominate counterparts for the long-term technical assistance staff, particularly the CTA.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>The matter was tabled for discussion during the 1 June 2010 meeting and the SC agreed that these relationships are clear for all project stakeholders and that no action was required.</li> <li>The CTA is also now located with the counterpart MIC as per recommendation 3 an 17, the counterpart to the project Quality Export is INNOQ, the ITC is the IPEX counterpart with the CTA monitoring implementation, the Project Assistant, assisted by the CTA where necessary, is counterpart to AT.</li> </ul>

	<b>Recommendation</b>	<b>Status</b>
19	It is unfortunate that IPEX and BESTF have given assurances to two small entrepreneurs that they will receive production grants. This is outside the current mandates of the project and IPEX. We recommend that every effort is made to find alternative donors for these worthy businesses since it would be inappropriate to finance these activities from BESTF.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>The matter was tabled for discussion during the 1 June 2010 meeting and the SC concluded that the evaluation team reference to "production grants" was not correct and that no grants/money were offered.</li> <li>During this meeting IPEX confirmed that, in reality pilot projects were undertaken with two enterprises for IPEX to improve export readiness of these enterprises, at the time no IPEME existed for these enterprises to receive support as required. The meeting agreed that these activities should be concluded as part of the IPEX/ITC work plan.</li> </ul>
20	Support to developing certification in INNOQ risks promoting future conflicts of interest. The Evaluation recommends that no further support should be given to certification after the end of this project unless GoM develop a suitable plan to address this issue.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>During the 1 June 2010 special meeting of the SC, this item was tabled for discussion. The SC did not support this recommendation and concluded that the current activities for the development of the certification activities in Mozambique are appropriate and that the Government of Mozambique was comfortable with the approach of INNOQ in this regard.</li> <li>UNIDO in addition double-checked and consulted with ISO and WTO and it was confirmed that this recommendation was not appropriate and that the current approach is aligned with the needs of Mozambique.</li> </ul>
21	The Evaluation Team recommends that INNOQ allow UNIDO to field a suitable international technical expert urgently to review the designs for INNOQs new HQ and temporary industrial metrology laboratory to ensure that these investments meet international requirements.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>As outlined in actions for recommendation 14.</li> </ul>
<b>C</b>	<b>TO THE DONOR</b>	
22	We recommend that EC continue to fund the remainder of the BESTF project.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>During the 1 June 2010 special meeting of the SC, this item was tabled for discussion and supported.</li> <li>A formal amendment to the Contribution Agreement to extend the project implementation date to 31 December 2011 was agreed to and included in Amendment 2 of the Contribution Agreement concluded during December 2010.</li> </ul>
23	The Evaluation Team found that coordination within the 'trade' domain of donor activity is rather weak in Mozambique and recommend that the EU Delegation consider improving this situation by leading a forum on these issues.	<p><b>CONCLUDED:</b></p> <ul style="list-style-type: none"> <li>During the 1 June 2010 special meeting of the SC, this item was tabled for discussion and supported.</li> <li>Efforts are ongoing through the various mechanisms that exist for improved coordination amongst the donor community (eg the Private Sector Working Group).</li> </ul>