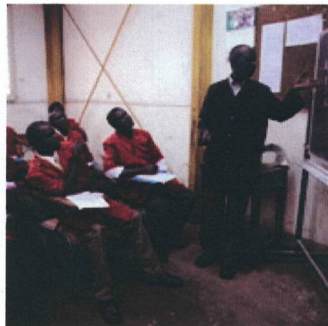


Independent Evaluation

## Mozambique

Enhancing the Capacities of the Mozambican  
Food Safety and Quality Assurance System  
for Trade



UNIDO EVALUATION GROUP

**Independent Evaluation**

# **MOZAMBIQUE**

**Enhancing the Capacities of the Mozambican  
Food Safety and Quality Assurance System  
for Trade**

UE/MOZ/05/001

Funded by SECO



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION  
Vienna, 2009

Distr. GENERAL

OSL/EVA/R.10

November 2009

Original: English

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The views and opinions of the team do not necessarily reflect the views of the Governments of Mozambique, Switzerland and UNIDO.

This document has not been formally edited.

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## Acknowledgements

The Evaluation Team consisting of Ben Bennett, Principal Economist, University of Greenwich at Medway appointed by SECO, Team Leader; Daniel Keller, Director of Swiss Consulting, Hanoi (Vietnam), appointed by UNIDO; and Adelina da Conceição Machado, Lecturer and Head of the Section of Food Hygiene and Food Technology at the Veterinary Faculty, Eduardo Mondlane University, Maputo (Mozambique), appointed by the Government of Mozambique. The Team expresses its gratitude to the large number of individuals and organisations that freely gave of their time to support this evaluation. We are particularly grateful to the UNIDO Office in Maputo for its support to the evaluation exercise. The evaluation also benefitted from extensive dialogue and comments from a wide range of stakeholders. The content, however, remains the sole responsibility of the authors.

## Abbreviations and acronyms

CAB	Conformity Assessment Body
CP	Cleaner Production
CTA	Chief Technical Advisor
COOF	Swiss Coordination Office (Embassy of Switzerland)
DFID	Department for International Development, United Kingdom
EC	European Commission
EU	European Union
FAO	Food and Agricultural Organisation of the United Nations
FRELIMO	Front for the Liberation of Mozambique
GLP	Good Laboratory Practices
Global Gap	Voluntary standard for the certification of agricultural products
GMP	Good Management Practices
GoM	Government of Mozambique
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HACCP	Hazard Analysis and Critical Control Points
ICEIDA	Icelandic International Development Agency
IF	Integrated Framework
IFC	International Finance Corporation of the World Bank
INNOQ	Mozambican Bureau of Standards (Instituto Nacional do Normalizacao O Qualidade)
IPEX	Mozambique Institute for Export Promotion
ISO	International Organisation of Standards
ITC	International Trade Centre
LDC	Least Developed Country
MDG	Millennium Development Goal
MIC	Ministry of Industry and Commerce
MINAG	Ministry of Agriculture
MISAU	Ministry of Health
NEP	National Enquiry Point

NORAD	Norwegian Agency for Development Cooperation
ODA	Official Development Assistance
OVI	Objectively Verifiable Indicators
PARPA	Poverty Reduction Strategy
SADC	Southern African Development Community
SDC	Swiss Agency for Development Cooperation
SECO	Swiss Economic Cooperation
SIPPO	Swiss Import Promotion Programme
SME	Small and Medium Enterprise
SMTQ	Standards, Metrology, Testing and Quality
SPS	Sanitary and Phyto Sanitary
QMS	Quality Management System
TA	Technical Assistance
TBT	Technical Barriers to Trade
TCB	Trade Capacity Building
TRTA	Trade Related Technical Assistance
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
WHO	World Health Organization
WTO	World Trade Organization



## Glossary of evaluation related terms

Term	Definition
Baseline	The situation, prior to an intervention, against which progress can be assessed.
Effect	Intended or unintended change due directly or indirectly to an intervention.
Effectiveness	The extent to which the development objectives of an intervention were or are expected to be achieved.
Efficiency	A measure of how economically inputs (through activities) are converted into outputs.
Impact	Positive and negative, intended and non-intended, directly and indirectly, long term effects produced by a development intervention.
Indicator	Quantitative or qualitative factors that provide a means to measure the changes caused by an intervention.
Intervention	An external action to assist a national effort to achieve specific development goals.
Lessons learned	Generalizations based on evaluation experiences that abstract from specific to broader circumstances.
Logframe (logical framework approach)	Management tool used to guide the planning, implementation and evaluation of an intervention. System based on MBO (management by objectives) also called RBM (results based management) principles.
Outcomes	The achieved or likely effects of an intervention's outputs.
Outputs	The products in terms of physical and human capacities that result from an intervention.
Relevance	The extent to which the objectives of an intervention are consistent with the requirements of the end-users, government and donor's policies.
Risks	Factors, normally outside the scope of an intervention, which may affect the achievement of an intervention's objectives.
Sustainability	The continuation of benefits from an intervention, after the development assistance has been completed
Target groups	The specific individuals or organizations for whose benefit an intervention is undertaken.

# Executive Summary

The project “Enhancing Capacities of the Mozambican Food Safety and Quality Assurance System for Trade” funded by the Swiss State Secretariat for Economic Affairs (SECO) with a budget of US\$ 2,227,295 started in March 2006 and is expected to finish in March 2009. The project aimed at facilitating industrial development and food export capabilities through the strengthening of the Standards, Metrology, Testing and Quality (SMTQ) infrastructure in Mozambique and consequently spurring trade, economic development, employment creation and reducing poverty. The main counterpart was the Ministry of Industry and Commerce (MIC), while the main direct beneficiaries were the Ministry of Health and the Ministry of Agriculture. This independent final evaluation of phase I of the project was carried out by two independent external evaluators and a national evaluator contracted by UNIDO and the donor.

## Project Preparation

**Identification:** The project links well into the internationally agreed framework of Trade Related Technical Assistance (TRTA) and is thus in conformity with international development strategies. Addressing issues related to Technical Barriers to Trade (TBT), and partly Sanitary and Phytosanitary Measures (SPS Agreement under WTO); it supports Mozambique’s trade facilitation strategies and SMTQ policies. Furthermore, the project matches perfectly into the operational mandate and the core competencies of UNIDO and SECO. It was designed as a comprehensive, inter-linked approach to promoting SMTQ, including strengthening the institutional side and the demand side (enterprises).

**Project Design:** The project document includes comprehensive, country-specific background information. Areas of intervention of other donors were carefully taken into consideration. It identifies possible links to create synergies with other SECO-funded projects. A rudimentary mapping of the National Quality Systems (NQS) has been undertaken (however excluding private SMTQ providers). Sectoral quality chains focusing on priority exports for Mozambique were identified but no company needs assessment has been conducted. Limited emphasis was placed on private standards such as EUREPGAP because a separate SECO supported Technoserve project working with the private sector was meant to deal with them. With the benefit of hindsight it might have been better to include private standards in all of the projects.

The project document did not make proper use of the logframe as a planning tool. While outputs were linked to objectives and performance indicators (some of which are measurable, some not), expected outcomes and assumptions and risks relating to expected outcomes were not identified. The budget was linked to outputs but not broken down to individual activities. While the project document outlines a management structure, the specific human resources needed, responsibilities, competences and accountabilities at all levels (including Steering Committee) are not clearly defined.

The Evaluation Team considers that traditional agency execution mode through a Project Management Unit (PMU) in Maputo directly managed by UNIDO created parallel structures and is not in line with current trends in aid delivery. Although

local conditions for implementation are challenging, the full agency execution with a limited role of local counterparts in project implementation is not conducive for building long term capacities and ownership. A form of mixed execution with a gradual increase of management responsibilities could have been a way to address this.

An explicit strategy on how to achieve sustainability of results and the expected impact at the end of the intervention was not included in the project document.

## Implementation

**Financial Implementation:** As per 30 October 2008, US\$ 231,434 of the total budget of US\$ 2,227,295 remained unspent, although already partially committed to activities.

**Project Management:** Within UNIDO, responsibilities were initially divided between two functional departments, but later focused in one UNIDO department (the Trade Capacity Building Branch) under one project manager. At the level of in-country project management, UNIDO contracted a Chief Technical Advisor (CTA) and locally hired National Consultant. Although the CTA was suitably technically qualified, cooperation between counterparts and the CTA remained poor. Management of day to day support to project delivery by the UNIDO field office seems to have been good.

No M&E plan was developed and no agreed Objectively Verifiable Indicators (OVIs) were used as a management information tool.

## Assessment

**Relevance:** The project objective is of high ongoing relevance for all stakeholders. It is also highly relevant to national and international policies, to UNIDO and to the donor. The project was well harmonized with interventions of other donors and well aligned with the priorities of the Government of Mozambique and the local counterparts.

**Ownership:** of the Government of Mozambique was weak. This is the result of changes in key staff in the counterpart institutions during the course of project implementation but also related to the way the project was implemented (full-fledged agency execution, with only limited involvement of local counterparts in financial decision making). The project was widely seen as a "UNIDO" initiative rather than owned by the Government of Mozambique. Nevertheless, Government of Mozambique contributions (mainly in-kind) have been provided as planned.

**Efficiency:** The Evaluation Team was unable to undertake a detailed analysis of the financial efficiency of the project because the UNIDO accounting system does not allow disaggregation of financial disbursement by outputs. Overall, the quality of technical input (in-country training, on the job training) by UNIDO was good value for money. The equipment purchased by the project seems to have been appropriate, but its late arrival or the lack of agreement on enabling conditions for its use means that it has not yet had the expected impact. The Evaluation Team

notes that for all study tours at least two UNIDO funded staff attended as participants.

**Effectiveness:** While there were activities in the project, they have led to very few of the planned outputs and outcomes. None of the inherent risks associated with the hoped for outcomes were identified during project preparation, though it is noted that the project inception report makes some effort to analyse the risks. However, this analysis does not seem to have been taken up by stakeholders and incorporated in adjustments in the project design.

Some training has been provided and awareness created. Some legislative activity has started and proposals for necessary institutional changes were discussed. One useful project outcome has been the facilitation of inter-agency dialogue. Notwithstanding these limited results, the fundamental changes required to meet the project objectives have not occurred and will not take place within the remaining project timeframe.

**Impact:** Because the project will not achieve its immediate objectives it is unlikely to produce the expected long-term impact of facilitating industrial development and food export. The Evaluation Team could find no evidence of demonstrable improvements in the quality of SMTQ services in Mozambique as a result of the project interventions. This is mainly because key enabling conditions and objectives have not been met.

**Sustainability:** Despite some successful capacity building, particularly by short-term experts, the Evaluation Team considers the likelihood of long-term sustainable capacity building among the immediate target group (mainly government officials in prospective competent authorities) to be very low. There is very little likelihood of project results being sustained without further intervention.

The Evaluation Team concludes that the project has failed to meet its objectives or to adjust the objectives during the project period. It should however be highlighted that the key reason why the project did not achieve most of its objectives was because these objectives were overambitious and did not take into consideration the Least Developed Country context of Mozambique. It was, therefore, highly unlikely that the project would attain its defined objectives within the limited budget and timeframe.

## Summary of Recommendations

The recommendations are divided into three sections: recommendations directed at UNIDO, the Government of Mozambique and the donor. The summary recommendations are numbered for ease of reference and follow-up and given in greater detail in Section VII.

## Key Recommendations to UNIDO

Before initiating similar future projects certain preparatory activities are necessary either prior to implementation or during a distinct inception phase, including the mapping of existing service providers and stakeholders with clarification of their roles and responsibilities with respect to the project objective.

It is recommended that future projects should incorporate an inception phase which should include “inter alia”: extensive stakeholder analysis and review of all aspects of the project framework.

In order to facilitate management by results and co-ownership of financial implementation UNIDO needs to develop an accounting system that allows UNIDO, the donor and the direct counterpart(s) to know the relationship between project finances and delivery of activities.

The evaluation highlights the need to improve the governance mechanisms for projects. In future projects the functions of strategic management, day-to-day management and networking/stakeholder involvement should be divided between three different bodies, separating the following functions: strategic management, day-to-day management and stakeholder liaison.

Selection of Chief Technical Advisers should consider aptitude beyond technical competences (e.g. inter-personal skills, linguistic abilities, country experience, and cross-cultural skills). It is recommended that UNIDO considers assessment of non-technical skills in its recruitment process for key personnel such as Chief Technical Advisers.

The evaluation found that project design and delivery of this SMTQ project was not always guided by standard procedures. UNIDO should develop manuals for preparation and delivery of Technical Cooperation projects in each field, including STMQ. In the case of TCB, the manual should define the necessary minimum elements for a national SMTQ infrastructure that complies with international requirements. The manual could also suggest a menu of solutions to the typical problems that arise in developing a national SMTQ system.

Where two or more UNIDO Branches are engaged in the implementation of a project it is recommended that a single branch be appointed as the focal point. When a CTA is in place in a project, his/her job description should be for the whole in-country aspects of the project and not just elements.

UNIDO should consider how to reposition itself in order to respond to or even capitalize on donors increasingly shifting towards new modes of aid delivery, such as budget support, basket funding and Sector Wide Approaches, which are mainly implemented through different forms of national execution. UNIDO might consider initially applying a form of “mixed execution”, where international expert input and provision of highly specialized equipment would still be delivered by UNIDO but other services gradually subcontracted to local counterparts. It is recommended that UNIDO should develop a strategy paper proposing suitable responses to new modes of aid delivery, such as Sector Wide Approaches, for SMTQ projects.

SMTQ projects are technically specialised, complex multi-agency activities for which day-to-day leadership and capacity building is necessary, particularly in countries with limited existing quality infrastructure. It is recommended that, where local capacity does not exist, a full time CTA located within the key target organisation (not the UNIDO office) should be hired, if resources allow.

It is recommended that UNIDO staff should only participate in study-tours or trainings if this can be fully justified. UNIDO should consider developing a standard

code of conduct for study tours with guidance on the circumstances under which it is appropriate for UNIDO staff to attend.

Extensive involvement of partners in procurement is recommended. This includes, for example, the involvement of repair and maintenance units in the definition of specifications of equipment to ensure that the capacity to repair exists *ex ante*. Copies of all manuals, warranties, guarantees, service agreements etc must be shared with recipients of equipment immediately after procurement. Where feasible, ease of maintenance and repair of equipment should be important selection criteria, taking precedence over cost.

Mid-term reviews should be conducted as an integral part of the Project Cycle Management System. It is recommended that UNIDO line management rigidly enforce the timely implementation of project mid term reviews.

It is recommended that future SMTQ projects incorporate elements of strengthening the awareness and application of Consumer Rights and promoting awareness of the importance of quality standards among the target population in total.

When the ability to fulfil the requirements of specific export markets is included as an objective in the project document, careful attention should be paid whether those countries are obvious trading partners.

UNIDO could consider further strengthening its competencies in *coordinating* the three elements necessary to promote exports that are compliant with international standards (“compete”, “comply” and “connect” – the so-called “three C’s”). It is recommended that UNIDO should develop a concept paper outlining how the organisation might coordinate the three C’s.

## **Key recommendations to the Government**

The absence of the proposed independent Food Safety Agency is constraining the development of a well functioning compliance support structure in Mozambique. It is recommended that the Government of Mozambique accelerate plans to develop an independent Food Safety Agency.

Urgent efforts to build a permanent, suitable metrology infrastructure are highly recommended. Future assistance to metrology should only be provided once a suitable building is available. It is recommended that the Government of Mozambique move ahead urgently with the construction of a specialist metrology laboratory.

The lack of proper financing for INNOQ and its inability to apply financial autonomy limits the possibility of developing a strong institution. It is recommended that INNOQ be created as a fully financially independent executive agency.

Support a possible Phase II of this project along the lines suggested above, especially with respect to the pre-implementation setting suggested (e.g. creation of independent Food Safety Agency). A possible second phase of this project should be focused more narrowly on supporting the proposed Food Safety Agency.

The model of a centralised Repair and Maintenance facility for line Ministries will not work without coordination. It is recommended that the Government of

Mozambique form a Repair and Maintenance Task Force consisting of all the relevant line Ministries with a view to ensuring a coordinated approach.

The involvement of the private sector in governance of the national quality infrastructure should be considered a norm. It is recommended that the Government of Mozambique include a greater proportion of key private sector stakeholders in the future formulation of governance structures.

## **Key recommendations to the Donor**

It is recommended that SECO should provide a three month no-cost extension to the current phase to allow the disbursement of the remaining budget as planned and consider funding a second phase of this project focussing on the development of competences surrounding the proposed Food Safety Agency.

It is recommended that SECO work more closely in future with the implementing organisation such as UNIDO to make sure that projects do not fail due to design or procedural risks that can easily be identified and addressed. It is recommended that, for each project, UNIDO and SECO meet at a senior level to formulate an agreement on roles and responsibilities among implementing staff, UNIDO HQ, SECO HQ and SECO in-country officials.

Aspects of consumer rights/consumer protection should become an integral part of future trade capacity building projects funded by SECO.

Roles and responsibilities of in-country Swiss Coordination Offices (COOFs) should be more clearly defined. Areas where COOFs could add value are in the field of donor coordination, coordination among SECO projects, actively participating in project meetings and monitoring (representing SECO as a client).

## **Key Lessons Learned**

One of the main factors contributing to weak performance of this project was a weak application of Project Cycle Management techniques (e.g. comprehensive stakeholder analysis, proper development and use of a logical framework, application of monitoring and evaluation tools etc).

Confusion over roles and responsibilities among all project partners causes inefficient execution. Clarity on roles, responsibilities, reporting-lines and accountabilities within and among project partners should be agreed before implementation and revisited as needed.

Overambitious design, including also areas of not high priorities, leads to not achieving most of the project objectives (even the important ones). Focus on systematic development of compliance within a properly framed National Quality System is the key to meeting the needs of the private sector. This should be core to any future SMTQ interventions.

Key strengths	<ul style="list-style-type: none"> <li>- General approach to formulation appropriate</li> <li>- Highly relevant</li> <li>- Good technical advice</li> </ul>
Key weaknesses	<ul style="list-style-type: none"> <li>- Design overambitious (timeframe/budget not commensurate with what was intended to be achieved, considering the low baseline)</li> <li>- Weak stakeholder analysis and needs assessment</li> <li>- Poor project cycle management</li> <li>- Insufficiently systematic approach</li> </ul>





# I

## Introduction

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### A. Background

The project “Enhancing Capacities of the Mozambican Food Safety and Quality Assurance System for Trade” funded by the Swiss State Secretariat for Economic Affairs (SECO) aimed at facilitating industrial development and food export capabilities (and consequently spurring economic growth and employment opportunities) by reducing technical barriers to trade through the strengthening of food testing, standards, metrology and conformity assessment institutional structures and national capacities.

This development objective was divided into the following two immediate objectives:

To establish a food safety system that is compliant with international requirements with special focus on the public institutions, with the following main outputs.

To develop and implement the required technical infrastructure (standards, metrology and conformity assessment) suitable for product compliance with market entry requirements.

Expected outputs relating to objective (1) included:

- A coordination framework for support institutions developed and established
- Food safety legislation updated and harmonized to meet regional and international requirements
- Food inspection services upgraded
- Strengthened national capacity for food analysis
- Expected outputs relating to objective (2) included
- Priority aspects of the National Quality Policy implemented at INNOQ
- Standards revised and updated so as to meet international requirements and ensure compliance with specific standards in the Swiss and European markets

- Local Instrumentation Support Service Centre for repair and maintenance of laboratory equipment established and operational
- Testing and Measurement laboratories ready for accreditation

Strengthening of “National Enquiry Points” (NEP) for the implementation of WTO Agreements on Technical Barriers to Trade and Sanitary and Phytosanitary Measures, and training to implement these agreements.

The project document does not use the logframe as a planning tool. While outputs are linked to performance indicators (some of which are measurable, some not), expected outcomes and assumptions and risks relating to expected outcomes were not defined. Some of the outputs would rather be considered as outcomes, e.g. laws are enacted by the responsible authorities of Mozambique, not by the project. The project is only able to contribute input to a law. The same applies for issuing standards<sup>1</sup>.

The project received overall funding of US\$ 2,227,295. It started in March 2006 and is expected to finish in March 2009. The main counterpart is the Ministry of Industry and Commerce (MIC), while the main direct beneficiaries are the Ministry of Health and the Ministry of Agriculture.

## **B. Purpose and Methodology of this Evaluation**

This independent final evaluation of phase I of the project was carried out by an external evaluator contracted by SECO (Ben Bennett), an external evaluator contracted by UNIDO (Daniel Keller) and a national evaluator (Adelina da Conceicao Machado). None of the three evaluation consultants were involved into the design or implementation of the project.

The three main general functions of the independent final evaluation are:

- Accountability towards the donor and the national stakeholders
- Support stakeholders and managers in regards to a possible future cooperation
- Draw more general lessons learned applicable to other cooperation projects

This evaluation was based on the Terms of Reference (enclosed in Annex A) and the UN Norms and Standards for Evaluation<sup>2</sup> as well as the UNIDO Evaluation Policy and Technical Cooperation Guidelines (UNIDO, August 2006). The main purpose of this specific evaluation was to enable the Government of Mozambique, UNIDO and the donor:

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<sup>1</sup> Outputs would be the products in terms of physical and human capacities that result from an intervention. Outcomes are defined as the achieved or likely effects of an intervention's outputs. See detailed comments in section Project Preparation.

<sup>2</sup> United Nations Evaluation Group (UNEG), Norms and Standards for Evaluations in the UN System, April 29, 2005

- To assess the relevance and needs orientation of the project
- To assess the ownership of stakeholders in the project and its outcomes
- To assess the efficiency of implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities
- To assess the outputs produced and outcomes achieved as compared to those planned and to verify prospects for development impact
- To provide an analytical basis and recommendations for the focus and re/design for the possible continuation of the programme

Draw lessons of wider application for the replication of the experience gained in this project in other projects/countries.

The evaluators received a briefing at UNIDO headquarters by the Evaluation Group, the Project Managers and the Director of the Trade Capacity Building Branch. Debriefings with presentation of main findings, conclusions and recommendations were held in Maputo (main counterparts, UNIDO Office and the Swiss Coordination Office), Vienna (UNIDO) and Berne (SECO).

UNIDO provided systematic feed-back after the mission. The team applied an interactive, participatory approach, based on meetings and interviews with stakeholders (counterparts, sample of beneficiaries, both representatives of the UNIDO country office and UNIDO headquarters). A field visit was carried out in Maputo between August 25, 2008 and September 9, 2008, including meetings with most major donors of projects in relating areas, beneficiaries, stakeholders and two enterprises. Equipment procured under the project was checked upon on a sampling basis, with priority to equipment to which considerable funds were allocated. A comprehensive list of persons met and the programme of the field visit is provided at Annex B. In addition, with assistance from another SECO-funded project<sup>3</sup>, a written survey was conducted with a sample of enterprises operating in Mozambique. A separate summary report analysing the results of this survey is provided at Annex C. The Evaluation Team also reviewed a number of background papers of policy, programmatic and project related nature. A comprehensive list of documents consulted by the Evaluation Team is appended to this report.

All discussions with stakeholders during the field visit were open and constructive. Answers given were precise, clear and consistent in regards to major findings. Everyone interviewed was willing to proactively provide the Evaluation Team with relevant information.

A feed-back meeting was conducted at the end of the field mission with representatives from counterparts, the line ministry (MIC), the Swiss Coordination Office (COOF) and the project management to present the preliminary findings,

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<sup>3</sup> Adoption of safety and quality standards in the agro-processing industry, implemented by TechnoServe

conclusions, recommendations and lessons learned to provide an opportunity for the counterparts to make comments.

A debriefing meeting was conducted in Vienna on September 26, 2008. On October 9, 2008, a presentation was also made to SECO (Trade Cooperation). The mission received endorsement regarding all key findings, conclusions, recommendations and lessons learned.

During the time of the field visit, some activities of the project were still under implementation.

Limitations to this evaluation included:

Almost all relevant documents were only received in the course of the field mission. Some of the key documents were only available at the end of the second week, after all meetings had already been conducted, and could therefore not be studied in advance. The local Programme Officer of UNIDO responsible for the project was on leave until the second week of the mission. An updated list on the status of equipment procured was not available until the draft report was submitted to UNIDO.

As the project document does not clearly define expected outcomes and impact, it was not possible to assess outcomes against expectations. While the budget presented in the project document does link United Nations budget lines to expected outputs, the financial reporting – although in line with UN-standards - does not link budget lines to activities and outputs.

An assessment of efficiency (value for money) in regards to individual outputs and activities is therefore not possible.

Despite those limitations, the factual information obtained during the mission provided sufficient evidence for expressing a well-founded opinion on the issues to be addressed according to the Terms of Reference.

# II

## Country and Project Context

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### A. Country Context

After almost five centuries as a Portuguese Colony, the country reached independence in 1975. At independence Mozambique was one of the world's poorest countries. Large-scale emigration by the expatriate Portuguese population, economic dependence on South Africa, poor economic policies a severe drought, and a prolonged civil war hindered the country's development until the mid 1990's.

Following years of a devastating war, Mozambique managed a successful transition to peace and national reconciliation. The ruling Front for the Liberation of Mozambique (FRELIMO) party formally abandoned Marxism in 1989, and a new constitution the following year provided for multiparty elections and a free market economy. Two years after the UN-brokered Rome Peace Accord signed in 1992, the country held its first multi-party elections with the former adversaries as the main contenders.

A series of macroeconomic reforms designed to stabilize the economy combined with substantial donor assistance and with political stability has led to dramatic improvements in the country's growth rate. Over the period 1995–2007, Mozambique achieved a remarkable economic performance (albeit from a very low starting point). Gross Domestic Product growth averaged 8% per year and reached US\$800 per capital in 2007, up from US\$ 70.00 in the early nineties (composition by sector: agriculture 23%, industry 30.1% and services 46.8%). Subsistence agriculture continues to employ the vast majority of the country's work force. From the labour force estimated at about 9.4 million (2006), 81% are employed in the agricultural sector, 6% in industry and 13% in services<sup>4</sup>.

The country's main crops are maize, rice, cassava, sorghum, sweet potatoes and horticultural products. Cash crops, mainly tobacco, cotton, cashew nuts and sugar cane, account for 6% of the cultivated land. Livestock, goat and poultry production are increasing. Only 12% of the total surface area (789,800 km<sup>2</sup>) is cultivated. This is due to the fact that Mozambique's agriculture is made up of smallholdings (average 1.2 hectares) with minimal use of improved varieties, chemical inputs or farm machinery. Marine fishing and inland water areas are of great importance to Mozambique, as a source of national income (contributing 1.5% of the GDP and 10 - 15% of foreign exchange earnings in 2005) and employment (120,000 fishermen).

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<sup>4</sup> Source: CIA – The World Fact book

Mozambique is among the world's largest recipients of Official Development Assistance (ODA). Disbursed net ODA amounted to about US\$1.3 billion in 2005, equivalent to an aid-to-Gross National Income ratio of 21%. Assistance mainly consisted of grants (78% of the total), and was largely for general budget support. Direct budget and sectoral support amounted to US\$583 million in 2007.

Mozambique is ranked 141 out of 181 economies in the "Doing Business" indices of the World Bank (World Bank, 2008). This compares unfavourable with key competitors such as Kenya which was ranked 82<sup>nd</sup> and Tanzania which was 127<sup>th</sup>. As an example of the difficulties in doing business across borders in Mozambique the report notes that it takes on average 26 days to arrange an export shipment and 32 days and 10 different certificates to arrange export.

## B. Project Context

Globalisation and related trade liberalisation is being viewed by developing countries as an opportunity to capitalize on the growing global trade. Global trade in high value food products has significantly expanded over the last decades, benefitting from comparatively low and declining tariff barriers. However, exporting countries face a myriad of food safety and agricultural health standards that they are required to comply with. Both official and private<sup>5</sup> sanitary and phytosanitary standards continue to evolve internationally, nationally and within individual supply chains. In cognisance of potential non-tariff barriers to trade, the WTO has instituted special agreements on Sanitary and phytosanitary (SPS) measures and on Technical Barriers to Trade (TBT).

The existing food safety and quality assurance system in Mozambique remains underdeveloped. The state-run laboratories offering calibration and certification services<sup>6</sup> in the country are not accredited to issue internationally recognized certificates. Both at the outset and at the time of this evaluation, exporters required to have internationally recognized certificates use calibration and services in other countries, mainly in South Africa. This increases lead time, is costly and thus negatively impacts the competitiveness of exports. With the exception of one laboratory within the Ministry of Fisheries, all laboratories are far from fulfilling the requirements necessary to obtain accreditation. Capacity to perform complex maintenance and repair on laboratory equipment remains weak as well.

All of this means that Mozambique, as an agro-based economy, forfeits to capitalize on its most abundant resources and take advantage of its preferential access<sup>7</sup> to major export markets such as the United States of America and Europe. This translates into a considerable loss of potential export revenues and opportunities to create labour and reduce poverty.

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<sup>5</sup> For example Global Gap, which is now required by all major buyers in Europe and the U.S. and also includes a set of social standards?

<sup>6</sup> As confirmed during the mission, there are currently no private providers of calibration and certification services in Mozambique, except for a number of equipment distributors providing this service as part of scheduled maintenance and repair services for their customers.

<sup>7</sup> Mainly the EU „Everything but Arms“-Initiative and the US „Africa Growth and Opportunities Act“

Recognizing the importance of improving the food safety and quality infrastructure, the country has adopted a National Quality Policy<sup>8</sup> and – with assistance of the project – prepared a draft for a Metrology Law.

## C. Related Donor Initiatives

### **Integrated Framework Programme<sup>9</sup>**

Mozambique has participated in the Integrated Framework (IF) since 2004. The IF is a programme of six multilateral agencies, namely the International Monetary Fund, International Trade Centre, United Nations Conference on Trade and Development, United Nations Development Programme, World Bank, and World Trade Organisation, supported by other development partners. The IF assists the Least Developed Countries (LDCs) by enhancing their ability to trade within the framework of global trade liberalization and facilitate economic growth and poverty reduction. Participating agencies and other development partners combine their efforts to enable LDCs to participate in the multilateral trading system. The Ministry of Industry and Commerce (MIC) is national focal point and the Delegation of the European Commission in Maputo acts as the donor coordinator. A Trade Development Trust Fund for the IF Programme is managed by UNDP. A total of 15 donors (Belgium, Denmark, the European Commission, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Sweden, Switzerland, the UK and the World Bank) provide general budget support. The programme is aligned with the poverty reduction strategy in Mozambique (PARPA) by providing additional budgetary resources and a structured dialogue between the government and the donors on key reforms and challenges for growth and poverty reduction. UNIDO is a member of the Steering Committee. UNIDO and SECO participate in the “Trade-Subcommittee of Donors”, a forum for donor coordination on trade-related assistance. The action plan of Mozambique’s Diagnostic Trade Integration Study (DTIS), adopted by the Government of Mozambique in 2005, includes measures to increase exports by tapping the country’s export potential, including improving access to foreign markets and identifies technical assistance needs.

### **UNIDO**

Besides the UNIDO/SECO project (subject of this evaluation). UNIDO’s current project portfolio relating to Trade Capacity Building (TCB) comprises the following other interventions:

**Business Environment Support and Trade Facilitation Project (EU/UNIDO):** With funding of EURO 6.5 million, this project, executed under the sole responsibility of UNIDO, will focus on three sectors: Assist INNOQ in quality and metrology service delivery (UNIDO); assist the Mozambique Institute for Export Promotion (IPEX) on trade information and advisory information (in cooperation with ITC); and assist custom authorities in trade facilitation (in cooperation with UNCTAD).

**UNIDO contribution to IF Trust Fund:** UNIDO also contributes US\$ 1 Million to the IF Trust Fund, to be used for the following activities<sup>10</sup>:

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<sup>8</sup> Resolution No. 51/2003 dated 30 November 2003 on Quality Policy and Strategy of Implementation

<sup>9</sup> Information compiled based on interviews with UNDP and SECO.

<sup>10</sup>Information provided by UNDP Office in Maputo.



**Table 1**  
**UNIDO Contributions to IF Trust Funds (US\$)**

Activities	Budget (US\$)	Status
Acquisition/Installation Equipment Fisheries Laboratory	128,387	Completed
Trade specialist for MIC	95,962	Ongoing
Training in Laboratory and Analytical Methodology	131,558	Ongoing
Standards Development	148,463	Ongoing
Manual for Foreign Trade Operators	55,500	Ongoing
Production of Foreign Trade Statistics	298,177	Ongoing
Fish Quality Control for National & International Markets	141,750	Completed
<b>Total</b>	<b>999,797</b>	

A new project within the framework of “One UN”, “building capacities for effective trade policy formulation and management” with an estimated budget of US\$ 1.5 million (including US\$ 500'000 funded by SECO under this project) is currently under preparation. This project will focus on increased supply capacity of agricultural commodities and fishery products by increasing the capacity of agro-enterprises to produce and compete locally and internationally by meeting international standards.

**Other areas with possible linkages and synergies include a planned project in the field of Cleaner Production (CP).** Funding was not yet received and therefore, the document was not yet available to the mission. The CP approach typically aims at improving productivity, competitiveness and environmental impact of enterprises. Beyond this, it also looks at factors improving product quality/packaging in order to meet customer requirements (including food safety issues). There might be possible synergies.

**Other areas UNIDO is active in (e.g. production capacity building, rural enterprises and energy)** are not directly related to TCB.

## Switzerland<sup>11</sup>

SECO's project portfolio in the field of economic development cooperation includes interventions on the micro, mesa and macro level, including the following projects:

**“Strengthening Capacities for the WTO Negotiations in Agriculture” (SECO/IDEAS):** Provides policy advice for WTO trade negotiations (now in the area of trade and services, changed from original focus trade policy formulation on agriculture). This programme is implemented through IDEAS Centre with a budget of US\$ 390'000 and the duration was from 2005 – 2007.

**Mozambique SME Initiative (SECO/IFC):** The overall objective of this project implemented through the International Finance Corporation is to develop a successful Small and Medium Enterprise (SME) financing model (providing access to finance plus Technical Assistance). The project provides a package of financing (loan, royalty loan, and equity) combined with technical assistance to SMEs. Investments range from 100'000 to 1 Mio US\$. Technical assistance is part of investment programme and aims at preparing enterprises to receive financing from the IFC. This project is part of the private sector development programme of SECO and focuses on the micro-level. Duration: 2005 – 2010 with overall funding of 3.5 million US\$. The project does not develop any local institutions (but has a demonstration purpose).

**SOCREMO Microfinance Bank (SECO/LFS Financial Systems GmbH):** aims at supporting the transition of micro-finance institutions into banks pursuing clear commercial objectives to profitably provide financial services to low income groups, with special focus on SMEs. The project includes two components: (1) investment component SECO: US\$ 600'000 in SOCREMOS equity (to enhance capital base), (2) EURO 305'000 for technical assistance component to SOCREMOS (to extend client base and successfully operate as the house bank of the lower income population. Project focuses on mesa-level. Duration: 2005 – 2008.

**Trade Facilitation Project in Mozambique (SECO/Technoserve):** The project provides support to export-oriented SMEs in adopting food safety and quality standards in the agro-processing industry. The project budget is US\$ 422'400 and the project duration 2004 – 2007 (currently under extension until 2008). Overall objective of the project is to enhance competitiveness of major selected agro-industries for both foreign and domestic trade. Specific objective is to adopt and obtain certification for quality, hygiene, social, and environmental standards. The projects provides consultancy relating to EUREGAP, HACCP, ISO. HACCP plan has priority in order to ensure that client enterprises get market access to Europe. Apart from this, the project also intends to increase value added by using branding, yet none of the trademarks developed has been nationally or internationally protected. The sector focus, products relating to tourism, dried fruit, nuts and poultry, was selected according to export/growth potential. The direct sales of products for example to tourists is also one focus (e.g. in the Parks). This intervention focuses on micro-

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<sup>11</sup> According to interview conducted with the Swiss COOF in Maputo and project fact sheets provided and interviews with Technoserve in Maputo.

level (direct consultancy services), does not engage into capacity building of local institutions (but intends to create a community of practitioners). SECO intended to link this project to the activities of the Swiss Import Promotion Programme (SIPPO) and to the UNIDO TCB Project evaluated by this report.

The SECO portfolio seems to be well interlinked and synergetic.

## Relating projects of other bilateral and multilateral donors<sup>12</sup>

Donor coordination takes place within several working groups and committees, in which major donors are represented. Both UNIDO and SECO participate in the Private Sector Working Group (lead by the United States Agency for International Development) and the Trade-Subcommittee<sup>13</sup>. A project database is available on the ODAMOZ ([www.odamoz.org](http://www.odamoz.org)).

**WHO:** focuses mainly on public health and is not directly involved into support of the testing and metrology infrastructure.

**World Bank:** mainly focuses on improving public health infrastructure, with no activities directly relating to the project.

**FAO:** provided support to establishing the Codex (together with the Ministry of Health), but does otherwise not have any activities that relate to the project.

**Norway:** Within the framework of its country programme, NORAD is currently not directly active in fields relevant to the project, but would be interested and open to enter in contact with UNIDO. A former plan to engage into cooperation with INNOQ has finally not materialized. The main focus of Norway is on electricity infrastructure and energy.

**ICELAND:** (ICEIDA) focuses on supporting one testing laboratory under the National Fisheries Inspection Institute (Ministry of Fishery) through equipment provision and capacity building in the view of obtaining international accreditation).

**USAID<sup>14</sup>:** Also provided support to one veterinary laboratory (mainly equipment). There is currently no project directly relating to food testing.

**Brazil:** supports INNOQ together with GTZ through technical capacity building (budget around US\$300'000). Otherwise, Brazil provides funding for infrastructure investments, technical/science cooperation, mining, and hydropower, pharmaceutical etc. on a large scale (a total of 35 projects). Brazilian ODA is accompanied by large scale investments of Brazilian companies (investment projects under preparation – manufacturing, mining, hydropower, pharmaceutical amount to ca. 5 bi0 US\$). UNIDO's history of cooperation with Brazil (demonstration plant

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<sup>12</sup> Based on interviews

<sup>13</sup> Although not all donors participate (e.g. Iceland and Brazil)

<sup>14</sup> USAID was not available for a meeting during the mission.

with Brazilian technology; cashew apple and fruit in Itoculo - Nampula), was funded by Ireland.

**Great Britain:** DFID's support in areas relating to standards and quality focused on the fishery sector. The new country programme 2008 – 2012 does not foresee any interventions in areas relevant to the project.<sup>15</sup>

On the basis of this review the Evaluation Team find that the project was well aligned to current interventions of other donors. Expected synergies with other projects within the UNIDO and SECO portfolios were however only marginally exploited.

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<sup>15</sup> DFID Country Programme 2008 – 2012, October 2007.



## Project Preparation

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This section considers how the project was prepared. This includes identification of the project problem, development of the project design and formulation of the core project document

### A. Identification

It was not possible to identify the original project concept developers and drivers for this project. However, the project links well into the internationally agreed framework of Trade Related Technical Assistance (TRTA) and is thus in conformity with international development strategies. Addressing issues relating Technical Barriers to Trade (TBT), and partly Sanitary and Phytosanitary Measures (SPS Agreement under WTO); it supports Mozambique's trade facilitation strategies and SMTQ policies.

Furthermore, the project matches perfectly into the operational mandate and the core competencies of UNIDO, which is to alleviate poverty and promote social advancement, by supporting developing and transition countries to participate in the world production system by helping them to raise productivity and to develop competitive economies. Enhancing trade infrastructure, the reduction of trade barriers, measures to increase competitiveness of products, promoting standards and quality labels are among the core areas of SECO's support to developing and transition countries to better integrate into the world economy.

A participative needs assessment of the main direct beneficiaries by UNIDO experts lead to a high degree of relevance for both direct and indirect beneficiaries in specific areas. This, despite that apparently no needs assessment on the enterprise level (indirect beneficiaries on the mesa level) had been conducted.

### B. Formulation

The project was designed as a comprehensive, inter-linked approach to promoting SMTQ, including strengthening the institutional side (Government of Mozambique) and the demand side (enterprises).

Despite the absence of a preparation phase, the project document includes comprehensive, country-specific background information (e.g. principal industrial development issues, a broader analysis of the country's institutional and policy framework and the environmental context). It seems that at the design stage, areas of intervention of other donors were carefully taken into consideration and areas of

overlap or duplication with initiatives funded by other donors seems to have been marginal.

The project is well harmonized with interventions of other donors. Synergies and complementarities identified include SECO-funded projects implemented by Technoserve and SIPPO, as well as FAO (linkages mentioned are not further specified – which might be a reason why in practice, they were only marginally achieved).

The project design is aligned with priorities of the Government of Mozambique (promoting exports) with some exceptions during implementation (see comments in Chapter IVA - Assessment of Relevance). It seems that the private sector was not or only marginally consulted at the design stage, i.e. no needs assessment has been conducted on the demand side (e.g. what Mozambican companies needed). It appears that a rudimentary mapping of the National Quality Systems (NQS) has been undertaken at the design stage<sup>16</sup>, but this seems not to be comprehensive<sup>17</sup> (it excluded, for example, private SMTQ providers). The project rightly identified sectoral quality chains, which are priority exports for Mozambique.

Pro-poor and gender orientation were not addressed in the document. However, it is recognised that the focus on creating favourable conditions for the export of agricultural products has potentially a higher and more immediate income generating impact in the neediest rural areas than a focus on industrial production.

In-bound trade and protection of consumers against sub-standard products has been incorporated into the design, although not in the project objectives.

Important parts missing in the project document are the coverage of private product standards, such as EUREPGAP (or now Global Gap), which become increasingly important for exporters to markets in Europe and the United States. Part of the explanation for this is that, at the time of project preparation, SECO was planning several other interventions in Mozambique including a private sector standards project implemented by Technoserve. In the demarcation of these projects, support to meeting private standards seems to have been over-looked. During project formulation, the emphasis on support to public institutions in meeting food related certification needs was stressed by the donor. This highlights the importance of a balance in project formulation between private sector needs and public sector capacity building.

An explicit strategy on how to achieve sustainability of results and the expected impact at the end of the intervention was not included in the project document, though it is recognised by the Evaluation Team that there are on-going efforts to move parts of the Government of Mozambique services towards a more commercial footing and that this is being supported by the project.

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<sup>16</sup> The project document also refers to findings of a preliminary assessment of the national food safety system with a special focus on public support institutions conducted in 2003/2004 (not available to the evaluation team), which is summarized in the project document.

<sup>17</sup> Planned to be conducted ex post as UNIDO contribution to the „One UN“ Programme and also under the regional UNIDO/EAC SMTQ Project funded by NORAD.

The project document does not accurately use the logframe as a planning tool. While outputs are linked to objectives and performance indicators (some of which are measurable, some not), expected outcomes and assumptions and risks relating to expected outcomes were not defined.

While the project document outlines a management structure, the specific human resources needed, responsibilities, competences and accountabilities at all levels (including Steering Committee) are not clearly defined. This is not in accordance with sound management practices.

While a budget according to UNIDO-budget lines is available, budget lines are linked to outputs, but not broken down to the activity level. This would be a good management tool for UNIDO, counterparts and the donor to assess value for the funds disbursed. As an important part of Result Based Management (RMB), it would also provide a systematic basis for further organizational learning, in terms of how to allocate funds most economically. Expected outcomes as well as related assumptions and risks were not defined. As a conclusion, the Project Document does not meet standard international practice for project plans<sup>18</sup>, in particular, since the logical framework was not consistently applied.

While the general approach to strengthening SMTQ was appropriate, the project duration and budget was clearly not commensurate with the efforts that are typically needed to achieve objectives defined starting from a very low baseline as the one of Mozambique at the outset of the project. The project design was clearly overambitious and funding/timeframe too short for a project of this complexity with so many stakeholders. This is also evidenced by the experience of other donors (including Iceland's support to the Fishery Testing Laboratory, which has been ongoing for at least 10 years in a number of phases) in the upgrading and preparing laboratories for accreditation.

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<sup>18</sup> See for example SECO's manual on logical frameworks published on [www.seco.admin.ch](http://www.seco.admin.ch)

# IV

## Project Implementation

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This section considers how the project was implemented from the point of view of its finances, management, outputs and impact or outcomes.

### A. Financial Implementation

Financial implementation refers to the expenditure of the project, changes to this expenditure during the project period and the implications of budgetary revisions. The project budget and expenditure is shown in Table 2.

**Table 2**  
**Fund mobilisation (US\$)**

Output number	Title	Initial allocation	Actual expenditure & commitments as of Feb '08	Balance (\$)
1.1	A coordination framework for support institutions developed and established	139,000		
1.2	Food safety legislation updated and harmonized to meet regional and international requirements	109,000		
1.3	Food inspection services upgraded	195,000		
1.4	Strengthened national capacity for food analysis	590,000		
<b>Sub-total 1</b>		<b>1,033,000</b>	<b>797,354.2</b>	<b>235,645.8</b>
2.1	Priority aspects of the national quality policy implemented at INNOQ	112,000		
2.2	Standards revised and updated so as to meet international requirements and ensure compliance with specific standards in the Swiss and European markets	163,500		



Output number	Title	Initial allocation	Actual expenditure & commitments as of Feb '08	Balance (\$)
2.3	Local instrumentation Support Services Centre for repair and maintenance of laboratory equipment established and operational	181,500		
2.4	Testing and measurement laboratories ready for accreditation	309,500		
2.5	Establishment and/or strengthening of "National Enquiry Points" (NEP) for the WTO Agreement on Technical Barriers to Trade and the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, and training to implement the agreements	172,000		
<b>Sub-total 2</b>		<b>938,500</b>	<b>777,066.7</b>	<b>161,433.3</b>
<b>Sub-total 1 + 2</b>		<b>1,971,500</b>	<b>1,574,420.9</b>	<b>397,079.1</b>
Support costs (13%)		256,295		
<b>TOTAL</b>		<b>2,227,795</b>		

Source: Project Document and Project data

The project seems to have successfully allocated and disbursed its financial resources. UNIDO financial management systems worked reasonably well. A certain amount of funds remains unallocated as of 30<sup>th</sup> October 2008 (US\$ 231,434) though some of this is already committed to activities. The appropriate way to address this issue would be for a short no-cost extension to the project period of say 3 months.

## B. Management

Evaluation of management concerns the quality of management decisions and the ability of management to identify constraints to achieving the project objectives and respond accordingly.

Management responsibilities for the project were held by UNIDO. At inception, responsibility for delivery of the two main project objectives was divided between

two functional departments within UNIDO: The Trade Capacity Building Division and the Agro Division. Management recognised that this bifurcated management responsibility could result in confusion and made the decision to focus management in one UNIDO department (the Trade Capacity Building Division) under one project manager. This clearly demonstrates a degree of management flexibility on the part of UNIDO.

At the level of in-country project management, the UNIDO model of a Chief Technical Advisor (CTA) and locally hired National Consultant was adopted. A suitably technically qualified candidate for CTA was recruited, however, Mozambican respondent complained that this candidate lacked local language skills and that this led to some misunderstanding, particularly between INNOQ and the CTA. The lack of a collaborative approach to preparing the first (English) draft of the national standards and quality strategy (UNIDO, 2006) was cited as an example of the problems that this caused. Future recruitment of CTA's for Mozambique should consider a facility in Portuguese as a requirement.

The management of projects by Vienna based UNIDO staff and in-country CTA's misses an opportunity to promote co-management. This issue is discussed further below under ownership (Chapter IV Assessment, B).

Management of day to day support to project delivery by the local UNIDO offices seems to have been good. After the departure of the CTA, whose contract had ended, the management burden upon the local UNIDO representative in Maputo was substantially increased, but this does not seem to have diminished implementation efforts.

From the perspective of the Government of Mozambique, management was through the Ministry of Industry and Commerce (MIC) at Deputy Director Level. The project covered a number of Government of Mozambique Ministries (e.g., health, agriculture, fisheries and commerce) and this highlights a particular challenge to multi-sectoral programmes of inter-Ministerial coordination and selection of the right lead ministry. In this case the efforts of MIC have worked well, but the amount of time line-managers have to commit to projects such as this is limited by other duties. It is notable that MIC claims to have taken the initiative to call for monthly management meetings to improve coordination.

Further, the approach to sharing management responsibility between Government of Mozambique and UNIDO might be questioned. Whilst UNIDO took responsibility for physical and financial implementation, the degree of commitment required from the Government of Mozambique side was minimal. No reporting or financial responsibilities were undertaken by the Government of Mozambique Project Manager for example and the Evaluation team can find no evidence that Government of Mozambique contributed to the Project Inception Report (UNIDO 2006).

Project reporting was as planned, and to a reasonable standard, but it is the view of the Evaluation Team that bi-annual reports are insufficient for management purposes. In order to capture and address problems as they occur at least quarterly progress reports are needed. It is not possible to tell from the reports whether

financial and physical progress are aligned. The UNIDO financial reporting system is insufficient as a Management Information System for on-the-ground management because financial expenditure is not related to activities as planned by the project in agreement with stakeholders. For example, it was not possible during the evaluation to get a clear indication of the budget and expenditure by agreed project activity. Stakeholders seem also not to have been involved in making forward plans and budgets. Better practice would be to work with stakeholders to prepare annual forward plans for approval by the Steering Committee and then report on these plans. The project inception report of 2006 seems to have outlined all the activities for the three years, but this should have been revisited annually to set new budgets and monitor progress towards attainment of the project objectives. Somewhat embarrassingly, the Chairperson of the Project Steering Committee demanded and to some extent received this information in June 2008<sup>19</sup>, some 27 months after project commencement. It is the view of the Evaluation Team that financial and physical reporting under this project was inadequate for management purposes.

Furthermore, we believe that the data gathered by the project and reported is also inadequate for the purpose of monitoring and evaluation. No monitoring and evaluation plan was developed and executed by the project management so the issues of using planned indicators as a means to manage the project never arose. Ideally the project should have used its agree Objectively Verifiable Indicators (OVIs) as a management information tool.

Supervisory support and mission from Vienna were sufficient, but, in light of the failure of the project to achieve any of its objectives, the inability of management to recognise this likelihood and respond by adjusting project design, changing the objectives to ones that were more attainable or seeking to amend the project scope must be seen as a failure.

The COOF in Maputo was actively involved into the project implementation. It was however not always entirely clear what input SECO headquarters expected from their local representatives in Mozambique. There is also evidence for unclear communication lines between the COOF, SECO HQ, the local UNIDO Office and UNIDO HQ, which in some cases lead to confusion.

## C. Outputs

Outputs are the products in terms of physical and human capacities that result from a project. The financial resources of the project are outlined above under IV A. The physical resources included a Chief Technical Advisor, a National Consultant for Food Safety and Quality Assurance and a number of short term consultants. The CTA was appointed under a contract in August 2006 and completed his contract in December 2007. The National Consultant for Food Safety and Quality Assurance was appointed in April 2006 and will complete his appointment in March 2009.

A sample of key project outputs per objective is described in Table 3.

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<sup>19</sup> See Project Monitoring & Assessment document USMOZ05001

**Table 3**  
**Project outputs per objective**

<b>Objective</b>	<b>Indicator<sup>20</sup></b>	<b>Actual Output</b>	<b>Comments</b>
1. To establish a food safety system that is compliant with international requirements with special focus on public institutions			
1.1 A coordination framework for support institutions developed and established	Food safety committee established	None	Some progress made with familiarisation and agreement on an interim Food Safety Panel, but this body has not yet held a meeting.
	Institutions streamlined and mandates clearly elaborated	None	Some progress has been made in clarifying roles and responsibilities. Cannot proceed without legislation.
1.2 Food safety legislation updated and harmonized to meet regional and international requirements	Harmonization of food legislation	Gap analysis prepared 4 draft bills prepared	Will not be achieved in project period
	Food law enacted	None	Law reviewed
	Food law accessible to Inspectors in an implementable format	None	Cannot proceed without legislation.
1.3 Food inspection services upgraded	Number of food inspectors trained	None	Cannot proceed without legislation.
	Information management systems in place	None	

<sup>20</sup> Nb: A proposal to amend the indicators was made in the Project Inception Report (UNIDO 2006 xxx), but the Evaluation Team could find no evidence that this was approved by either the stakeholder or UNIDO and have therefore assumed that the Indicators given in the Project Document remain those valid for evaluation purposes.

Objective	Indicator <sup>20</sup>	Actual Output	Comments
	Inspection manuals available	None	
	Number of industries receiving inspection services/day	None	
	Number of certificates issued	None	
1.4 Strengthen national capacity for food analysis	Number of laboratory staff trained (20)	Some	Need assessed and some training received. Training in food analysis is pending equipment installation.
	Ability of staff to elaborate procedures with international requirements	None	
	Analytical tests that conform to international requirements	None	
	Increase in number of tests conducted per day	None	Equipment not yet operational
	Application for international accreditation	None	
	International accreditation obtained	None	
	Increased food exports	None	

Objective	Indicator <sup>21</sup>	Actual Output	Comments
2. To develop and implement the required technical infrastructure (standards, metrology and conformity assessment) suitable for product compliance with market entry requirements			
2.1 Priority aspects of the National Quality Policy implemented at INNOQ	National Quality Policy	Done	Quality policy and strategy of implementation approved by Council of Ministers November 2007
	Work plan and performance indicators to allow its monitoring	Done	Work plan done but not yet accepted
2.2 Standards revised and updated so as to meet international requirements and ensure compliance with specific standards in the Swiss and European markets	Standards elaborated and available to the productive sector for application	Partially done	Some standards elaborated to ISO and Codex Alimentarius, but not sufficient to meet Global Gap (private standards) <sup>a22</sup>

<sup>21</sup> Nb: A proposal to amend the indicators was made in the Project Inception Report (UNIDO 2006 xxx), but the Evaluation Team could find no evidence that this was approved by either the stakeholder or UNIDO and have therefore assumed that the Indicators given in the Project Document remain those valid for evaluation purposes.

<sup>22</sup> See Instituto Nacional De Normalizacao E Qualidade, (2008), "Produtos/Sericos Informacao", INNOQ, Maputo.

Objective	Indicator <sup>23</sup>	Actual Output	Comments
2.3 Local instrumentation Support Service Centre for repair and maintenance of laboratory equipment established and operational	Team of repair and maintenance engineers trained	Done	Team based in Ministry of Health
	Instruments registry in place and updated	Done	Only for Ministry of Health
	Maintenance manual available	Done	Only Ministry of Health
	Number of laboratories receiving repairs and maintenance services determined	No figures available	Only Ministry of Health
2.4 Testing and Measurement laboratories ready for accreditation	Number of calibration certificates issued	None	Some equipment provided but no certificates issued

<sup>23</sup> Nb: A proposal to amend the indicators was made in the Project Inception Report (UNIDO 2006 xxx), but the Evaluation Team could find no evidence that this was approved by either the stakeholder or UNIDO and have therefore assumed that the Indicators given in the Project Document remain those valid for evaluation purposes.

Objective	Indicator <sup>24</sup>	Actual Output	Comments
	Measurement and testing laboratories ready for accreditation according to international standards	None	Not possible until a) metrology law; b) proper facilities; and, c) qualified staff.
	International accreditation obtained	None	Not possible until a) metrology law; b) proper facilities; and, c) qualified staff.
2.5 Establishment and/or strengthening of "National Enquiry Points" (NEP) for the WTO Agreement on Technical Barriers to Trade and the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, and training to implement the agreements.	Number of notifications received from Geneva and distributed to the concerned stakeholders	None	Training received but internal agreement on roles and responsibilities not resolved.
	Number of notifications submitted to WTO	None	Training received but internal agreement on roles and responsibilities not resolved.
	Number of alerts issued	None	No activity

Source: Interviews

Table 3 illustrates a particular problem in the formulation and subsequent use of the project logical framework in this case. There has been confusion between outputs and outcomes in the logical framework. In theory, project output results in an outcome. Making new laws, for example, which are usually outcomes of many

<sup>24</sup> Nb: A proposal to amend the indicators was made in the Project Inception Report (UNIDO 2006 xxx), but the Evaluation Team could find no evidence that this was approved by either the stakeholder or UNIDO and have therefore assumed that the Indicators given in the Project Document remain those valid for evaluation purposes.



different activities, into outputs of the project; place the project implementer in an impossible position since the projects outputs are now beyond the immediate control of the project. Ideally, this design problem should have been noticed and corrected early-on during project implementation.

It should be noted that this confusion in the project design between 'outputs' and 'outcomes' is also problematic for the evaluation of the project. This is because it makes the logical thread of relationships between Objectives, Outputs and Inputs hard to maintain. One effect of this is that the reader may find that analysis below under 'effectiveness' and 'efficiency' is somewhat arbitrary since the authors have had to assess the effectiveness and efficiency of 'Outcomes' rather than 'Outputs'.

None of the inherent risks associated with the hoped for outputs were identified during project preparation, though it is noted that the Project Inception report makes some effort to analyse the risks, though this analysis does not seem to have been taken up by stakeholders and incorporated in adjustments in the project design.

From this analysis the Evaluation Team concludes that there has been activity in the project, but that it has led to very few outputs as planned in the Project Document.

# V

## Assessment

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The assessment is based on the analysis carried out in chapter II, III and IV and includes the following aspects: relevance, ownership, efficiency, effectiveness and sustainability. As explained above under methodology, this assessment was in part based on a standard series of thematic questions. These are attached for reference at Annex D.

The outcomes of a project are the changes that occur at the level of the target groups that are observed during the evaluation. Impact is the effect of the project on wider objective. This may occur outside the timeframe of the current investment.

The project will not achieve its immediate objectives and therefore will fail to have any impact on its development objective of facilitating industrial development and food export.

The immediate impact of the project has been very limited. Some training had been received and awareness created. Some legislative activity has been started and proposals for necessary institutional changes discussed. One useful project outcome has been the facilitation of inter-agency dialogue.

Notwithstanding these limited results, the fundamental changes required to meet the project objectives have not occurred and will not take place within the remaining project timeframe.

It should however be highlighted that the key reason why the project did not achieve most of its objectives was because they were overambitious and did not take into consideration the Least Developed Country context of Mozambique. It was highly unlikely that the objectives defined in the project document would be reached with the limited budget and timeframe. Therefore, the project was already bound to fail reaching its objectives before it actually started.

The following analysis is offered in support of this finding.

### A. Relevance

#### Relevance to the Millennium Development Goals

The overall objective of the project indirectly contributes to the achievement of the Millennium Development Goal 1 (Eradicate extreme poverty and hunger) by creating more jobs and revenues through facilitating export- oriented development.

It also directly supports MDG 8 - developing partnership for development – by improving the access of Mozambique to new markets.<sup>25</sup>

### Relevance to the Donor and to UNIDO

Thematically, the intervention fits well into the (current) project portfolio of the Swiss Government for Mozambique<sup>26</sup>. The project covers one of the core areas of the Swiss development cooperation under the SECO Strategy 2006, which is to provide assistance in creating favourable framework conditions for enterprises to export. The project also matches perfectly the operational mandate and core competencies, expertise and experience in industrial development of UNIDO.

SECO's main focus on Trade Related Technical Assistance (TRTA) lies in concrete implementation measures based on DTIS. Within the SECO Trade-Cooperation portfolio, UNIDO is a strategic partner in the area of Standardization, Metrology, Testing and Quality (SMTQ). SECO's new economic cooperation strategy focuses geographically on middle income countries (South Africa, Ghana, Egypt and Viet Nam). At the same time, SECO aims at achieving a "spill over effect" by using its new priority countries as "development hubs" for poorer neighbouring countries (i.e. South Africa for the SADC region). In doing this, SECO endeavours to capitalize on its expertise in countries with previous strong involvement and/or priority countries of the Swiss Agency for Development and Cooperation (SDC), including Mozambique and provide LDCs with support in integrating into world markets. Such linkages would especially make sense in the field of SMTQ (e.g. harmonization of standards, regional accreditation and product testing services, etc.) where a stronger (sub-) regional focus will foster the integration of LDCs in world markets<sup>27</sup>.

In conclusion, although Mozambique is not a priority country anymore, SECO's support in partnership with UNIDO in the field of SMTQ remains relevant.

### Relevance to the Paris Declaration on Aid Effectiveness<sup>28</sup>

The project was well *aligned* to the top priorities of the main local counterparts (MIC); it considered to a lesser degree the priorities of the Ministries of Health and Agriculture.

It was also well *harmonised* with interventions of other donors, with no significant overlaps identified by the evaluators.

The full agency execution mode of the project however is not in line with principles of the Paris Declaration in regards to (1) Parallel structures established to implement the project (PMU) and (2) No responsibility of the counterpart in regards to implementation and to financial management.

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<sup>25</sup> For a definition on MDG 8, see <http://www.undp.org/mdg/goal8.shtml>

<sup>26</sup> Source: Fact Sheets of the Swiss Cooperation Office in Maputo. See outline above.

<sup>27</sup> According to information received by the Swiss COOF in Maputo.

<sup>28</sup> PARIS DECLARATION ON AID EFFECTIVENESS Ownership, Harmonization, Alignment, Results and Mutual Accountability, March 2, 2005 (Switzerland is signatory of the declaration, but not UNIDO).

While implementation Project Management Unit (PMU) based in the local UNIDO Office (outside the counterpart) is not conducive for working towards the long term perspective of building capacities and ownership, this set-up might have been commensurate with the rather limited absorption and management capacities of local partners at the time the project was designed. This is also evidenced by the fact that – besides other forms of delivering assistance, such as general budget support - many donors are still using traditional execution modes for their projects in Mozambique.

However, the Evaluation Team also noticed a clear tendency of major donors in Mozambique to shift implementation modalities towards a form of National Execution (NEX). This is also likely to be increasingly the case for some key donors of UNIDO, including Switzerland<sup>29</sup>. Those significant changes in how aid is likely to be delivered in the near future results in an urgent need for UNIDO to develop a strategy on how to respond to or even capitalize on changes of client (donor) requirements. Developing specific recommendations on the strategic level would exceed the scope of this project evaluation, but it can certainly be said that the possible move to NEX requires strengthening project management capabilities of donors and specialized service providers.

The question of whether applying agency execution or NEX should not be misunderstood in a way that NEX necessarily leads to ownership while agency execution does not. Ownership is also driven by other factors such as whether the project is demand driven, feeds into national development priorities and strategies, the Government is an informed partner, part of the decision making process and uses or "owns" the outputs.

In conclusion, while traditional agency execution to implement the project was relevant for a first phase implemented with partners whose capacities for executing (at least parts) of the project nationally had not yet been created, the approach to project implementation should be revisited for a possible follow-up phase and gradually shifted towards a greater involvement of local counterparts in project implementation.

While immediate full-fledged NEX might not yet be an appropriate form of delivering highly complex technical assistance projects in LCDs, a form of "mixed execution" could help to eliminate some of the weaknesses of traditional agency execution, while retaining the distinctive advantages of agency execution. Important would also be a gradually shift from unilateral management by UNIDO towards co-management by increasing the involvement of counterparts into project implementation in general.

One option for UNIDO would be to continue providing technical assistance and equipment procurement services, where UNIDO has expertise local counterparts do not have access to, but to subcontract the implementation of other activities to counterparts.

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<sup>29</sup> The Evaluation Team note in this context the Swiss Governments Commitment to implementing Paris Declaration (SECO, 2005).

Subcontracting activities or components of a project might – depending on the budget - require waiving bidding requirements under UN-guidelines. It would at this stage not require changes to UNIDO's standard project agreements with donors (which give the possibility to subcontract). This is of course only possible where counterparts have a reasonable degree of operational and financial autonomy, meaning that they are legally entitled to enter into and receive payments under contractual agreements. It also requires the strengthening of monitoring, including financial monitoring.

#### **Relevance to the UNDAF Country Programme Framework and to “One UN”**

The project is relevant to some of the outputs and outcomes defined in the Country Programme of the United Nations Development Assistance Framework (UNDAF) in the area of trade, which is aligned with the PARPA II (see below), both of which provide the basis for achievement of the Millennium Development Goals (MDGs). In particular it contributes to outcome 4.3 “pro-poor economic growth strengthened by promoting decent employment, rural economic activities, access to markets, trade, financial services and infrastructure” and output 4.3.5 “Integrated Framework (IF) for trade related technical assistance enhanced and operational, including trade negotiations and facilitation and capacity to address supply side constraints, and national standardization, certification and quality assurance issues”. It is also of relevance to measures and activities proposed by the One UN Programme in the area of trade, namely to “take advantage of market access opportunities by meeting international product standards and improving competitiveness of local products”<sup>30</sup>.

#### **Relevance to the Integrated Framework (IF) <sup>31</sup>**

The project is further relevant to the Integrated Framework (IF), on which the DTIS is based on. Several actions identified in the DTIS action matrix relate to TBT/SPS, productivity of local industry, trade-related policies and procedures and trade facilitation in general. This includes: Streamlining the standard setting process, aligning Mozambique's standards with international requirements and improve product certification, compliance with SPS standards and quality norms, to guarantee access to international markets (action No. 34). The project also indirectly contributes to actions No 46 and 47 (encourage upstream and downstream linkages that add value to farm out-put by linking agriculture to manufacturing). The four priority sectors for exports identified by the DTIS include agriculture, which was a focus of the project.

## **B. Policy Relevance**

**Development policies:** of Mozambique include the “Agenda 2025” that was the basis for the current Five-Year Plan (2005-2009) and the second PARPA (2006-2009). PARPA II is derived from the Five-Year Plan and integrates the Millennium Declaration principles and goals. Its main targets are to reduce poverty from 54 per cent in 2005 to 45 per cent by 2009 and achieve an average real annual growth rate of 8 percent. The PARPA is the PARPA II is the reference framework for design of

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<sup>30</sup> Government of Mozambique, UN Country Team in Mozambique, “Delivering as One”, Building Capacities for Effective Trade Policy Formulation and Management, August 2008.

<sup>31</sup> Integrated Framework for Trade-Related Technical Assistance to LDCs

sector and provincial strategies, policies and plans such as the Economic and Social Plan (PES) and the State Budget. While PARPA II does not include the measures the project has undertaken to facilitate trade, the project's objectives are relevant to the objectives defined in the second pillar of the PARPA, which is to reduce poverty by spurring economic development<sup>32</sup>.

**Trade Policy:** The project is of high relevance to the overall goal of Mozambique's trade policy issued in 1999, namely 4.2 (promoting the increase and diversification of exports), 4.3 (improving marketing conditions by increasing supply in terms of quantity, quality, diversity, delivery and price conditions), 5.3.2 iv (support to exporters in achieving quality of products). It is in particular fully in line with the Government of Mozambique's strategy to support the creation and development of a national laboratory network, which is duly equipped to undertake recognized quality tests and the establishment of a national system of standards (6.1. iii) and to promote the export of agricultural produce 2.1.2 vi.

The project is further highly relevant to the "Quality Policy and Strategy of Implementation"<sup>33</sup> approved by the Council of Ministers. Overall, the objectives of the project are highly relevant to relevant policy documents of the Government of Mozambique. This was also confirmed during all interviews the mission conducted.

Beyond this, an adequate metrology and quality infrastructure also contribute significantly to poverty alleviation through fostering *domestic* trade. Without a well developed testing and metrology infrastructure, Mozambique risks being a dumping ground for substandard and even hazardous imports from other countries as well as for domestically produced goods of low quality. The already limited purchasing power of the poor is thereby further exploited. Sub standard goods circulating in the domestic market jeopardize health of the population, especially the poor. It seems from numerous comments during interviews that this is already a problem.

### Relevance to Target Groups

The objectives of the project were highly relevant to the direct counterpart, the MIC.

They were of more limited relevance to the Ministries of Health and Agriculture, which were the main direct beneficiaries, but more concerned with domestic food safety and quality issues that with those related to exports.

The project was highly relevant for *exporting* enterprises (indirect beneficiaries), consumers and other stakeholders. Access to high precision metrology and testing facilities that provide accurate and internationally recognized services and the implementation of QMS contribute to quality and efficiency improvements and hence to increased international competitiveness<sup>34</sup>.

Overall, the Project has been and is of high ongoing relevance for the Government of Mozambique, the direct counterpart (MIC), enterprises, consumers and to the

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<sup>32</sup> Based on interviews, the evaluators did not have access to the document.

<sup>33</sup> Resolution No. 51/2003 of the Council of Ministers, dated 30 November 2003

<sup>34</sup> For details, see summary of enterprise survey conducted by the Evaluators.

people of Mozambique overall. It is also highly relevant to the donor, UNIDO and overarching international objectives, such as the MDG. It was less relevant to the direct beneficiaries (Ministry of Agriculture and Ministry of Health).

#### **Relevance to framework conditions**

Mozambique still does not have a viable, internationally recognised National Quality System with clear delineation of functions by administrative entities. A fully agreed national quality policy framework is still not in place. Neither does there seem to be a clear plan available to address these short-falls. The development of these framework conditions should be required before further support.

Having said this, the Mozambique Integrated Framework document does include SMTQ, so future donor interventions should be properly coordinated within a proper structure.

The absence of a strong private sector lobby for proper National Quality Systems is a drawback in Mozambique. Promotion of understanding of the issues and engagement with the private sector to vocalise demand for an NQS should be an important element of design in such projects.

#### **Project design**

The project design was relevant to the priorities of government, but less so to the private sector. Insufficient account was taken of existing private SMTQ service providers during design and implementation with the risk that government and private service providers might be competing with one another. The engagement of stakeholders in the design does not seem to have been deep enough to ensure full participation. Several of the priority sectors identified during design have subsequently proved to be irrelevant (for example honey, where effectively no trade exists or is likely to exist in the near term).

The counterpart structure developed in the design was appropriate. The MIC coordinated the project from Government of Mozambique. However, the Evaluation Team note that, by placing this burden on key officials with MIC the project made coordination difficult because coordination at middle management between Ministries is inherently challenging. The problem of high staff turnover in Mozambique could have been identified during design and mitigating. Instead, this problem amplified the difficulties inherent in coordination between stakeholders.

There is evidence for coordination with other donors as well as with the SECO project portfolio in Mozambique at the design stage.

The project design considered only certain elements of a proper NQS. It seems that, during design, the project was enlarged from only food safety for export to include domestic food safety and metrology. No additional resources or implementation time was given to reflect this additional responsibility. As a result, the Evaluation Team find that the design was over ambitious, but at the same time lacked the comprehensive approach needed to deal with all aspects of NQS at the level of

competent authorities. Future design of similar project might consider using a structured design framework to ensure comprehensive strategic intervention.

During project implementation no further relevance issues other than those mentioned above arose.

## C. Ownership

Ownership refers to the degree to which the stakeholders involved in achieving a project's objectives are involved in developing, implementing and sustaining the project and its actions. Means of measuring ownership include: clear identification of all stakeholders at project development, engagement of stakeholders in project governance and uptake by key partners of responsibility of for project impact.

The project was 'governed' by a Steering Committee which has met twice a year on average and had wide representation, mostly from Government, but including private sector and consumer representation. Stakeholders were happy that their 'voice' could be heard, though private sector participants complained that much of the dialogue at these meetings concerned inter-agency demarcation disputes and that this slowed progress towards the project objectives.

The Government of Mozambique provided in-kind contributions in the form of staff time, though it is noted that the CTA consistently complained that this was insufficient (see for example an email from the CTA to the Permanent Secretary of MIC of 20 February 2007 where he complains that stakeholders consider the project a "UNIDO" activity and not the responsibility of the Government of Mozambique). Though Government of Mozambique contributed financially in payment of import taxes on equipment, there was no other financial commitment.

Responsibility for financial disbursements was held by UNIDO. It is the view of the Evaluation Team that ownership cannot be fully achieved unless full co-management is designed into projects. This means that all key project decisions should be co-owned by the implementer and the stakeholders including financial disbursement. At the end of the day, the retention of signing rights by UNIDO staff alone unbalances the relationship and severely limits the possibility of ownership.

In our view, the stakeholder analysis conducted during the preparation of the project documents was inadequate and resulted in both design flaws and much wasted time debating roles and responsibilities that should have been resolved before the project started. Private sector leaders interviewed during the Evaluation complained that they should have been the beneficiaries of the project and the Government merely a service provider. We tend to agree.

Other minor issues made stakeholder ownership difficult. For example: locating the UNIDO hired staff in the UNIDO office (rather than in the office of the Government of Mozambique counterpart). Recruiting consultants without prior agreement of counterparts alienated key officials. The project failed to gain an identity or brand: all stakeholders interviewed referred to it as "the UNIDO project". In this respect we note that key project documents were entirely prepared by UNIDO staff. This is



illustrated by the Draft Project Inception Report which notes on its cover “UNIDO Report to Stakeholders”, which implied that the stakeholders had no ownership of the detailed plans for implementation contained therein.

The Evaluation Team consider project ownership to be weak.

## **D. Efficiency**

Efficiency is a measure of how economically inputs (through activities) are converted into outputs. This is summarised under the sub-headings of technical assistance, equipment, capacity building, policy, awareness, and targeting.

The Evaluation Team were unable to undertake an analysis of the financial efficiency of the project (e.g. the value for money of the activities) because the UNIDO accounting system does not allow disaggregation of financial disbursement by individual project activity, only by immediate objective. UNIDO should consider following the practice of other donors of relating budget codes to project planned activities to allow financial and physical monitoring by project management.

As we have shown under section IV above, the project has not achieved almost all of its outputs. This was due to a) design weaknesses (overambitious objectives, no risks and assumptions defined) and b) implementation problems. In assessing the efficiency of the project, the absence of tangible outputs makes evaluation difficult.

### **Project implementation mechanisms**

The Project successfully recruited a Chief Technical Advisor and a National Consultant. High quality short-term consultants have been identified. In the case of the CTA, some stakeholders interviewed complained about communications problems due to the lack of Portuguese language skills and to some degree a mismatch between the personalities of the key counterparts and the CTA. The salary differences between international experts and local counterparts highlighted as the key issue by project management might have been one, but not the key underlying reason for the difficult relationship. While the Evaluators recognize that salary differences between international and national experts tend to be an issue, evidence for this is that there are numerous other UNIDO experts who are successfully working as CTAs or long-term TAs in developing countries, including in Mozambique. Both evaluators have a long-track record of working as Technical Advisers in developing countries and none of the counterparts they have been working with had ever contemplated the fact that they received a competitive remuneration. The key issue for counterparts is to receive value for money, and this includes that TAs are able to contribute to the achievements of project objectives. This in turn requires not only technical but also other crucial experience, skills and abilities.

The Evaluation Team recognises the difficulty of identifying specific technical expertise combined with interpersonal- and language skills in the highly complex and specialised area of TCB. However, every effort should be made to assess candidates on other than technical key skills and abilities (e.g. interpersonal, cross-

cultural skills, language skills etc.), particularly in respect of CTA's. The appropriate way to do this is to establish a more elaborate screening process by the Human Resources department of UNIDO. Other donors such as the GTZ (Germany) and DFID (Great Britain) have such systems in place.

Stakeholders also complain that they were not always involved with TA recruitment. This issue is discussed under ownership above.

Project management has made efforts to be results orientated, but as we have mentioned above, we believe that the ownership and detail of work planning was weak, realignment of indicators and objectives inadequate and systems within UNIDO currently unable to allow proper financial and physical management in the field on a day to day basis because financial reporting is not by project 'outputs' and 'activities'.

Coordination between relevant UNIDO departments (Agro Division and Trade Capacity Building Division) was poor at the start of this project. Both UNIDO Divisions directly supervised in country implementation and this led to conflict. From the Job Description of the CTA it was clear that he was originally meant to only supervise the metrology aspects of the project, through in reality he took responsibility for all. This dual management was identified as a problem and resolved by nominating a single UNIDO official from the Trade Capacity Building Division as the focal manager for the project. This approach of a single UNIDO manager should be standard practice.

Coordination within Mozambique was through the MIC with governance by a Steering Committee that met fairly frequently. Staff turnover in MIC and the call on MIC staff for other duties made concentration on achieving project outcomes difficult. A more efficient option might have been to separate the functions of day to day management from those of strategic guidance and awareness by having a larger governing body meeting annually to consult and provide guidance on strategy matters , but a smaller committee meeting more regular including only a small group of stakeholders directly engaged in project delivery. There is also a need to define clear procedures on how to manage change.

We find that project reporting was not sufficiently aligned with the logical framework but rather focussed on activities.

### **Equipment**

The project has made a substantial investment in equipment for laboratory services. The approach adopted of reviewing the needs of the target laboratory first and then procuring internationally was appropriate.

However, by the time the Evaluators conducted their field mission, a considerable number of the equipment purchased to date had not been used. The testing equipment in the Food Safety Laboratory has yet to be commissioned. The metrology equipment in the mobile laboratory of INNOQ cannot be used because the laboratory is not accredited and therefore cannot issue certificates. The equipment provided to the Maintenance and Repair department of the Ministry of

Health is being used within that Ministry, but not for all quality laboratories and competent authorities as envisaged. A number of computers have been purchased and seem to be in use and appreciated. Software purchased for keeping maintenance records is not used.

In sum, the equipment purchased by the project seems to have been appropriate, but its late arrival or the lack of agreement on enabling conditions for its use means that it has not had any impact.

After the presentation of the preliminary findings of this evaluation and on request of SECO, UNIDO immediately performed a check on the status of each single piece of equipment purchased under the project and identified the measures needed to make all equipment operational. This list was shared with the evaluators after the de-briefing meeting.

### **Capacity Building**

Capacity building was in the form of a) study tours, b) specialist in-country training and c) day to day support from Technical Assistance (local and international). These are considered separately.

#### **(a) Study tours – awareness, building relationship with potential support agents**

Study tours to Ireland (food safety) and Malawi (standards) were completed and seem to have been well organised and received. The Evaluation Team were told that the study tour to Ireland was organised for senior officials (at the level of Permanent Secretary), but were later delegated to more junior staff. In the early stages of development of national quality infrastructure, UNIDO rightly aimed at exposing senior officials to some strategic alternatives. More efforts should have been made on all sides to ensure that the right officials attend study tours. More could have been done to include private sector partners in these tours (and in the training) and this reflects the distance in Mozambique generally between public and private sectors.

The Evaluation Team note that for all study tours at least two UNIDO funded staff attended. It is our belief that only under exceptional circumstances should funding of UNIDO experts on study tours be considered and that these circumstances should be subscribed in standard procedures.

#### **(b) Specialist in-country training**

UNIDO is well placed to provide specialist training and has demonstrated this effectively in this project. For example, the team providing M&R training was particularly well received. Some stakeholders complain about the training language used (e.g. not Portuguese). In some cases trainers have not issued certificates and this is particularly disappointing when it potentially impacts on accreditation (as with the Fisheries Laboratory). On the whole the specialist in-country training was efficiently provided.

#### (c) Day-to-day training

A key aspect of capacity building, particularly at the early stages of quality infrastructure development, is on-the-job support and the guidance. The short term input by the CTA in this case and his lack of Portuguese made on-the-job training difficult, though stakeholders recognised his genuine expertise and knowledge. The level experience and training of the National Consultant was considered by some to be insufficient for day-to-day training. Locating both this TA in the UNIDO office limited the likelihood of day-to-day capacity building and UNIDO should consider embedding such TA within target Ministries in future.

#### (d) Policy input

Successful development and application of food safety and quality policy is a key prerequisite to success for this project and has proved one of the major stumbling blocks. The inputs seem to have been sufficient; however, the results have been disappointing. One missing aspect in the view of the Evaluation Team was an element of the project creating demand for policy change from the private sector.

#### (e) Awareness

Almost stakeholders interviewed were familiar with the project and its aims. The exception was the private sector.

#### (f) Targeting

The great majority of project investments were for the Government of Mozambique. The logic underlying this approach was that in order to develop private food safety and quality infrastructure in Mozambique a minimum level of government competence and regulation is needed. The only laboratory service which is approaching international standard in the entire country is that of the Fisheries Ministry, which has received substantial support from donors over many years and is driven by an important industrial sector which needs quality assurance for its key markets.

In the other sectors identified as targets for this project, this demand does not exist. For example, the only horticulture exports from Mozambique to the European Union are a small quantity of baby-corn and these are certified in Zimbabwe. Demand for calibration and metrology services is small and met by external agents, mostly in South Africa.

Overall, efficiency of the project was not fully satisfactory. This is a result of systemic issues (incoherent policies and structures within different government agencies), design flaws and project management problems.

## **E. Effectiveness**

Effectiveness is the extent to which the development objectives of an intervention were or are expected to be achieved. It is a measurement of the outcomes of the project and its impact and ability to reach the target groups.

Given that, by-and-large, the project has failed to achieve its objectives and, in the view of the Evaluation Team, is unlikely to do so within the remaining timeframe, the degree of effectiveness of the project is considered inadequate. In this section we assess the project outcomes and likelihood of impact that has led to this conclusion.

Since the project aimed to promote specific exports into European and Swiss markets, the ultimate target of this project should have been private production and export enterprises. Since this group has not yet been reached, the project is *ipso facto* not effective.

### **Project design**

Whilst the causal chain from outputs to outcomes was relatively explicit in the project logic (accepting the confusion of 'outputs' and 'outcomes' - see discussion of this issue on page 16 above) it was not sufficiently reviewed as this might have led to some adjustment in ambition. The link between the needs of the private sector and the project outputs was particularly poorly formed and this ultimately limited effectiveness. The project did not at its design stage fully explore the cost efficiency of providing SMTQ services through the private sector. In future project designs this should be given much more emphasis.

The absence of properly verifiable indicators and the collection of data mean that the outcomes of the project are not measurable in an objective manner. Assumptions and risks were identified by the CTA but not incorporated in the project logic. Therefore strategic changes to implementation were not made. In general, greater adherence to the use of the logical framework as a flexible management tool (instead of just a design instrument) would have resulted in a much more effective implementation.

### **Project implementation**

The outcomes of the project are not systematically monitored and assumptions have not been periodically reviewed. There was no data provided to the Evaluation Team on the degree to which the clients were satisfied with the outputs and that these might lead to impacts. A small survey conducted by the evaluation of some project clients (see Annex C) indicated that a) the services were highly needed and b) by and large they were not being provided (Nb: it should be noted that the sample was small).

The Evaluation Team could find no evidence of demonstrable improvements in the quality of SMTQ services in Mozambique as a result of the project interventions. Neither could the Team describe any of the institutions supported as either customer or consumer orientated. In fairness, these concepts are rather new in Mozambique.

Despite some successful capacity building, particularly by short-term experts, the Evaluation Team consider the likelihood of long-term impact among the immediate target group (mainly government officials in prospective competent authorities) to be very low. This is mainly because key enabling conditions and objectives have not been met as outlined above.

Equipment needs have been identified by the project (see for example Ellard, 2006). As mentioned above under efficiency, at the time of the evaluation the majority of the equipment procured by the project had not been commissioned and therefore it was not possible to judge whether the combination of training and equipment might result in impact for beneficiaries. In the view of the Evaluation Team it is unlikely that this condition will change within the timeframe of the existing project.

Equipment for food safety and quality assurance testing needs to be housed in appropriate buildings, in order to comply with international standards for laboratory accreditation. In the case of quality infrastructure, these need to be purpose built. The current INNOQ establishment on the third floor of a busy part of Maputo is inappropriate.

Some capacity has been built as a result of the project and this will contribute towards the eventual achievement of the projects overall objective. However, in the absence of progress on other conditions (policy, infrastructure, legal framework, institutional change etc) capacity building is insufficient to achieve impact.

Much still needs to be done for the laboratories being supported by the project to achieve working practices necessary to attain international recognition (ISO 17025). The needs in respect of training seem to have been identified (see for example Jansen 2007 and Rossi 2007) but little progress made towards addressing these needs in a comprehensive and systematic manner.

The creation of a suitable policy environment to enable quality management and food safety is a critical success factor. The project identified this and worked toward creating suitable laws and policies. However, none of these policies had been implemented at the time of the evaluation and stakeholders seemed sceptical that they would be achieved before the end of the project. Key elements that are still missing are development of food safety and metrology law and setting up independent food safety and standards institutions.

The project has not yet set up the two web sites proposed in the work plan. This is a sequencing issue as the project had planned to develop websites only after the Food Safety Panel had started work and this has not yet happened. With the benefit of hindsight, the Evaluation Team think that this activity should have been undertaken earlier in the project to promote awareness.

Much more effort is needed to encourage demand for food safety and quality services. The project recognised the importance of private sector and consumer influence on this demand by including representatives in study visits and on the project Steering Committee. The voice of the consumer is particularly poorly heard in developing countries and the initiative to promote consumer affairs is applauded and should be considered for future project design. However, the project has not raised the capacity of either the private sector or the consumer lobby to a level where it will influence impact.

The project design chose to select horticulture, fish, honey and cashew nuts as its target sectors for export to the European Union and Switzerland. With the benefit of hind-sight, this was ambitious, though understandable. The food testing lab was

specifically being upgraded to be able to test and certify products from the sectors mentioned. All parameters for which the laboratory is being prepared to future accreditation refer to the above mentioned sectors.

The selection of target markets might also be questioned. Whilst the EU is an important market for Mozambique seafood, many of Mozambique's exports go to regional or non-EU markets. In particular, demand from India and China has increased significantly between project design and implementation. Also, private standards have emerged as of critical importance to market access in recent years. In this regard the project has not demonstrated flexibility to meet the changing demand environment.

The inclusion of the fisheries sector in the list of target commodities is of interest. This sector will shortly attain accreditation for its laboratory, but this achievement cannot be in any way ascribed to the activities of the project. Rather it reflects the efforts of other donors and the support of the private sector.

The project will not achieve its objectives as stated in the project document. On the basis of this analysis, the Evaluation Team considers the effectiveness of targeting of the project to be limited and the likelihood of impact low. Whilst many of the outputs have been useful, failure to attain any of the outcomes means that the impact on industry, SMTQ institutions and Government in general has been less than satisfactory.

## **F. Impact**

Impact refers to the long term effect produced by a development intervention. These can be positive, negative, direct, indirect, intended or unintended.

The relationship between the outcomes of the project and its impact is not clearly stated and does not seem to have been reviewed. There is no clear plan of which indicators will be used to observed impact. There was no base-line survey carried out upon which the Evaluation Team could potentially base an analysis of project impact or the past or future demand for SMTQ services. Neither has a control group of companies unaffected by the project been established as a 'control'.

### **Project implementation**

Since the project has not yet attained the level of outcomes that might impact upon the private sector, no database of potential client companies exists. Neither has a systematic system for monitoring down-stream impact been developed. Data currently available will not allow ex post evaluation of impact.

The Evaluation Team finds that impact is likely to be well below expectations. In the area of food safety we believe that impact will only occur once the laboratories of the competent authority have been fully accredited. The same applies to the area of metrology.

## G. Sustainability

Sustainability is a measure of the ability of stakeholders to achieve and maintain the developmental objective after the end of the project. Since the project has singularly failed to meet any of its objectives or to adjust the objectives during the project period, the Evaluation Team conclude that there is very little likelihood of project activities being sustained without further intervention.

### Project design

The market for SMTQ services in Mozambique is thin, reflecting the low level of industrial and agricultural development in the country. As a result, the project has shied away from a strictly private sector focus to developing sustainable SMTQ services. With the benefit of hind-sight, greater involvement of the private sector at the design stage might have led to a greater likelihood of sustainability.

In terms of government commitment some progress has been made, but much more is needed from Government of Mozambique before the National Quality System is self-sustaining. Some of the necessary conditions for success are suggested below.

For the establishment of the food safety system, the Evaluation Team think that the following actions are still required (where the project is hoping to achieve these aims during the current phase of implementation, this is mentioned in brackets):

- Enactment of enabling food safety law to create the independent Food Agency (in progress – but unlikely to be completed by project end)
- Proper separation of inspection and certification functions to ensure credibility (in progress, but unlikely to be completed by project end)
- Upgrading of inspection services to international standards (in progress, but will require additional time and resources to complete)
- Development of proper market surveillance
- Initiation of all aspects of a properly functional a competent authority (in progress but dependent on enactment of new law so will not be completed during current phase)
- International accreditation
- A focus on market food safety standards rather than minimum market entry standards

To achieve the objective of having the technical infrastructure for product compliance and market entry (and to protect domestic consumers) the following minimum requirements are still needed:

- Enactment of a metrology law
- Creation of a financially independent Standards Authority



- A much more comprehensive effort to develop standards
- Building a suitable, permanent, metrology facility

On the specific issue of M&R, the Evaluation Team appreciates the innovative idea of centralising this in the Ministry of Health, but has doubts as to whether this will work. This view is formulated on the basis of discussions with laboratory managers in Mozambique. The strategy for providing such services is often left out of projects and it is a positive feature of this project that it was included. However, alternative strategies, including developing private sector expertise to support M&R, might be considered.

On the WTO notification sustainability is threatened by the inability of Government of Mozambique to resolve internal issues. Further support and motivation for this should come directly from WTO within whose mandate this falls.

Nothing was done to develop an alert system, so sustainability could not be assessed.

On the basis of this the Evaluation Team conclude that stakeholders in key competent authorities that assure compliance with international standards in Mozambique will not be able to attain the development objective of the project without further support.

# VI

## Issues with regards to a possible next phase

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The Evaluation Team received no written proposals for a further phase of the project. However, the evaluation analysis clearly indicates that a) the objectives are still, to some extent, valid; and, b) none of the objectives have been met.

EU project under preparation and due to start in mid 2009 will address support to developing quality assurance infrastructure. Therefore, the Evaluation Team believes that any further investment in this area should focus on achieving the aims of the food safety part of the project. In particular, it should support the emergence of the Food Safety Panel as a stepping stone towards creation of a fully autonomous Food Safety Agency.

We suggest that for a further phase some minimum conditions are set. These might be selected from among the following:

The Food Safety Laboratory in the Ministry of Health should be awarded basic financial and managerial autonomy from its line ministry.

Further support to the Repair and Maintenance facility in the Ministry of Health should be contingent upon a signed agreement between MoH and other Ministries that may benefit from this arrangement.

The Food Panel should be appointed and a plan in place for the eventual setting up of a Food Safety Agency.

Before autonomy is achieved for the Food Safety Agency, an approved business plan is required which clearly outlines the income and cost streams independently of donor support. This is necessary to ensure sustainability.

Future support for the area of Food Safety Conformity and the development of a robust Competent Authority in Mozambique will require intensive hands-on capacity building on a day-to-day basis for some time to come. This should be recognised in the design of future support.

A fully developed monitoring and evaluation system should be in place including bench-marking and clear, measurable milestone, prior to any further support. The Evaluation Team would recommend that the Government of Mozambique once again brings together stakeholders to ensure clarity with regard to roles and responsibilities in the national Quality Infrastructure at the earliest opportunity. A phased approach for future intervention is suggested. This might start with bench-

marking and stakeholder analysis, and development of clear business plans during its inception phase. This would be followed by systematic development of quality conformity capacity with a focus on attaining accreditation in food safety.

To avoid a repeat of the experience of this project, a fully independent mid term review is necessary and should be a requirement for further funding phases.

With respect to the relevance of investment in the Food Safety Laboratory in the Ministry of Health, the Evaluation Team believes that this is the appropriate institutional location for the Competent Authority in this case. The Government of Mozambique has decided that domestic and international food safety will come under the purview of MoH and that other Competent Authorities such as the Sanitary and Phytosanitary Authorities will be subservient to any future Food Safety Agency. This format of separating compliance and inspection functions from standard setting and regulation in line Ministries is in line with best practices in developed and developing countries<sup>35</sup>.

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<sup>35</sup> See for example Santera C (2006), "The Answer to the Global Quality Challenge: A National Quality Infrastructure", PTB, Bonn.

# VII

## Recommendations

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On the basis of the analysis conducted of the project, the Evaluation Team offer the following recommendations. These are divided into those directly specifically at UNIDO, those for Government and finally those for the Donor organisation involved.

### A. Recommendations to UNIDO

Before initiating similar future projects, certain activities are necessary either prior to implementation or during a distinct inception phase. These should include:

Full stakeholder analysis with clarification of all roles and responsibility with respect to project development objective.

Mapping of existing service providers (government and non-government) to ensure that over-lap or over-capacity is not created and that emerging private service providers are not crowded-out.

Review of the project logic including re-casting of the OVIs in light of the conditions at the time of implementation.

Development of a monitoring and evaluation plan to ensure collection of the information required to judge impact and sustainability.

A suitable base-line survey including bench-marking of quality infrastructure.

Development of an exit strategy together with stakeholders.

In order to facilitate management by results and co-ownership of financial implementation UNIDO need to develop an accounting system that allows UNIDO, the donor and the direct counterpart(s) to know the relationship between project finances and delivery of activities.

Complex projects such this with multiple stakeholders involved in management and outcome delivery are hindered by confused lines of responsibility. In the absence of clear agreement on roles and responsibilities among stakeholders, beneficiaries tend to assume that the implementing agent will take on all responsibility for achieving project objectives. Competences, responsibilities and accountabilities of all involved in project management (including governance bodies) for such projects should be clearly defined.

It is the view of the Evaluation Team that UNIDO should re-consider how such projects are governed. A more structured and in-depth approach to governance would, in our view, promote ownership, better management and early identification of problems. For example, the strategic management and ownership should not necessarily be combined in a single “stakeholder” committee. Another approach might be to separate these function by having a small, more regular Committee who fulfils the role of strategic management of the project, and a larger Committee that meets annually to ensure stakeholder involvement and to consult on strategic matters. It might also be wise to develop a ‘contact group’ made up of those involved in the day-to-day management of the project to ensure smooth delivery. This ‘in-country’ group would be highly flexible and could meet very frequently for short problem-orientated sessions.

Selection of Technical Advisers should consider aptitude beyond merely technical competences. For example, inter-personal skills, linguistic abilities, country experience and evidence of being able to work in close collaboration with counterparts can be as important as specific technical know-how in such projects. We therefore recommend that UNIDO consider some kind of broader screening and assessment (including e.g. aptitude and attitude tests) of these skills during its recruitment process.

The Evaluation Team recommends that UNIDO develop manuals for preparation and delivery of TC projects in each field. As for TCB, the manual should define the necessary minimum elements for a national quality infrastructure that complies with international requirements. The manual could also suggest a menu of solutions to the typical problems that arise in developing a national SMTQ system.

Where two or more UNIDO Divisions are engaged in the implementation of a field project it is recommended that a single Division is appointed as the focal point. When a CTA is place in a project, his/her job description should be for the whole in-country aspects of the project and not just elements.

UNIDO should consider how to reposition itself in order to respond to or even capitalize on donors increasingly shifting towards new modes of aid delivery, such as budget support, basket funding and Sector Wide Approaches, which are mainly implemented through a form of national execution. Those developments may call for redefining UNIDO’s role as traditional “executing agency”. An assessment of which value added services will in the future be in high demand is needed – and based on this - a plan on how to develop the necessary competencies needed.

As an intermediated step to shift towards an increased role of counterparts in project implementation, UNIDO might consider initially applying a form of “mixed execution”, whereas international expert input and maybe provision of highly specialized equipment would still be delivered by UNIDO, but other services subcontracted to a local counterpart. This requires a reasonable degree of organizational and financial independence of local counterparts. Using the subcontracting mode might require waving bidding requirements under UN-guidelines. It would at this stage not require changes to UNIDO’s standard project agreements with donors (which give the possibility to subcontract).

There are some circumstances where it is necessary to use the services of a full time in-country technical assistant to ensure delivery of outcomes. The Evaluation Team argue that complex, technically challenging and trade critical projects such as SMTQ are examples of circumstances that require hands-on management and capacity building. The extremely high cost of quality infrastructure investment is continuously undermined by inefficient project coordination and absence of clear direction during implementation of projects. In this case the cost of a full time Technical Advisor is justified up to the point of self-sustaining development, which we would argue, is when laboratories are accredited internationally.

We further recommend that in future all TA should be embedded physically within the partner organisation and not be based either outside or in the local UNIDO office. This recommendation is made to further ownership, promote co-management and encourage day-to-day on-the-job capacity building.

It is recommended that the inclusion of UNIDO staff in study-tours or trainings should only be done when this can be fully justified. UNIDO should consider developing a standard code of conduct in this regard.

Greater involvement of partners in procurement is recommended. For example, we suggest that repair and maintenance units are involved in the definition of specifications of equipment to ensure that the capacity to repair exists *ex ante*. Copies of all manuals, warranties, guarantees, service agreements etc must be shared with recipients of equipment immediately after procurement.

We recommend that in future UNIDO inception reports should become a core management tool and milestone for projects that is endorsed by stakeholders before full-scale implementation commences.

We also recommend that, in future, mid-term reviews should be conducted as an integral part of the Project Cycle Management System.

When ability to fulfil requirements of specific export markets are included as objectives in project documents, careful attention should be paid whether those countries are obvious trading partners for certain products.

The Evaluation Team recommends that, in future interventions, the issue of Consumer Rights should not be over-looked as this forms a key element in the overall demand for quality conformity within national quality infrastructure. This issue is a particular challenge in developing countries and should be the subject of strategic research to identify innovative and successful solutions.

Creating demand for quality among consumers and firms through awareness raising projects should be considered as normal parts of SMTQ projects.

Promoting exports of developing countries requires a three-pronged approach, including (a) *compliance* with technical market requirements (b) access to market information (*connect*) and (c) and *competitiveness* in terms of price and product quality. While the “connect” element is not part of UNIDO’s mandate (it comes under the mandate of ITC/UNCTAD), there is a need to coordinate these three elements to develop a comprehensive approach. UNIDO could position itself as the

coordinating agency in projects covering all three areas, where calling on expertise of UNCTAD and ITC to implement the “connect” part. This would also require strengthening the ground (UNIDO Country Office).

## **B. Recommendations to the Government**

We recommend that the Government of Mozambique push forward urgently with its plans to develop an independent Food Safety Agency as this will ensure sustainability of the current investments.

The present metrology capacity in Mozambique is still insufficient to meet international standards and to receive accreditation. As this is a cornerstone for industrial development in Mozambique, urgent efforts to build permanent, suitable metrology infrastructure is highly recommended.

We recommend that plans to give INNOQ autonomy be encouraged and that this should be done on the basis of a more elaborate business plan. The existing draft prepared by the project could form a basis.

The Government of Mozambique should support a possible Phase II of this project along the lines suggested above, especially with respect to the pre-implementation setting suggested.

We recommend that line-ministries come together to further develop the model of creating a centralised Repair and Maintenance facility. While this is conceptually attractive, until there is clear evidence of buy-in by all the Ministries involved, it would be difficult to proposed further investment in this model.

It is recommended that future interventions in the area of SMTQ be highly focussed on the need of the private sector. Therefore, before investments in infrastructure and capacity are made, an objective assessment of demand should be undertaken. The involvement of the private sector in governance of the national quality infrastructure should be considered a norm.

## **C. Recommendations to the Donor**

It is recommended that SECO provide a three month no-cost extension to the current phase to allow the disbursement of the remaining budget as planned.

We recommend that SECO consider funding a second phase of this project along the lines suggested above.

SECO might consider using an “umbrella approach” for trade capacity building instead of individual projects for each area. Technical assistance could be delivered through one project covering “comply, connect, and compete” aspects coordinated by UNIDO, which for “connect” aspects would call on other specialist multilateral agencies (e.g. UNCTAD and ITC). Further assistance should be aligned to objectives identified in the DTIS.

Aspects of consumer rights/consumer protection should become an integral part of future SMTQ projects funded by SECO trade cooperation programme.

The standard duration for phases of future SMTQ projects should be extended to 4 years. Where several phases are needed to build up a well functioning quality and standards infrastructure, the design of the first phase should already include a roadmap over the whole cycle (overall budget, timeframe, phases, milestones etc.).

SECO should insist on consistent application of a proper monitoring and evaluation system, mid term evaluations to be conducted as planned and sound governance structures for projects.

Roles and responsibilities of COOFs should be clearly defined. Areas where COOFs could add value are in the field of donor coordination, coordination among SECO projects, actively participating in project meetings and monitoring (representing SECO as a client of UNIDO).



# VIII

## Lessons Learnt

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The Evaluation Team considers that the most important lesson from this project is that weak application of Project Cycle Management (e.g. comprehensive stakeholder analysis, proper development and use of a logical framework, application of monitoring and evaluation tools etc) results in poor performance.

A further important lesson from this project is that confusion over roles and responsibilities among all project partners causes inefficient execution. Clarity on roles, responsibilities, reporting-lines and accountabilities within and among project partners should be agreed before implementation and revisited as needed.

An important shortcoming of this project was its failure to achieve accreditation of the metrology laboratories. The lesson here is that a focus on systematic development of compliance within a properly framed National Quality System is the key to meeting the needs of the private sector. This should be core to any future SMTQ interventions. A systematic approach is needed to achieve this aim.

More effort is needed to identify the key success factors for SMTQ projects.

# Annex 1: Terms of Reference

## Terms of Reference

### Independent Evaluation of the UNIDO Project:

### “Enhancing the capacities of the Food Safety and Quality Assurance System for Trade”

UE/MOZ/05/001

#### I. BACKGROUND

The project “*Enhancing the capacities of the Food Safety and Quality Assurance System for Trade*” has been funded by SECO and executed by UNIDO starting in December 2005. The project aims at strengthening the national system for food safety analysis, certification and inspection in Mozambique with a view to enhancing compliance with international standards and TBT/SPS WTO agreements.

The project comes under UNIDO’s thematic priority of *Trade Capacity Building (TCB)* that is structured under three headings:

- Compete – Developing competitive manufacturing capability
- Comply – Developing and promoting conformity with market requirements
- Connect – Enhancing connectivity to markets

The project under evaluation deals with “Standards, Metrology, Testing and Quality” (SMTQ) and thus comes under the “comply” heading. The project document defines the development objective of the project as follows:

*Facilitate industrial development and food export capabilities (and consequently spurring economic growth and employment opportunities) by reducing technical barriers to trade through the strengthening of food testing, standards, metrology and conformity assessment institutional structures and national capacities.*

With a view to achieving this development objective the project document defines two outcomes (immediate objectives) and nine outputs:

- i. A coordinated national food safety system that is compliant with international requirements with special focus on the public institutions
  - a. A coordinated framework for support institutions developed and established
  - b. Food safety legislation updated and harmonized to meet regional and international requirements

- c. Food inspection services upgraded
  - d. Strengthened national capacity for food analysis (IAAM)
- ii. To develop and implement the required technical infrastructure (standards, metrology and conformity assessment) suitable for product compliance with market entry requirements
- a. Priority aspects of the national quality policy implemented at INNOQ
  - b. Standards revised and updated so as to meet international requirements and ensure compliance with specific standards in the Swiss and European markets
  - c. Local instrumentation support centre for repair and maintenance of laboratory equipment established and operational
  - d. Testing and measurement laboratories ready for accreditation
  - e. Strengthening of National Enquiry Points for the implementation of TBT/SPS WTO agreements

The project has been structured into two components along the lines of the two outcomes. Overall leadership for project implementation has been with the UNIDO trade capacity building branch, which was also responsible for component 2. Component 1 has been implemented by the agro-industry branch.

The main counterpart of component 1 is the Ministry of Health with its different services, such as Department of Environmental Health and the food inspection services as well as the food microbiology and chemical analytical laboratories located at the Agricultural Research Institute (IIAM).

The main counterpart of component 2 is the Instituto Nacional de Normalização e Qualidade (INNOQ). Its repair and maintenance department should be upgraded with a view to providing services to the food testing laboratories and to industry. Moreover, INNOQ capabilities to provide calibration services should be strengthened.

The project should also provide linkages with the Swiss Import Promotion Program SIPPO that covers the “connect” dimension of TCB by helping small and medium-sized enterprises in emerging markets and markets in transition to enter the Swiss and European Union market, and providing Swiss importers with assistance in finding new products, new suppliers and new sourcing markets.

## II. BUDGET INFORMATION

Project No.	Total allotment USD	Total expenditure USD <sup>36</sup>	% Total implemented
US/MOZ/05/001	1,033,000	856,849	83%

<sup>36</sup> As of 6 June 2008 (UNIDO Infobase)

### **III. PURPOSE OF THE EVALUATION**

The completion date of the project is 31 December 2008. In keeping with the UNIDO Evaluation Policy and Technical Cooperation Guidelines an independent terminal evaluation of the project is mandatory. The purpose of this evaluation is to enable the Government, UNIDO and the donor to have up-to-date information with regard to:

- i. the relevance of the project with regard to the priorities and policies of the Government of Mozambique and of the companies targeted by the project
- ii. the effectiveness of the project in attaining its objectives and outputs
- iii. the prospects for development impact
- iv. the long-term sustainability of the results and benefits
- v. the efficiency in implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities

The evaluation shall provide recommendations for a possible continuation of the project in a next phase. The evaluation shall also contribute to a larger thematic evaluation of a number of UNIDO projects and initiatives in the area of Standards, Metrology, Testing and Quality (SMTQ).

In order to serve the above purposes the evaluation will address the following issues with specific reference to the indicators listed in annex 4 of the project document.

#### **Project identification and formulation**

The evaluation of project design shall assess the extent to which:

- i. The project was formulated by a detailed assessment of the needs and the gaps in the market for SMTQ services with participation of the counterpart and the private sector
- ii. This formulation process was instrumental in defining problem areas, counterparts, project outcomes and outputs
- iii. The project document or other documentation provides a logical framework including
  - (a) a logically valid and realistic causal chain from country level objectives to project objective(s), outcomes and outputs
  - (b) verifiable indicators and sources of verification at all levels
  - (c) assumptions and risks
- iv. The project budget is broken down by outputs/outcomes

## **Relevance**

The evaluation of the relevance of the project shall assess the extent to which:

- i. the project is relevant to
  - a. priorities and policies of the Government of Mozambique
  - b. priorities of the companies targeted
  - c. priorities and policies of UNIDO
  - d. priorities of the donor
- ii. the design and execution of the project take into account the priorities of the different parties in a balanced manner
- iii. the private sector is utilizing the services provided by the various counterparts and finds these services to be in line with its demands;
- iv. The objectives of the project are still valid.

N.B.: The evaluation of relevance shall be carried out specifically for each SMTQ area covered by the project.

## **Ownership**

The extent to which the government and the counterpart organizations:

- i. have been appropriately involved in the identification of their critical problem areas and in the development of the project
- ii. are actively supporting the implementation of the project and able and willing to contribute (in kind and/or cash) to project implementation
- iii. are actively using the outputs of the project with a view to achieving outcomes

## **Efficiency of implementation**

The extent to which:

- i. UNIDO HQ and the field office paid adequate attention to and were effective in project formulation
- ii. UNIDO inputs have been provided as planned and were adequate to meet requirements
- iii. The quality of UNIDO inputs and services (expertise, training, equipment, methodologies, etc.) was as planned and timely
- iv. Government/counterpart inputs have been provided as planned and were adequate to meet requirements
- v. Inputs led to the production of outputs
- vi. The most cost effective resources and processes were used

- vii. Coordination between different parts of UNIDO involved in the project, with other projects of UNIDO and with other relevant projects or activities in the country (e.g. Technoserve; FAO; PTB; NORAD) were effective

### **Effectiveness**

The extent to which the outcomes and outputs of the project were achieved, or are likely to be achieved.

### **Sustainability**

The extent to which:

- i. Counterpart organizations have reached technical and financial sustainability
- ii. Companies demand SMTQ services and are willing to pay for the services provided by counterpart organizations
- iii. Government has made the necessary arrangements to ensure sustainability of the project results

### **Impact**

The extent to which the project has contributed to reaching the development objective or is likely to make such contributions in the foreseeable future. The evaluation should consider, inter alia, the following potential dimensions of impact:

- i. Reduced technical barriers to trade
- ii. Improved quality of goods (exported, imported and/or traded locally)
- iii. Increased financial volume of exports
- iv. Exporters entering new markets
- v. Exporters improving their position in the value chain
- vi. Secondary effects on upstream producers (agriculture or others)
- vii. Increased employment opportunities

The extent to which the project is likely to contribute to reaching wider aspects of impact, not necessarily planned for, such as poverty impact, gender issues, environmental impact, etc.

### **Project coordination and management**

The extent to which the overall project management and field coordination mechanisms of the project have been efficient and effective. This involves, *inter alia*, the following aspects of project management:

- i. Overall coordination by the TCB branch
- ii. Relationships with the counterparts
- iii. Relationships with the donor
- iv. Steering committee
- v. Management of component 1 by the AGR branch
- vi. Management of component 2 by the TCB branch
- vii. Role of the field office
- viii. Chief Technical Advisor
- ix. Other international experts
- x. Monitoring and self-evaluation based on parameters in the project document
- xi. Effective use of monitoring and self-evaluation information for project steering and adaptive management
- xii. Approved and documented changes in planning during implementation

### **Recommendations for next phase**

The evaluation shall assess the proposals put forth by the project team for the next phase and include a detailed analysis of relevant initiatives of other donors and other organizations that are ongoing or under preparation (including the forthcoming UNIDO projects funded by the EU and under the One UN initiative). On this basis the evaluation shall identify options and make recommendations for a next project phase, which should be:

- i. relevant to Government and UNIDO priorities
- ii. compatible with currently available implementation capacities
- iii. based on logically valid means-ends relationships and take into consideration factors to mitigate likely risks

#### **IV. METHODOLOGY**

This independent terminal evaluation shall be conducted in compliance with the UNIDO evaluation policy.<sup>37</sup> It shall determine, as systematically and objectively as possible, the relevance, efficiency, results (outputs, outcomes and impact) and sustainability of the project. The evaluation shall assess the results of the project against its objectives and outcomes established in the project document, including re-examination of the relevance of the objectives and of the design. It also identifies factors that have facilitated or impeded the achievement of the objectives.

SMTQ projects aim at building, improving or consolidating the “National Quality System” (NQS) of developing countries. Although focusing on the “comply” area, such projects cannot be evaluated without taking into account the “compete” and “connect” aspects. The relevance of a SMTQ project critically depends on the existence of competitive companies that are connected to export markets and their active involvement in the project.

The evaluation shall therefore adopt a systemic evaluation approach analyzing the availability of critical functions of the NQS on which the relevance and effectiveness of the project critically depends although these functions may be external to the project.

The evaluation shall be carried out through analyses of various sources of information including desk analysis, observation at the project sites and interviews with counterparts, beneficiaries, partner agencies, donor representatives, and project staff through the cross-validation of data. While maintaining independence, the evaluation will be carried out based on a participatory approach, which will seek the views and assessments of all parties.

The analysis of the relevant facts includes the review of inputs used, activities carried out, management mechanisms applied (in particular planning, monitoring and self-assessment) and project-specific framework conditions (in particular policy environment, counterpart capacities and related initiatives of the Government, donors and the private sector).

The evaluation shall be conducted in the framework of a larger thematic evaluation of UNIDO projects in the area of SMTQ. It will therefore take into account a conceptual framework that will be developed and used as part of the thematic evaluation. The main purpose of the conceptual framework is to ensure comparability of the analysis, findings and recommendations across the different projects covered by the thematic evaluation.

#### **V. THE EVALUATION TEAM**

The Evaluation Team will be composed of an independent international evaluation consultant contracted by the donor (SECO), one independent international evaluation consultant contracted by UNIDO and one national evaluation consultant. The national evaluation consultant will be selected and contracted by UNIDO upon nomination of three candidates by the Government.

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<sup>37</sup> Available from [www.unido.org](http://www.unido.org)



None of the evaluators has been directly involved in the design and/or implementation of the project. The tasks of each team member are specified in the job descriptions attached to these Terms of References.

The UNIDO Evaluation Group will backstop the evaluation and be responsible for the quality control of the evaluation process and of the report. To this end a member of the UNIDO evaluation group will participate in certain parts of the evaluation mission and provide inputs regarding findings, lessons learned and recommendations from other UNIDO evaluations, ensuring that the evaluation report is useful for UNIDO in terms of organizational learning (recommendations and lessons learned) and is in compliance with the UNIDO evaluation policy and these Terms of References. The UNIDO field office in Mozambique will provide support to the Evaluation Team.

## VI. TIMING

The evaluation is scheduled to take place between August and October 2008 in combination with the evaluation of another SMTQ project in Tanzania. The evaluation milestones are *tentatively* scheduled as follows:

Tasks	Period	Deliverables
Briefing at UNIDO Headquarter	Early July	Detailed evaluation design; conceptual framework; guiding preparatory surveys by project staff
Desk study of project documents, reports, etc.	18/8 – 25/8	
Mission to Mozambique	26/8 – 9/9	Survey results, notes, slides
Mission to Tanzania	10/9 – 25/9	Survey results, notes, slides
Presentation of preliminary results at UNIDO HQ	26/9	Slides
Writing of draft evaluation reports	29/9 – 8/10	Reports (draft versions)
Presentation of results; meetings with UNIDO and donor	9 - 10/10	Slides
Finalization of evaluation reports	October	Final reports for Tanzania and Mozambique

## **VII. REPORTING**

To discuss and validate its preliminary findings the Evaluation Team will organize meetings with the key stakeholders in the field and meet with UNIDO staff at HQ. The Evaluation Team will prepare and present its draft report to UNIDO and the donor. The evaluation report will follow the structure given in Annex 1. The reporting language will be English.

**Review of the Draft Report:** The draft report will be shared with the Project Manager and the project staff for initial review and consultation. They may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions. The consultation also seeks agreement on the findings and recommendations. The evaluators will take the comments into consideration when preparing the final draft of the report, which UNIDO will share with the government of Mozambique and the donor. The final version of the evaluation report will be submitted 2 weeks after the submission of comments by the UNIDO Evaluation Group.

**Quality Assessment of the Evaluation Report:** All UNIDO evaluations are subject to quality assessments by the UNIDO Evaluation Group. The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality in Annex 2.

## Annex 2: List of persons met

Name	Job Title	Name of Organization
Mr. Peter Loewe	Senior Evaluation Officer, Evaluation Group	<b>UNIDO</b>
Mr. Lalith Goonatilake	Director	
Mr. Steven Dills	Programme Officer	
Mr. Leonildo Munguambe	Food Safety and Quality Assurance Consultant	
Mr. Otto Loesener	Former Project Manager	
Mr. Emilio Vento	Unit Chief and Deputy to the Director	
Mr. Eugene Julies	Former Project CTA	
Mr. Michel Evequoz	First Secretary, COOF, responsible for SECO- Programme	<b>Swiss Cooperation Office</b>
Ms. Telma Loforte	Economist, Swiss Agency for Development and Cooperation (SDC)	
Ms. Eneida P. Monteiro	National Programme Officer, (SDC)	
Ms. Ana Charles	Head of Department	<b>Ministry of Health (MISAU), Department of Environmental Health</b>
Mr. Louis Pelembe	National Expert	
Mr. Silvestre Nhachengo	Head of Toxicology Section and Responsible for Instrumentation and Safety LNHA	
Ms. Dalmazia Cossa	Legal Specialist	
Ms. Ana Malaica	Assistant Legal Department	

<b>Name</b>	<b>Job Title</b>	<b>Name of Organization</b>
Mr. Abubucar Sumalgy	Director	Ministry of Health Department of Maintenance
Mr. Fernando Basilio Chaguala		
Ms. Ana David Timana	Deputy Director	Ministry of Fishery, National Fisheries Inspection Institute
Ms. Maria Fernandes	Head of Department of Laboratories	
Mr. Johann Porsteinsson	ICEIDA Consultant	
Mr. Sidonio dos Santos	Deputy National Director	Ministry of Industry and Commerce (MIC), National Directorate for International Relations
Mr. Sergio Macamo	National Director	Ministry of Industry and Commerce (MIC), National Directorate for Industry
Ms. Nilsa Miquidade	Deputy National Director and Counterparts Project Coordinator	
Mr. Adolfo Mavale	Epidemiology Unit	Ministry of Agriculture (MINAG), National Directorate for Veterinary Services
Ms. Emilia Pinto	Epidemiology Unit and SPS Enquiry Point	

<b>Name</b>	<b>Job Title</b>	<b>Name of Organization</b>
Ms. Serafina Mangana	Head of Department	Ministry of Agriculture (MINAG), Department of Plant Health
Ms. Elsa Mambo	SPS Enquiry Point	
Mr. Bernardo Branquinho	Senior Inspector	Ministry of Industry and Commerce (MIC), Inspection Department
Mr. Humberto Cossa	Health Sector Specialist	World Bank Office
Mr. Daniel Sousa	Agricultural Specialist, responsible for PRO-AGRI Programme	
Mr. Domingos Mazivila	National Economist	United Nations Development Programme (UNDP)
Ms. Luisa Patrocinio	Programme Officer	Food and Agriculture Organization of the United Nations (FAO)
Mr. Francisco Carlos Soares Luz	Minister – Counsellor	Embassy of Brazil
Ms. Margret Einarsdottir	Resident Representative, Iceland International Development Agency (ICEIDA)	Embassy of Iceland (ICEIDA)
Mr. Carlos Rafa Mate	Programme Officer	Royal Norwegian Embassy to Mozambique

<b>Name</b>	<b>Job Title</b>	<b>Name of Organization</b>
Dr. Barbara Kerstiēns	Counsellor	European Commission in Mozambique (ECD Mozambique)
Ms. Eleanor Briers	Policy and Programme Manager	Department for International Development (UK) DFID
Mr. Alfredo Filipe Siteo	Director	National Institute of Standardization and Quality (INNOQ)
Mr. Geraldo Luisa Albasini	Head of Metrology Department	
Mr. Joao Jose Macaringue	President	IPEX (Mozambique Institute of Export Promotion)
Ms. Cecilia Emilio Candrinho	Head of Department	
Mr. John Kingman Walter	Director TechnoServe, Mozambique	TechnoServe
Mr. Rachide Sultana	Business Advisor	
Mr. Paulo Mussanhane		
Mr. José Alcobia	Technical Manager	FRUTIMEL, LDA (Honey Producer)
Mr. Elias José Come	President	Industrial Association of Mozambique (AIMO)
Mr. Jim La Fleur	Economist	Confederation of Mozambican Business Associations (CTA)

Name	Job Title	Name of Organization
Mr. Mouzinho Nicols	President	Mozambique Consumers Protection Association (DECOM)
Mr. Michael Cossa	Technician	THL (company distributing Sysmex medical equipment)

## Annex 3: Summary of questionnaire for enterprises

### Summary of questionnaire for Enterprises in relation to the Evaluation of SMTQ projects in Tanzania and Mozambique – Mozambique

#### I. Introduction

The questionnaire was aimed to access the feelings of Food Enterprises Owners/Managers in regard to:

- the need of SMTQ services
- the actual use of the services provided by government/private institutions
- quality of services provided (improvement since 2005)
- willingness to pay for the services provided
- relative importance of private standards vs. other
- usefulness of training provided by UNIDO

#### II. Enterprises accessed

The questionnaire was submitted to 10 enterprises, 3 being from the cashew nuts sector, 2 from slaughterhouses (1 poultry, 1 beef), 2 from the fisheries sector, 2 milk/juice processing units and 1 honey producer.

Ref.	Enterprise Name	Main Products	Percentage of Business export	Number of Employees	Ownership
1.	Novos Horizontes	Chicken		175	P. Local
2.	Alfa-Servicos	Beef	0%	80	P. Local
3.	Miranda Industrial - Namige	Cashew nuts		459	P. Local
4.	Miranda Industrial - Angoche	Cashew nuts		853	P. Local
5.	IPCCM	Cashew nuts		200	P. Local
6.	Parmalat	Milk prod./Juices		83	P. Foreign-I.
7.	Family Fun	Milk prod./Juices	0%	47	P. Local
8.	Solmariscos Lda	Prawns	40%	18	P. Local
9.	Prestige Consultores	Prawns	90%	59	P. Foreign-I.
10.	Fruitmel	Honey		15	P. Local

Source: IPCCM – Industria de Processamento de Castanha de Caju de Murrupula



### III. Need of SMTQ services

100% of the respondent enterprises, expressed that strongly agree that meeting international standards is crucial for the success of their business.

Comments:

- i. To improve quality
- ii. To gain competitiveness in the market
- iii. Company must be certified e. g. HACCP
- iv. It is the only way to survive
- v. It is need to supply to hotels and restaurants

### IV. Use of SMTQ services

Services	Government		Private	
	Number	%	Number	%
Product Certification	6	60	1	10
Process Certification	1	10	1	10
Buying Standards	5	50	1	10
Testing	3	30	1	10
Calibration	8	80	2	20

Comments:

- i. Use of LNHA – Ministry of Health (testing microbiological, chemical, physical analysis)
- ii. Cost of testes high because of distance
- iii. Sampling plan not consistent
- iv. Calibration of scales done through Municipality
- v. External calibration using private service providers
- vi. Use of IIAM – DCA lab for testing products
- vii. Buying standards and calibration from INNOQ
- viii. None from private service providers
- ix. Use documentation from private service providers (related to product certification?)

## V. Improvement on the service quality

Services	Government				Private	
	SA	A	D	SD	Number	%
Product Certification	2	4	-	-	2	20
Process Certification	1	-	4	-	-	-
Buying Standards	1	8	-	-	1	10
Testing	-	4	2	-	1	10
Calibration	-	3	5	-	2	20

## VI. Willingness to pay for services

Services	Number	%
Product Certification	7	70
Process Certification	2	20
Buying Standards	3	30
Testing	8	80
Calibration	5	50

Comments:

- i. It would be important to have one laboratory in Mozambique that could perform all the honey required tests
- ii. We already pay for all services

## VII. Relative importance of private standards vs. other

From the respondent enterprises 1 did not respond, 2 strongly agree and agree that private standards are more important and 6 disagree with that statement.

Comments:

- i. Global Gap is not known to me
- ii. We do not use
- iii. Are important when the buying company requests
- iv. Private standards also harmonize the process when need
- v. ISO is more important
- vi. They are also important and complement ISO

### **VIII. Usefulness of training provided by UNIDO**

- i. Course on Good Manufacturing Practices was very useful
- ii. No training was received from UNIDO
- iii. Seminar on Food Packing Films was very useful

### **IX. Other comments/suggestions**

In these projects there should be more linkages with private sector

If training or other support is provided in these areas the private sector should be involved even to be charged if needed

The government should create incentives for companies to export their products

# Annex 4: List of Guide Questions

## Relevance

### Framework conditions

- i. Is there a coherent National Quality System (NQS) with functions clearly attributed to private/public entities while avoiding potential conflict of interest?
- ii. Is a national quality policy framework in place?
- iii. Does a NQS development plan exist with clear priorities?
- iv. Do the national quality policy framework and the NQS development plan take into account “pro-poor” aspects?
- v. Is a donor coordination mechanism for SMTQ in place?
- vi. Is the private sector vocal with regard to NQS development and are effective advocacy and policy dialogue mechanisms in place?

### Project design

- i. Relevant taking into account expressed government and private sector priorities?
- ii. Mapping of NQS (including private SMTQ service providers)?
- iii. Sound needs assessment with participation of beneficiaries?
- iv. Priority sectors identified for improving sectoral quality chains?
- v. Well positioned with regard to perceived priorities of NQS development?
- vi. Most appropriate counterpart structure?
- vii. Supra-national/regional institutions, centres of excellence, etc properly considered as an option?
- viii. Well coordinated with activities of other donors (e.g. Gates foundation / Technoserve)
- ix. Plausible pro-poor and gender orientation?
  - x. Social accountability standards considered?
- xi. Has in-bound trade and protection of consumers against substandard products been a design issue?
- xii. Project biased towards donor or UNIDO interests?
- xiii. Have any important needs been overlooked?

### Project implementation

- Were relevance issues monitored during project implementation and has the project been steered and, if necessary, corrected accordingly?

## Efficiency

### Project design

- Project budget broken down by outputs/outcomes?

### Project implementation mechanisms

- i. UNIDO implementation mechanism (HQ and country office: respective roles and coordination)

- ii. Coordination with government and donor (steering committee meetings; progress reports)
- iii. Competence of international and national expertise? Good balance between both? Proper know-how transfer between international and national experts?
- iv. Have inputs been provided as planned and in time? By UNIDO; government; other public or private stakeholders?
- v. Did delays occur and, if yes, were they caused by internal factors (procedures), by funding issues or by external factors (counterpart contributions, other contributions)
- vi. To what extent has the organisational and management systems and processes contributed to or hindered the efficiency of implementation?
- vii. Have the methods and resources for implementation been cost-effective?
- viii. Have administrative procedures been cost-effective?
- ix. Is the project cost-effective compared to similar interventions?

## **Effectiveness**

### Project design

- i. Is the “causal chain” from outputs to outcomes explicit, realistic, detailed and plausible? Is it periodically reviewed for continuous validity? Is it clear who exactly is supposed to use the project outputs?
- ii. Have the expected project outcomes been defined in a verifiable manner? Is there a clear understanding which variables/indicators will be used to observe outcomes?
- iii. Did the project formulate assumptions on external factors (that it cannot control but monitor), which must be met so that outputs can be expected to lead to outcomes?
- iv. Did the project formulate assumptions on external factors (that it cannot control but monitor), which must be met so that outputs can be expected to lead to outcomes?
- v. Would a greater involvement of private SMTQ service providers have been more effective and, if yes, why has the project not been designed for such an involvement?

### Project implementation

- i. Does the project systematically monitor its outcomes? Are assumptions periodically reviewed for continuous validity of the planning?
- ii. Is there a reliable database on whether and how partners/clients use the outputs of the project, whether they are satisfied and whether this use leads to effects?)
- iii. Can improvements of the quality of SMTQ services provided be demonstrated?
- iv. Have the organizations supported become more customer/consumer oriented as a result of the project?
- v. Are the outcomes in line with what was planned?
- vi. Are the outcomes useful? For industry? For suppliers of food/agroproducts? For SMTQ institutions? For Government?

## **Impact**

### Project design

- i. Is the “causal chain” from outcomes to impact explicit, realistic, detailed and plausible? Is it periodically reviewed for continuous validity?
- ii. Has the expected project impact been defined in a verifiable manner? Is there a clear understanding which variables/indicators will be used to observe impact?
- iii. Did the project formulate assumptions on external factors (that it cannot control but monitor), which must be met so that outcomes can be expected to lead to impact?
- iv. Can the impacts be attributed to the project alone, or to several contributing factors?
- v. Has there been a baseline study carried out in preparation of the project that determines the current/future demand for the various SMTQ services at stake?
- vi. Has a control group of companies been established that are supposed not to benefit from the project?

### Project implementation

- i. Does a database exist of client companies that have used the various SMTQ services originating from the project?
- ii. Does the project systematically monitor the impact variables/indicators and the assumptions for impact?
- iii. Are all necessary data available to assess the impact of the project on the beneficiary companies?
- iv. Are the necessary data available to extrapolate future project impact on the target sectors?
- v. Are the necessary data available to assess potential secondary impacts (e.g. on illicit imports; on consumers; on health; on the environment; on working conditions; on poverty)?
- vi. Is impact in line with expectations? Any negative impacts?
- vii. Are there ways by which the impact could be enhanced, without increasing the amount of inputs?

## **Sustainability**

### Project design

- i. Have market studies been carried out for the various SMTQ services that demonstrate the economic viability of the envisaged institution building?
- ii. Firm government commitment
- iii. Would a greater involvement of private SMTQ service providers have been more sustainable and, if yes, why has the project not been designed for such an involvement?

### Project implementation

- i. To what extent are the project results (outputs, outcomes) likely to continue after the project completion? (Financial, institutional and technical sustainability)
- ii. Are annual income/expenditure reports of partner organizations available (since when)? Do these substantiate their economic viability? How reliable is the accounting system of the partner organizations? Have annual reports been audited by independent external auditors?

- iii. Will the stakeholders be able to maintain the outcomes and impacts achieved through the project? Government? SMTQ institutions? Private sector stakeholders?
- iv. Will the stakeholders be able to continue the development without further support?
- v. Mention risks that may realistically jeopardize the outcomes/impacts.
- vi. Prioritise issues for which continued support is essential.

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