



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



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independent  
evaluation

Improving inclusive and sustainable agro value chains development, including the Ibo specialty coffee one, of Cabo Delgado Province through Public Private Partnership approach

Office of Evaluation and Internal Oversight

**OFFICE OF EVALUATION AND INTERNAL OVERSIGHT  
INDEPENDENT EVALUATION UNIT**

**Independent Evaluation of  
Improving inclusive and sustainable agro value chains development,  
including the Ibo specialty coffee one, of Cabo Delgado Province  
through Public Private Partnership approach  
(UNIDO Project ID 170217)**



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INDUSTRIAL DEVELOPMENT ORGANIZATION**

Vienna, June 2025

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Distr. GENERAL | EIO/IEU/25/R.N 10 June 2025 | Original: English

## Abstract

The Terminal Evaluation of the "Improving Inclusive and Sustainable Agro Value Chains Development, including the Ibo Specialty Coffee One, of Cabo Delgado Province through a Public-Private Partnership Approach" (UNIDO ID 170217) or "Mais Valor" project, funded by the Italian Agency for Development Cooperation (AICS), and implemented by UNIDO, aimed to assess the project's impact on improving inclusive, sustainable agro-value chains (coffee in Cabo Delgado and fruits in Manica).

Despite facing security, climatic, and pandemic-related disruptions, the €4 million, 4-year project achieved notable progress, thus demonstrating good value for money and strong adaptive capacity.

Future phases must strengthen strategic design, monitoring, stakeholder engagement, and environmental sustainability. Key recommendations include better coordination, more strategic private sector incentives, and developing comprehensive value chain strategies - especially for Ibo coffee and Manica fruit sectors.

**Key words:** agro value chains, coffee, fruit, Cabo Delgado, Manica

# Contents

Abstract.....	iii
Contents .....	iv
Acknowledgements.....	vi
Abbreviations and Acronyms .....	vii
Glossary of Evaluation Related Terms.....	viii
Executive Summary .....	xiii
1. Introduction.....	21
1.1 Evaluation objective and scope.....	21
1.2 Project Background and Context.....	23
1.2.1. The Project result chain.....	23
1.2.2. Project timeline .....	24
1.3 Theory of Change.....	24
1.4 Evaluation methodology .....	27
2. Evaluation Questions and Findings.....	28
2.1. EQ 1 – Project strategy .....	28
2.2. EQ 2 – Effectiveness.....	31
2.3. EQ 3 – Efficiency.....	48
2.4. EQ 4 – Sustainability.....	55
2.5. EQ 5 – Upscaling.....	57
2.6. EQ 6 – Contributions to crosscutting priorities of gender, environment and good governance .....	58
3. Overarching Assessment and Rating Table .....	58
4. Conclusions and Recommendations.....	61
4.5. Lessons Learned.....	73
5. Annexes.....	75
Annex 1: Evaluation Terms of Reference .....	75
Annex 2: Evaluation Framework / Matrix .....	108
Annex 3: List of Stakeholders Consulted.....	116
Annex 4: List of documents consulted.....	118

## Illustrations

Table 1: Evaluation Rating Table .....	xix
Table 2: Project Synopsis .....	23
Table 3: Project timeline and key benchmarks .....	24
Table 4: Strengths and limitations of a matching grant strategy to support fruits and vegetables value chain .....	41
Table 5: Emerging changes observed for the two value chains.....	47
Table 6: Project budget allocation by budget line .....	49
Table 7: Project budget allocation and expenditure by component.....	50
Table 8: Financial flow per year for each output.....	51
Table 9: Summary of the evaluation ratings.....	59
Figure 1: Project Theory of Change.....	26

## Acknowledgements

The Evaluator would like to extend his sincere gratitude to all stakeholders who contributed to this evaluation, with special thanks to the UNIDO staff in Maputo, Vienna, and Italy for their continued support and cooperation.

A heartfelt thank you to the UNIDO teams in Pemba and Chimoio, as well as the implementing partners, particularly Oikos, AAU Technical, and ISPM—for their commitment and collaboration. The contributions from MADER, local extension staff (SDAE) and provincial institutions have also been deeply appreciated.

A special note of thanks goes to the stakeholders and end beneficiaries of both value chains: we express our gratitude for the strong support provided by APCI association as well as the farmers and companies involved in the fruit value chain in Manica Province, for their insights and engagement.

Finally, many thanks to the AICS representatives in Chimoio and Maputo for their support and insights.

### **Evaluation team:**

Paolo Scalia, Senior Evaluation Expert



## Abbreviations and Acronyms

Abbreviation	Meaning
ACA	African Coffee Association
AICS	Agenzia Italiana per la Cooperazione allo Sviluppo
AMOCAFE	Cafeicultores
AAU	Private Company; AAU Technical Lda
CFB	Cooperativa Frutas de Bárue
DAC – OECD	Development Assistance Committee - Organisation for Economic Co-operation and Development
EQ	Evaluation Question
EU	European Union
JC	Judgment Criterion
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH,
Ha	Hectare
HACCP	Hazard analysis and critical control points
IABil	Agrarian Institute of Bilibiza
ICPA	Associação de Produtores de Café do Ibo
ISPM	Instituto Superior Politécnico de Manica
MT	Metical (Mozambican currency, 1 Euro = 74 MT)
MADER	Ministry of Agriculture and Rural Development
M&E	Monitoring and Evaluation
MoCT	Ministry of Culture and Tourism
MoIC	Ministry of Industry and Commerce
MTE	Mid Term Evaluation
NGO	Non-Governmental Organization
OIKOS	International Development civil society organizations
PEDSA	Strategic Plan for Agricultural Development
PNISA	National Agricultural Investment Plan
PQG	Five-Year Government Program
PSC	Project Steering Committee
NGO	Non-Governmental Organization
SDAE	District Services for Economic Activities
ToC	Theory of Change
ToR	Terms of reference
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization

## Glossary of Evaluation Related Terms

Term	Definition
Assumptions	The conditions that need to be in place to achieve the results as will or may affect progress or success at different levels of an intervention's causal pathway. The assumptions can be internal or external to UNIDO or the particular programme or project and usually connect outputs to outcomes, and outcomes to impact.
Baseline	The situation, prior to an intervention, against which progress can be assessed or comparisons made.
Coherence	The compatibility of the intervention with other interventions in a country, sector or institution. The extent to which other interventions (particularly policies) support or undermine the intervention, and vice versa.
Effect	Intended or unintended change due - directly or indirectly - to an intervention.
Effectiveness	The extent to which the objectives of a development intervention were or are expected to be achieved.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
Environmental and social safeguards (ESS)	The extent to which environmental, climate change and social risks and impacts of a UNIDO product, service or process have been assessed and addressed (in line with respective administrative issuances).
Evaluand	The object of an evaluation, typically an intervention, organizational programme of work, or system.
Gender mainstreaming	The extent to which an adequate gender analysis has been conducted for a UNIDO product, service or process, its findings have been included in its design and monitoring and reporting data is sex-disaggregated where feasible.
Impact	Positive and negative, primary and secondary, intended and non-intended, directly and indirectly, long term effects produced by a development intervention.
Independent evaluation	Independent evaluations provide an independent, credible and evidence-based assessment on a given entity under evaluation, such as a project, programme, or an entire strand of activities under a thematic, geographical or institutional heading. Independent evaluations are conducted and/or managed by staff members of the UNIDO Independent Evaluation Unit and conducted by external independent evaluation consultants.



Indicator	Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor. Means by which a change will be measured.
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. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact.
Logframe (logical framework approach)	Management tool used most often at the project level. It involves identifying strategic elements (activities, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates designing, planning, execution, monitoring and evaluation of a development cooperation intervention. System based on MBO (management by objectives) also called RBM (results-based management) principles.
Mainstreaming/sustaining	Initiatives are reproduced/adopted in other geographical areas or regions.
Market change	Initiatives catalyze market transformation by influencing the supply and demand for goods and services contributing to global environmental, economic and social benefits.
Means of verification	Data sources for indicators; reliable and cost-effective.
Outcome	The achieved or likely short-term and medium-term effects of an intervention's outputs.
Outputs	The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.
Policy	A set of ideas or a plan of what to do in particular situations that has been agreed to officially by a group of people, an organization, a business organization, a government, or a political party.
Programme	A collection of organizational resources that is geared to accomplish a certain major result or a set of results in a coordinated manner. Therefore, it is used in the context of development cooperation interventions as well as the organizational programme of work: a) A programme contributing to the organizational programme of work: An official plan of action within the Organization, which is aimed at accomplishing a clear organizational objective, and includes details on what

	<p>work is to be done, by whom, when, and what means or resources will be used.</p> <p>b) Development cooperation programme: A group of complementary projects or activities designed and managed in a coordinated and coherent way, simultaneously or sequentially, to obtain broader benefits and long-term results (impact) not directly attainable from managing the projects individually. A programme is further typically characterized as a systematic and complex intervention to address a development problem or need to attain specific sectoral, national, regional or global development objectives.</p>
Progress to impact	Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended, including redirecting trajectories of transformational process and the extent to which conditions for trajectory change are being put into place.
Progress- and performance measurement and monitoring, reporting & evaluation systems (M, R & E)	The extent to which indicators and means of verification (data sources) as well as M, R & E plans are fit to inform adaptive management and decision-making.
Project	A development cooperation intervention, which is designed to achieve specific objectives (outputs and outcomes) contributing to a higher objective (impact) within a given budget and a specific period of time, i.e. it has a beginning and an end.
Project/programme design	Formulation of the intervention, the plan to achieve a specific purpose.
Project/programme performance	Functioning of a development intervention
Quality	Products, services and processes being free of deficiencies or, in other words, satisfactory in terms of meeting established requirements (i.e. principles, standards and criteria).
Recommendations	Proposals aimed at enhancing the effectiveness, quality, or objectives; and/or at the reallocation of resources.
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donor's policies. Note: Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances.
Replication	Initiatives are reproduced/adopted in other geographical areas or regions.

Results-Based Management (RBM)	A management strategy – at project and programme, portfolio, organizational, country, and global levels – based on managing for the achievement of intended results within a given context by integrating a results philosophy and principles into all aspects of management and by integrating good practices and lessons learned from past performance into management decision-making.
Results chain	The causal sequence for a development intervention that stipulates the necessary sequence to achieve desired results – beginning with inputs, moving through activities and outputs, and culminating in individual outcomes and those that influence outcomes for the community, goal/impacts and feedback. It is based on a theory of change, including underlying assumptions.
Review	A systematic and evidence-based self-assessment of the performance of a programme or project, aiming at determining performance against established criteria. The vehicle for steering corrective action by line management, and therefore a management responsibility (under 1st and 2nd Line of the UNIDO Three Lines Model of Defence (3LM)). It can be conducted internally, i.e. by personnel directly involved in a programme or project, or externally, i.e. by personnel hired specifically for the purpose of conducting the review (good practice), whereby the overall responsibility for the review rests with the programme or project management. Reviews can be carried out at different stages of the programme or project life cycle, i.e. for programmes and projects with start and end dates as mid-term reviews (MTRs) and terminal self-evaluations, and for open-ended programmes periodically.
Scale-up	Scale-up is defined as the multiplication of an achieved result from an intervention, in which a greater number of beneficiaries (people or institutions) benefit more lastingly from the results. The scaling-up process may be: a) horizontal, expanding geographical reach to cover more people through replication and adaptation; and/or b) vertical, expanding institutional reach to guide principles of practice through mainstreaming. Scaling-up of results may require an integrated approach of horizontal and vertical scaling-up
Self-evaluation	Self-evaluations are reviews (see above).
Sustainability	The continuation of benefits from an intervention, after the development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.

Target group	The specific individuals or organizations for whose benefit an intervention is undertaken.
Theory of change	Theory of change or programme theory is similar to a logic model but includes key assumptions behind the causal relationships and sometimes the major factors (internal and external to the intervention) likely to influence the outcomes.
Transformational Change	Deep, systemic, and sustainable change with large-scale impact.

# Executive Summary

## Evaluation purpose

This Terminal Evaluation covers the project "Improving Inclusive and Sustainable Agro Value Chains Development, including the Ibo Specialty Coffee One, of Cabo Delgado Province through a Public-Private Partnership Approach" (UNIDO ID 170217) or "Mais Valor" project, implemented by UNIDO with funding from the Italian Agency for Development Cooperation (AICS).

The primary objective of the evaluation is to assess the project's performance and provide insights to improve the effectiveness of ongoing and future interventions.

## The project

The Mais Valor Project, with a budget of €4 million, aims to support two value chains (Zanguebariae coffee and fruits) to increase income generation for smallholder farmers in Cabo Delgado and Manica Provinces. The project began in 2019 and included an extended inception phase to address emerging challenges, such as deteriorating security conditions in Cabo Delgado, tropical cyclones, and the Covid pandemic. Project design was significantly adjusted in April 2021, and the intervention was concluded in July 2024. The Theory of Change (ToC) outlines two key pathways: improving the coffee value chain in Cabo Delgado and enhancing the horticulture and fruit value chain in Manica. Both pathways focus on building local capacity, improving production, enhancing quality, processing, and marketing.

## Evaluation methodology

The project evaluation adhered to international standards, including OECD/DAC and UN norms, and adopted an independent, participatory approach involving active stakeholder engagement. A mix of qualitative and quantitative methods were adopted, including contribution analysis and the theory of change. This helped identify pathways from project activities and outputs to outcomes. Data triangulation ensured evidence-based findings. Data collection methods included document reviews, interviews with some 100 stakeholders, site visits in Cabo Delgado and Manica, and focus group discussions. Limitations arose due to security constraints in Ibo District and limited access to outcome-level data. The evaluation mitigated these limitations with qualitative analysis and beneficiaries' satisfaction feedback. The evaluation strictly adhered to security protocols, especially in Ibo District.

## Key Findings

### Relevance and quality of design

The Project aligns with Mozambique's national priorities, particularly in agriculture, embracing economic growth, poverty reduction, and food security. The project supports Mozambique's Strategic Plan for Agricultural Development (PEDSA) and National Agricultural Investment Plan (PNISA), focusing on value chain development and market access. The current Five-Year Government Program (PQG) further emphasizes agriculture's role in transforming the economy.

The project also aligns with the Italian Development Cooperation's (AICS) strategic focus on sustainable development, inclusive growth, and partnerships with Italian companies like Illycaffé, reflecting Italy's expertise in agro-processing and marketing applied to coffee.

Additionally, the project fits UNIDO's mandate to promote inclusive and sustainable industrial development through capacity building, improved product quality, and market linkages. The evaluation highlights a strong pertinence to stakeholders' and beneficiaries' needs, a finding supported by consistently positive feedback received during stakeholders' interviews.

Design shortcomings include insufficient specification and measurability of results, limited attention to sustainability issues, and the need for a clear strategy for value chain development, cluster approach, private sector development, and sector governance.

Ownership and engagement were strong among stakeholders like APCI, CFB, and AFR, but weaker among others, including ISPM and Tigre de Ouro, indicating opportunities for stronger engagement.

### Effectiveness: Coffee Value Chain

The assessment of the coffee component of the Mais Valor Project highlights progress despite numerous challenges. Despite severe political, climatic, and epidemiological disruptions in Cabo Delgado Province, the project managed to revitalize the Ibo coffee value chain, which had previously been operating on a low-intensity, local level. Through partnerships, capacity-building, and international collaboration with illycaffé, the project laid the foundation for long-term growth.

Key evaluation findings for the coffee value chain include:

- **Improved understanding of Ibo Coffee:** The project advanced research and knowledge on Ibo (Zanguebariae) coffee. However, systematic organization and practical application of this knowledge are still needed.
- **Increased Awareness and Commitment of Farmers:** The project significantly mobilized APCI members, increasing their awareness and commitment to developing Ibo coffee. This success resulted in expanded membership and growing interest in coffee production and quality.
- **Governance and Coordination:** APCI's governance was strengthened, but broader, inclusive governance for the Ibo coffee value chain remains underdeveloped, requiring attention in a follow-up phase.
- **Value Chain Development:** While the project took initial steps in defining goals and standards for Ibo coffee, a comprehensive value chain strategy is yet to be developed. A national coffee strategy currently underway by MADER and UNIDO provides an opportunity for a more structured approach.
- **Infrastructure and Equipment:** The project, notwithstanding significant contextual challenges, provided equipment and temporary infrastructure for APCI (pilot set up); larger, more suitable facilities and machinery are necessary to meet the association's and the value chain growing needs.
- **Increased Production:** A large-scale coffee planting campaign is underway, though risks exist due to inadequate soil and water management. Poor planting conditions and lack of shade trees could harm Ibo's fragile ecosystem, potentially depleting water resources and causing long-term environmental damage to soil, aquifers and ecosystem.
- **Improved Processing and Quality:** Significant progress was made in raising awareness about the importance of coffee quality. However, the establishment of consistent quality standards, centralized processing (drying, hulling, grading, sorting), and adequate infrastructure will be essential for continued improvement.



- **Marketing Efforts:** The project boosted Ibo coffee's visibility through international promotion efforts, including collaboration with illycaffé and participation in international fairs. These marketing initiatives need continued support and alignment with quality standards to ensure the sustainability of Ibo coffee as a niche product.
- **Capacities:** The project improved knowledge among APCI farmers and local extension workers and a new manual was developed for Ibo coffee good practices; important gaps in technical expertise, particularly in coffee production, remain.
- AMOCAFE received training and exposure to best practices in coffee production and processing. However, its capacity remains limited, and further support is needed to strengthen its role in the value chain.<sup>1</sup>
- **MADER Engagement:** MADER, the official project counterpart, actively participated in the steering committee and other project activities. However, gaps in resources, policy development, M&E, strategic approach and technical expertise limit its capacity to fully support the coffee value chain.

### Effectiveness: Manica fruit and vegetables value chains

The Project aimed to strengthen the fruit and vegetables value chains in Manica Province with a timeline of 36 months and a contained budget.

The project supported the consolidation of producer groups, strengthened the capacities of CFB Cooperative members, and contributed to agricultural practices, Global GAP certification and HACCP accreditation for processing plants. It provided infrastructure, equipment, and links to markets; In general activities were highly appreciated by beneficiaries.

- **CFB Cooperative:** CFB received technical assistance, infrastructure, equipment, and certifications, with a grant of approximately 350,000 €. Results include increased membership, improved quality control (with reduced rejection rates from export markets), and Global GAP certification. However, progress in terms of production and income generation is still limited. While technical assistance from AAU Technical was highly valued, SDAE extension services are still facing structural constraints like skill gaps, budget issues, and management.
- **AFR Business Strengthening:** AFR, a fruit processing startup, benefited from a €200,000 grant for a processing line. AFR plans to work with 3,000 producers but is currently linked to only two associations. By the time of the evaluation the processing line started to operate but no product was yet sold. The project's support contributed to AFR's capacity to process and future marketing, but there are no mechanisms for replicability or upscaling of the model.
- **Tigre de Ouro Support:** a well-established fruit production company, received a 5-ton refrigerated truck through a €50,000 grant. The evaluation questions the rationale for supporting a wealthy businessman who could have self-financed the equipment.<sup>2</sup> The

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<sup>1</sup> The coffee industry in Mozambique is still at infant stage. However, numerous supporting activities have been organized to ensure the coffee association is more inclusive, participatory, and well-oriented towards fostering the growth of this business sector (comment from Project Management to the evaluator; September 2024; the evaluator endorses these remarks.

<sup>2</sup> Comments from Project Management to the evaluator; i) *The company is currently facing significant financial challenges and needs support to strengthen its marketing capacity to effectively expand its supply base, both from its own farms and from the associations linked to its distribution channels. The selection of companies to receive support was made by the PTC—the project's technical body for Manica—*

owner relies on funding partners' support, showing little interest in investing in the plantation's upkeep.

- **ISPM Partnership:** even though ISPM is considered as a reference partner for the funding partners, the evaluation shows how its involvement produced limited results. Its capacity to impact value chains remains weak due to budget constraints and insufficient strategic alignment with project goals. Some activities, like manual production and laboratory support, had little practical application or relevance to value chain stakeholders.
- The project provided useful grants and well-appreciated support; these efforts are isolated and non-strategic, with sustainability challenges. The matching grant approach is unlikely to be scalable or sustainable without further external support.
- **Digital Platform Implementation:** the project attempted to introduce digital platforms for training and data collection but faced challenges due to low technical capacity among farmers and extension staff, as well as extensionists' hardware availability. The evaluation did not find evidence about the effectiveness of these digital tools for value chain growth.

### Cross-cutting Priorities

Gender balance was systematically addressed, though there is room for greater emphasis on women's leadership and empowerment. Environmental safeguards, particularly in Ibo Island's coffee production, were inadequate as there is a significant risk of negative environmental impacts, particularly related to soil depletion and water resource over-exploitation. Good governance was supported by APCI coffee association and CFB cooperative; governance of the value chain was not tackled in the context of this project.

### Efficiency

**Financial Performance and Resource Allocation:** the Mais Valor project was supported with a total financial envelope of 3,539,923 EUR, divided among 9 budget lines. Initially planned for 3 years (July 2019 to July 2023), the project was extended twice (without additional costs) to reach a 48-month total duration, ending in July 2024. Contractual services and equipment represent around 42% of the total budget, a portion of the budget which translates directly or indirectly into benefits for intended beneficiaries. A comparison between the allocated budget and actual expenditure shows limited variations, suggesting a well-managed and precise financial administration. The budget distribution also indicates that Output 3 absorbed 40% of the budget, reflecting the emphasis on improving the fruit value chain in Manica.

**Cost-Effectiveness:** considering its modest financial resources (4 million EUR) and the significant challenges faced (including insecurity and natural disasters), the project delivered

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*together with local technical institutions, service providers, and with direct involvement from the funding partner. The PTC chose to adopt the PACE empowerment strategy, with TdO being listed among the companies to be supported.*

*ii) Tigre de Ouro is the only company in target area capable of ensuring the inclusion of farmers, as officially requested by the PTC and validated by PSC.*

The evaluator agrees on the above clarifications but stands on the judgment that in this specific case the donation did not provide an incentive to the entrepreneur to further invest in the business. The evaluator found evidence of lack of interest of investing and reliance on external support as a management practice

considerable value for money. Outputs 2 and 3, related to coffee and fruit value chains, showed satisfactory cost-benefit ratios, particularly given the difficult operating context. Equipment and some services, though, were not always appropriate for their intended purposes (e.g., small coffee processing machinery or laboratory equipment, motorbikes and lorries not adapted to local rough terrain requirements).

**Governance and Management:** the project was supported by effective management, a qualified and committed team, good dialogue and well-structured project governance, ensuring coordination between UNIDO, AICS, and national stakeholders. Coordination at the value chain level (coffee and fruit) was limited, hampering a more cluster-based approach. Both management and governance deserved accrued result orientation.

**Monitoring and Lesson Learning:** while project reporting was well-organized, it lacked an adequate focus on outcomes. Additionally, learning mechanisms could be improved to ensure better understanding of opportunities for strengthening certain project areas, such as coffee production, capacity building, and private sector development.

**Flexibility and Adjustments:** the project adapted remarkably well to external challenges, such as security deterioration in Cabo Delgado and disruptions caused by COVID-19. These adjustments, though delayed, allowed the project to remain on track and continue its activities in both value chains.

**Communication and Visibility:** the project gained a positive reputation both locally and internationally, particularly through its coffee sector efforts. The partnership with illycaffé and the focus on coffee and fruit quality helped bolster visibility and awareness. This visibility and trust enabled the project to transition into a more ambitious second phase (Mais Valor 2).

### Sustainability

The sustainability of the Mais Valor project shows mixed results. Efforts were made to enhance sustainability, such as capacity development for farmers and extension staff, promoting quality standards, and establishing market linkages. However, these efforts were limited, and sustainability remains the intervention Achille' heel, a major challenge due to the project's reliance on grants and the lack of long-term incentives for further investment and innovation.

Despite growing demand in both value chains, farmers, associations, and private sector actors show a prevailing reliance on external support. The coffee association (APCI) and the fruit cooperative (CFB) improved their governance and technical capacities, but their financial and management limitations still pose challenges. The ISPM as a public university with a very modest budget, has limited financial and management capacities to sustain research and development activities independently.

Private sector support, provided through matching grants, offers some immediate benefits but lacks mechanisms for replication and scaling. Environmental constraints in Ibo and Quirimba limit the sustainability of coffee planting efforts. Overall, further support is necessary, with future interventions needing to focus on creating sustainable mechanisms to ensure long-term growth and benefits for small-scale farmers.

## Upscaling

Although the Mais Valor project achieved some results, these are yet at an early stage and most of them are not yet ready for scaling. An opportunity lies in the technical capacity development for GAP certification and HACCP accreditation, achieved through AAU Technical services. Additionally, expanding coffee production, quality, and processing in Mozambique, leveraging UNIDO's partnership with illycaffé, shows potential.

Mechanisms and resources need to be set up, and financial viability needs a careful cost benefit assessment for upscaling both the coffee and fruit value chains.

## Key Lessons Learned

Key lessons learned from the Mais Valor project include:

**Lesson 1:** Effective project adaptation requires close collaboration between implementing agencies, funding partners, and national counterparts.

**Lesson 2:** Partnerships, like the one set up with illycaffé, can provide significant international visibility and offer promotion opportunities to the value chain.

**Lesson 3:** A comprehensive cluster approach is vital for value chain development.

**Lesson 4:** Strengthening local extension services is essential but must address structural limitations through alternative capacity-building mechanisms including private sector specialized services.

**Lesson 5:** Private sector development requires mechanisms that incentivize investment, risk-taking, and innovation for sustainability and upscaling.

**Lesson 6:** Research activities – particularly for tree crops - need a strong partner, adequate timelines (7 to 10 year), and better systematization of learning.

## Key Conclusions

The 36-month, € 4 million project had the ambitious goal of supporting two promising value chains in two provinces of Mozambique. Time and budget were too short, particularly for tree crop development; moreover, implementation was affected by a challenging environment. Nevertheless, the project generated important lessons, and positive results are emerging in both value chains. Mais Valor displayed positive performances and overall provided a good return on the cooperation investment; the project obtained a positive visibility, particularly for coffee Zanguebariae, and for UNIDO-AICS cooperation tandem. The project also supported positively dialogue and cooperation with national authorities (particularly with MADER) and with the creation of AMOCAFE' as the first business category in Mozambican Coffee Industry.

The intervention evidenced the need to expand project scope and vision from a micro level and support to few selected stakeholders to a comprehensive value chain approach, promoting incentives and mechanisms for private sector and farmers' investment, risk management, innovation and market linkages. Positive results included the promotion of products' quality, GAP certification and good practices, HACCP business accreditation and setting the initial steps for a more comprehensive value chain approach and development strategy, that will be eventually pursued with the next phase, Mais Valor 2. Significant additional work is required in areas related to value chain strategy, governance, cluster approach, definition of goals and standards, private sector and farmers incentives, increased attention to sustainability and result orientation.

## Key Recommendations

**Recommendation 1:** Strengthen Project Design and Focus: Avoid fragmentation of activities, improve baseline analysis, specify expected results, and strengthen monitoring and evaluation frameworks. Ensure sustainability, cost-benefit analysis, and exit strategies should be incorporated.

**Recommendation 2:** Improve Planning and Monitoring: Organize regular workshops and meetings with stakeholders to track progress, improve accountability, and focus on results (outcome level) rather than activities.

**Recommendation 3:** Enhance Value Chain Coordination: Establish stronger mechanisms for coordination, dialogue, and governance across producers and associations. Engage all stakeholders for a more strategic and inclusive value chain development.

**Recommendation 4:** Build Synergies with Other Projects: Develop more coordinated and harmonized approaches with other interventions, especially at the production level, to address bottlenecks.

**Recommendation 5:** Ibo Coffee Value Chain Recommendations: Consolidate, organize, systemize and divulgate knowledge on Ibo coffee, expand stakeholder engagement, develop a comprehensive value chain strategy, and improve infrastructure, equipment, and capacity development. Focus on sustainability by addressing environmental challenges and promoting quality control and marketing strategies.

**Recommendation 6:** Manica Fruit and Vegetable Value Chain Recommendations: Focus on building farmers' capacities, upscale technical assistance, and adopt a more strategic approach to private sector engagement. Support irrigation and access to inputs, promote market events, and create mechanisms for sustainable private sector growth through blended finance instruments.

**Recommendation 7:** Promoting access to inputs, irrigation, and local market opportunities. Mechanisms should be supported to promote an enabling environment for irrigation and access to other inputs to expand at a wider scale.

**Table 1: Evaluation Rating Table**

#	Evaluation criteria	Mandatory rating	Rating
<b>A</b>	<b>Progress to Impact</b>	<b>Yes</b>	<b>MS</b>
<b>B</b>	<b>Project design</b>	<b>Yes</b>	<b>MS</b>
1	• Overall design	Yes	MS
2	• Project results framework/log frame	Yes	MS
<b>C</b>	<b>Project performance and progress towards results</b>	<b>Yes</b>	<b>S</b>
1	• Relevance	Yes	HS
3	• Effectiveness	Yes	HS
4	• Efficiency	Yes	MS
5	• Sustainability of benefits	Yes	MS
<b>D</b>	<b>Cross-cutting</b>	<b>Yes</b>	<b>S</b>
1	• Gender	Yes	S

2	• M&E and design	Yes	S
3	• Results-based Management	Yes	HS
<b>E</b>	<b>Performance of partners</b>	<b>Yes</b>	<b>HS</b>
1	• UNIDO	Yes	S
2	• National counterparts	Yes	HS
3	• AICS	Yes	S
<b>F</b>	<b>Overall assessment: satisfactory</b>	<b>Yes</b>	<b>S</b>



# 1. Introduction

## 1.1 Evaluation objective and scope

This report is the final deliverable of the independent terminal evaluation of the Project *“Improving inclusive and sustainable agro value chains development, including the Ibo specialty coffee one, of Cabo Delgado Province through Public Private Partnership approach”* (UNIDO ID Number 170217), implemented by UNIDO with funding from the Italian Agency for Development Cooperation (AICS). The intervention is locally known as “Mais Valor” Project.<sup>3</sup>

### Objective of the evaluation

The purpose of the evaluation is to independently assess the project to support learning and support UNIDO, the Italian Cooperation and National Stakeholders to improve performance and results of ongoing and future interventions. The evaluation has two specific objectives:

1. Assess the project performance in terms of relevance, effectiveness, efficiency, sustainability, coherence, and progress to impact.
2. Develop findings, lessons and recommendations for enhancing the design of new projects and the implementation of those ongoing.

The evaluation intends as well to gather lesson and evidence best practices that may inform future cooperation efforts of the Italian Agency for Development Cooperation, Illy Caffè, the Government of Mozambique and stakeholders of coffee and horticulture value chains in Cabo Delgado and Manica Provinces.

### Scope of the evaluation

**Thematic scope:** the evaluation thematic scope is defined by the two targeted value chains: the Ibo (Zanguebariae) coffee value chain in Cabo Delgado and the fruits and horticulture value chain in Manica Province.

**Temporal scope:** The terminal evaluation covers the entire duration of the project, from its start date (1 July 2018) to its end date (31 July 2024). The evaluation also considers events and context which may have shaped the project before starting up, including the design phase.<sup>4</sup>

**Legal scope:** The intervention legal scope is defined by:

- a) The Agreement (Memorandum of Understanding, MoU) signed between the funding partner (Italian Agency for Development Cooperation - AICS) and UNIDO (executing agency) and follow up addenda.
- b) The final inception report (April 2021), specifying important project changes affecting the project design and results.
- c) The project Document signed between the Government of Mozambique and UNIDO.

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<sup>3</sup> Or “Value Added” Project. In the context of the terminal evaluation the intervention will be referred to as “The Project” or “Mais Valor Project”

<sup>4</sup> As data collection was implemented in July 2024, the evaluation was able to gather evidence on the achievement of activities and results up to the end of July 2024.

- d) Subcontracts with Oikos, AAU Technical, ISPM and other partners.

### Overview of the context

Mozambique faces significant socio-economic challenges and opportunities, particularly in its agricultural sector. Two Provinces, Cabo Delgado and Manica Province, present remarkable opportunities for targeted agricultural value chains: Ibo coffee in Cabo Delgado and fruits and horticulture in Manica:

- **Cabo Delgado: Ibo (Zanguebariae) Coffee Value Chain;** Cabo Delgado, located in the northern part of Mozambique, is a region rich in natural resources but plagued by instability and poverty. Over recent years the province has been affected by insurgency and conflict, which have disrupted local economies and displaced communities. Cabo Delgado has a relatively dry climate (average 900 mm rainfall) but suitable agro-climatic conditions for Zanguebariae coffee production in the Ibo district, where an endemic coffee species [Ibo coffee] has been grown for centuries. Investing in the Ibo coffee value chain can create economic opportunities on the island, support social development, improve the environment and contribute to improving livelihoods for displaced and local populations.
- **Manica Province: Horticulture Value Chain;** Manica Province, situated in central Mozambique, is known for its fertile soils, abundance of water resources and a favorable climate. This region holds potential for diverse crops, including vegetables and fruits, which can significantly contribute to both food security and economic growth. Farmers in Manica face challenges such as inadequate infrastructure, limited access to finance and inputs (including quality seeds and fertilizers), and weak market linkages. Strengthening the horticulture and fruit value chains involves providing technical assistance, improving supply chain logistics, and facilitating connections between farmers and markets to ensure better income and sustainable agricultural development.

## 1.2 Project Background and Context

Table 2: Project Factsheet

<b>Project title</b>	Improving inclusive and sustainable agro value chains development, including the Ibo specialty coffee one, of Cabo Delgado Province through Public Private Partnership approach
<b>UNIDO ID</b>	170217
<b>Thematic Area</b>	Value Chain development
<b>Country</b>	Mozambique
<b>Funding partner</b>	Italian Agency for Development Cooperation (AICS)
<b>Project implementation start date</b>	1 July 2018
<b>Expected implementation end date</b>	31 July 2024
<b>Project duration</b>	66 months
<b>Implementing agency</b>	UNIDO
<b>Executing Partners</b>	Illycaffè S.p.A. and Ernesto Illy Foundation
<b>Donor Funding (EUR)</b>	3,986,000 €
<b>Illy Input (in kind) (EUR)</b>	Euro 100,000
<b>Mid-term review date</b>	May-August 2023
<b>Terminal evaluation date</b>	October 2024 (field data collection)

Source: Project document and evaluation terms of reference

### 1.2.1. The Project result chain

The **general objective** of the Project, as defined by the Project Document, is to increase income generation for smallholder farmers in Cabo Delgado Province.<sup>5</sup> The result chain of the project was profoundly modified due to the events that affected the context of Cabo Delgado Province in 2020 / 2021.

The first inception report was submitted by end of January 2020. Unfortunately, the same time (night between 30 and 31 January 2020) the IABIL Institute was attacked by a terrorist group. By April 2020 a second Inception Report was prepared shifting the focus on the rehabilitation of another Agricultural Institute (Casa Agraria, District of Metuge, 1.30 hour from Pemba). By early 2020 the insecurity situation extended to the South. Just before Covid pandemic froze most activities, a new mission was fielded by UNIDO (February 2020). In close consultation with AICS and the MADER, it was agreed to:

- Maintain activities in Ibo Island for coffee (support to research, production and marketing), adopting a rigorous risk management approach, carefully assessing each step of the activities' execution, to identify and mitigate potential risks at every stage, ensuring the safety and effectiveness of operations despite the challenging environment.
- Support the development of the horticulture value chain in Manica Province, in consideration of an outstanding tradition of AICS assistance to the Central region of Mozambique and the favorable ecological, economic and market context.

<sup>5</sup> The project document makes specific reference to Cabo Delgado in its general objective. However, follow up project adjustments embraced as well fruit and horticulture farmers in Manica Province

These adjustments were endorsed and ratified by a Tripartite meeting held in August 2020, about 1 year after the project signature (May 2019) and funds receipt (July 2019).<sup>6</sup>

These new orientations were presented in a **Final Inception Report** (April 2021), that defines the adjusted version of the logical framework and represents the main contractual reference for this evaluation.

### 1.2.2. Project timeline

**Table 3: Project timeline and key benchmarks**

Event	Date
Actual project start date (First PAD issuance date)	1 July 2018
Project Official Signature with GoM	May 2019
First financial allotment	July 2019
First scoping Mission	September 2019
First Inception Report	31 January 2019
Second Scoping mission	February 2020
Second Inception Report	April 2020
Tripartite meeting	August 2020
Third and Final Inception Report	Delivered to AICS and GoM in December 2020 and approved in April 2021
Starting COVID pandemic	March 2020
Project Technical Committee Meetings	<ul style="list-style-type: none"> <li>• Cabo Delgado: 02/2021, 03/2023, 04/2024</li> <li>• Manica: 05/2021/, 02/2023 / 11/2023</li> <li>• Maputo 08/2020, 02/2022, 07/2023</li> </ul>
Project Steering Committee Meetings	11/2020, 02/2022, 11/2023,
Number of approved no-cost extensions	2
Mid-term review	May-August 2023
Project implementation end date	31 / 07/ 2024
Terminal evaluation date	June to October 2024

## 1.3 Theory of Change

The Theory of Change (ToC) outlines two main pathways to achieve project goals: improving the coffee value chain in Cabo Delgado and enhancing the horticulture value chain in Manica. The coffee result chain focuses on enhancing Ibo coffee through measures targeting a local producer association (APCI) with support to capacity building, improved farming techniques, and improved processing. This aims to shift Ibo coffee farmers towards

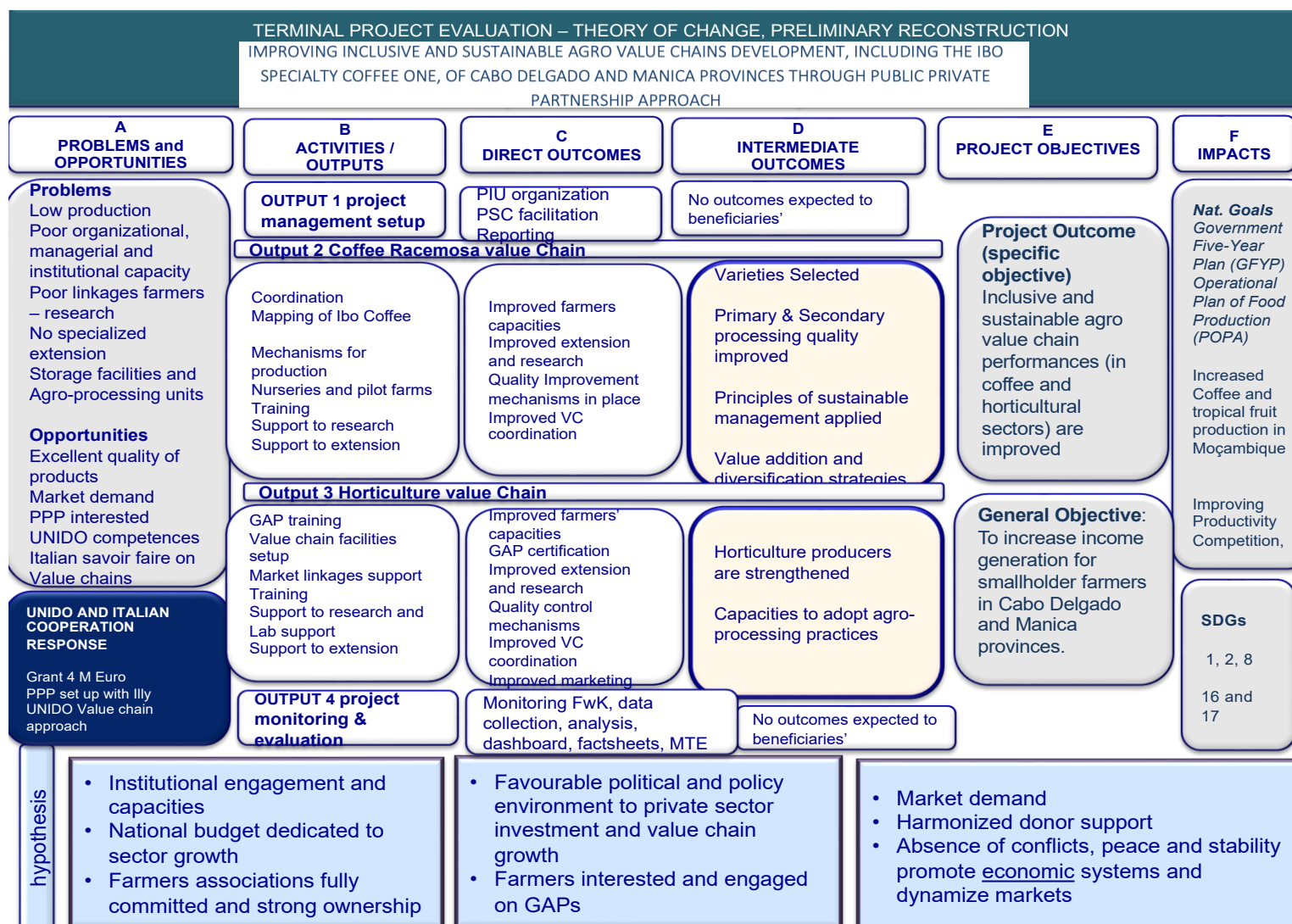
<sup>6</sup> The Preliminary Funding Agreement with MAECI was signed in January 2019; The Project Document with the GoM was signed 8.05.2019; the Grant Validity, thus the Inception Phase (with the operationalization of Project Budget) started on 5.07.2019; a project starts in UNIDO with the budget availability. Hence, we have to consider 1 year from July 2019, considering also the disruption of the conflict in Cabo Delgado, the Pandemic paralysis and the consensus building exercise with GoM and AICS (Source: comments from the project management to the evaluator, September 2024; these notes are fully endorsed by the evaluator)

a more entrepreneurial approach, enhancing production, processing, and marketing, thereby increasing stakeholder revenues and resilience.

The horticulture pathway aims to strengthen a local cooperative, increase capability of local processors, improve extension services, and upgrade laboratory facilities to enhance production and marketing in Manica.

The Theory of Change depends on important external factors like peace, stakeholder commitment, market response, favorable policies, and harmonized funding partners' support. Both pathways strive to improve value chains and resilience against external shocks.

Figure 1: Project reconstructed Theory of Change



Source: Elaboration by the Evaluator, based on the project document and intervention logic



## 1.4 Evaluation methodology

The approach adopted for the evaluation of “Mais Valor” project applies international evaluation standards, including OECD/DAC and UN norms for evaluation. The evaluation was conducted as an independent assessment using a participatory approach, ensuring that all key project stakeholders were informed and consulted throughout the process. The evaluator worked closely with the UNIDO Independent Evaluation Division and the Project Team to address methodological issues.

Using a mix of qualitative and quantitative methods, the evaluation applied contribution analysis and the theory of change. A focus on data triangulation ensures that findings are evidence-based. The framework of the theory of change was crucial in identifying how project outputs are transformed into higher level results and longer-term outcomes, as well as recognizing barriers and drivers affecting these transformations.

The evaluation applies a Results-Based Management (RBM) approach, focusing on the achievement of expected outcomes.

The evaluation methodology included a specific focus on crosscutting priorities including gender and environment, aligning with UNIDO’s policies and guidelines on gender equality.

Various data collection methods were utilized, including a review of project documents, structured interviews with approximately 100 stakeholders, site visits to project locations in Cabo Delgado and Manica, and focus group discussions with project stakeholders and beneficiaries.

The evaluation limitations are inherent to the challenges in i) capturing intangible benefits related to project services and ii) security constraints still prevailing in Ibo District. Therefore:

- Very limited information was available at outcome level, also in consideration of the slow and partial emergence of project outcomes.
- The evaluation did not manage to visit the Island of Quirimba, an important part of Ibo Coffee production and value chain.

These limitations have been mitigated through increased focus on qualitative data collection, including beneficiaries’ satisfaction assessment, the analysis of emerging outcomes as well as opportunities for long-term changes.

In Ibo District the evaluation complied strictly with Partners’ security dispositions.

## 2. Evaluation Questions and Findings

### 2.1. EQ 1 – Project strategy

**EQ 1 Project relevance, quality of design and coherence;** To which extent is the project relevant to Mozambique National Priorities, to AICS priorities, to UNIDO approach and to value chains' stakeholders?

#### 2.1.1. Relevance to national priorities and coherence to AICS and UNIDO mandate and strategies

The project is highly relevant to national priorities as Mozambique's government prioritizes agriculture as a key sector for economic growth, poverty reduction, and food security, as outlined in its *Five-Year Government Program* (2015-2019) and the *Strategic Plan for Agricultural Development* (PEDSA). The project aligns these priorities by enhancing agricultural productivity and diversifying income sources for rural communities. The National Agricultural Investment Plan (PNISA, 2014-2018), which operationalizes PEDSA, identifies value chain development as a critical area of investment and the importance of agro-processing and market access to boost agricultural growth and rural development. Also, the current Five-Year Government Program (PQG) 2020-2024 reiterates the government's commitment to transforming agriculture through a value chain approach.

The project is coherent with the strategic framework of the Italian Cooperation (AICS) that focuses on sustainable development, inclusive growth, and poverty reduction.<sup>7</sup> AICS strategic approach favors support to targeted value chains where Italy boosts a tradition and a comparative advantage in coffee processing and marketing; the intervention also supports the partnership with an Italian company leader in the sector (illycaffé), a trademark of AICS approach to value chain development. Italian Cooperation strategy in Mozambique prioritizes efforts in areas where Italy and Italian Cooperation established strong ties, including Cabo Delgado and Manica Provinces.

The intervention is also consistent with UNIDO mandate to promote inclusive and sustainable industrial development,<sup>8</sup> as the project focuses on capacity building, improving product quality, and fostering market linkages, supporting UNIDO's objectives to stimulate economic development, create jobs, and enhance competitiveness in developing countries.

#### 2.1.2. Relevance to stakeholders and beneficiaries' needs and priorities

The evaluation evidences a strong project relevance to beneficiary needs and priorities for both value chains. The finding is supported by the high beneficiary satisfaction feedback from interviews to a wide range of stakeholders (more than 100) in both Cabo Delgado and in Manica.

<sup>7</sup> Three-Year Programming and Policy Planning Document (2017-2019), Italian Agency for Development Cooperation (AICS).

<sup>8</sup> Medium-Term Programme Framework and Country Programme for Mozambique.

### 2.1.3. Quality of design, strategy and Theory of Change

Project design, theory of change and strategy show positive features (including an high flexibility of the result chain and the capacity of AICS and UNIDO to adjust to a particularly challenging context; also a very positive design feature are the partnerships promoted for Ibo Coffee with illycaffé and AMOCAFE); nevertheless the overall quality of the strategy and of the design is assessed as not satisfactory : the design does not describe the specific changes (or results) expected at outcome level (i.e. increased production, increased revenue) and does not allow to measure the intervention progress on expected results. Strategy is not clearly defined and shows significant shortcomings,<sup>9</sup> evidencing intrinsic limitations for a project designed to support tree crop production with a short timeline and a contained financial envelope. Design does not study adequately needs and priorities at macro and meso levels, while relying mainly on activities at micro level and matching grants in support to individual stakeholders. Aspects of financial, market, institutional, environmental and organizational sustainability for the proposed development of the two value chains are not adequately appraised.<sup>10</sup>

### 2.1.4. Ownership and commitment of stakeholders

The following stakeholders manifested a strong engagement and ownership: APCI association for Ibo Coffee, Cooperative CFB in Manica, AFR Company, AAU technical, Ministry of Agriculture (at Central and at Provincial level), AMOCAFE, SDAE and extension staff in both provinces. The findings are supported by evidence of their commitment to project activities, manifestations of ownership and contributions to expected results.

Conversely the evaluation suggests that the ownership and engagement of other stakeholders should be strengthened:

- The project targeted selected associations in Ibo and Manica; Other producers and processors in Ibo district and in Manica Province, although occasionally consulted, were not directly implicated in a process of value chain development and as such their engagement and ownership was limited<sup>11</sup>
- Instituto Superior Politecnico de Manica,<sup>12</sup> featuring limited ownership, supported by a shallow budgetary allocation to operate the investments facilitated by the project; the university laboratory appears also to have limited capacity to support sustainably the fruit value chain in Manica

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<sup>9</sup> Both the Project Document (2018) and Annex to the final inception report (2020) do not describe adequately the strategies underlying the Theory of Change to explain how the expected project goals will be achieved.

<sup>10</sup> Note by Project Management: "UNIDO's approach prioritize sustainable activities by engaging with local stakeholders and find local solutions" (Communication to the evaluator, September 2024).

<sup>11</sup> "All the 'beneficiaries' have been selected through an initial assessment based on specific selection criteria and the support seized to them has been decided via PTC consensus." \_ (UNIDO project team communication to the evaluator, September 2024)

<sup>12</sup> "Supporting ISPM is part of AICS strategies. ISPM is not reached by PRETEP plus (AICS initiative) and UNIDO was asked to support ISPM, strengthening quality lab services and by doing that improving also quality of education/research. It has been suggested by MADER to develop a horticulture training program, composed by 4 modules including manuals to be part of the training material to be used as training material for extensionist which was appreciated at PTC level, both from public institutions (see letter from MADER - date 12/02/2024), funding partner and private actors. " \_ (UNIDO project team communication to the evaluator, September 2024)

- Company Tigre de Ouro, in consideration of its full Company reliance on funding partners` support and limited interest in investing in plantation and business development.<sup>13</sup>

### 2.1.5. Coherence to UNIDO strategies for Value Chains and Private Sector Development

The Evaluation sees opportunities to strengthen the intervention coherence with UNIDO Value Chain and Private Sector Development strategies, focused on promoting inclusive and sustainable industrial development (ISID), contributing to economic growth, job creation, and poverty reduction through industrialization and private sector development. Coherence needs to be reinforced particularly for the following aspects:

- **Value Chain and Cluster Development Approach;**<sup>14</sup> The project, in both Provinces and for both value chains, applied only to a limited extent a cluster development approach, limiting coherence and the effectiveness and opportunities for performances and a broader impact.<sup>15 16</sup>
- **Private Sector Development;** UNIDO supports private sector growth by creating an enabling environment for businesses, promoting entrepreneurship, and facilitating access to finance. UNIDO also encourages partnerships between the public and private sectors, fostering innovation and investment. Notwithstanding activities addressing Global Gap certification, access to finance and support to research, overall, the project, in both Provinces and for both value chains, had a very limited focus on the enabling environment, policy development,<sup>17</sup> private – public partnerships and promotion of entrepreneurship.<sup>18</sup> The evaluation shows how project facilitation of matching grants

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<sup>13</sup> “TdO was the PACE who received less support from the Project. They have quite established business, mainly based on commercialization than production, however they do not rely on funding partner support.” Source: Ibidem. The evaluator, based visit to the company farm, exchanges with TdO owner and interviews with other sources found evidence that the company relies significantly on *funding partner`s* support and is reluctant to reinvest revenues in company assets for production and processing.

<sup>14</sup> UNIDO’s approach to value chain development through a cluster approach involves organizing enterprises into clusters to enhance their collective efficiency and competitiveness. This method fosters collaboration among businesses, suppliers, and service providers within a specific geographical area or sector (source: “UNIDO’s Approach to Cluster Development: Promoting Sustainable Development Through Enhanced Competitiveness and Innovation” (UNIDO, 2013))

<sup>15</sup> Evidence is provided by the evaluator assessment of UNIDO approach and multiple interviews with value chains stakeholders. In both Provinces the approach focused rather on selected producers / processors support, limiting the project capacity to leverage transformations at level of the value chain

<sup>16</sup> UNIDO team maintains that it has been applying a cluster approach: “UNIDO is adopting cluster approach. This work has been done in synergy with service providers, extensionist, private/publ. sector and institutions. After several roundtable discussions with key entrepreneurs and farmers engaged in horticulture, UNIDO manage to formalize/legalize of FRUTICENTRO- , the sole tropical fruit and veggies business association in MANICA province”. Nevertheless, the evaluator, based on available evidence, concludes that overall, the project approach was targeted to selected stakeholders and did not involve a comprehensive cluster dialogue to address production, processing, marketing issues at a broader level, both in Ibo and in Manica

<sup>17</sup> “Policy development was not included in our project framework and is not referenced in our scope of work.” (UNIDO project team communication to the evaluator, September 2024)

<sup>18</sup> “Also, promotion of entrepreneurship is not part of 170217 scope of work: a lot of coordination efforts have been done with a parallel UNIDO 180068 initiative which is Promote Comercio, mainly focused on improvement of trade and business environment” Source: ibidem

to selected operators cannot be assimilated to “*improved access to finance*”:<sup>19</sup> Entrepreneurship development cannot rely on a grant-based support to selected stakeholders; although grants may provide positive effects related to short-term financial relief, this approach does not address the broader needs for systemic change and innovation. Also, grants do not encourage entrepreneurs to take risks or innovate, as they do not create a culture of self-reliance and resilience. Entrepreneurs need to be incentivized to invest their own resources and innovate to stay competitive.<sup>20</sup>

The evaluation therefore evidence opportunities to strengthen project coherence to UNIDO approach to value chains’ clusters and to private sector development.

## 2.2. EQ 2 – Effectiveness

**EQ 2 Progress toward results (effectiveness);** To what extent the expected results have been achieved thus far? What have been barriers to achieving the objectives? What have been the key enabling factors?

### Result 2: Increased capacities for Ibo coffee value chain actors

*To what extent does the project enhanced productivity, quality and marketing of the Ibo coffee value chain stakeholders?*

#### Overall assessment

Support to Ibo coffee value chain was provided over an extremely challenging period, where political, climatic and epidemiologic factors contributed to disrupt severely security, livelihoods and the economy of Cabo Delgado Province in general and particularly in Ibo Island. Notwithstanding the challenges and the current instability, the project managed to considerably impulse a dormant, low intensity value chain, creating awareness, mobilization and an important stakeholder’s engagement.<sup>21</sup> The project supported a range

<sup>19</sup> “Cost-shared project is part of the strategy adopted to reach SHFs. It was not project role to set up subsidized credit line and improve access to finance as such...This approach has been approved and supported by all stakeholders. Side note: e.g. The Food and Agriculture Organization of the United Nations (FAO), through its EU-funded project PROMOVE Agribiz, co-finance up to 80 percent through the Beneficiary Grants modality.” Source: Ibidem

<sup>20</sup> Sources: Lerner, J. (2009). “Boulevard of Broken Dreams: Why Public Efforts to Boost Entrepreneurship and Venture Capital Have Failed—and What to Do About It.”, ii) Shane, S. (2009). “Why Encouraging More People to Become Entrepreneurs is Bad Public Policy.” *Small Business Economics*, 33(2), 141-149. Shane argues that relying on grants and subsidies can lead to dependency and lack of innovation, advocating instead for creating conditions that encourage genuine market-driven entrepreneurship, iii) World Bank (2014). “The Big Business of Small Enterprises: Evaluation of the World Bank Group Experience with Targeted Support to Small and Medium-Size Businesses, 2006-12.” This report highlights the importance of self-reliance and market-driven incentives for sustainable entrepreneurship, rather than dependency on external grants.

<sup>21</sup> “The coffee value chain in Ibo didn’t exist, and traditional processing and roasting techniques didn’t effectively bring out the coffee flavor and peculiarity. The project’s intervention created a “new product”, and a promising outlook and opportunities for the community of Ibo/Quirimbas” .” (UNIDO project team communication to the evaluator, September 2024)

of capacities, promoted Ibo coffee research and visibility at international level, established a valuable partnership with illcaff , strengthened significantly ICPA association, established a common understanding on the need to keep a high quality and standards and launched an ambitious programme of coffee multiplication.

The project defined the first steps of a long-term process, building important lessons and shaping the road ahead.

Significant additional work is required in almost all areas (strategy, governance, value chain cluster approach, definition of goals and standards, capacities, infrastructure, equipment, establishing sustainable plantations, soil and water management, agronomic practices, processing, marketing).

### **2.2.1. Improved scientific and technical understanding of Ibo coffee**

The project significantly contributed to improving understanding, promoting studies and attention, building scientific knowledge and supporting researchers and botanists' attention on Ibo (Zanguebariae) coffee. This considerable body of activities<sup>22</sup> contributed to building knowledge; this knowledge needs to be further systemized, made accessible and converted into practical strategic orientations for the Ibo coffee value chain development.

### **2.2.2. Cluster approach**

The project used as an entry point the ICPA association and the intervention focused on strengthening the capacities of the group and its 162 members<sup>23</sup>. The project approach embraced as well relevant institutions and research. The project, although it consulted a wide number of actors, it did not embrace a comprehensive cluster approach to Ibo coffee value chain,<sup>24</sup> as important stakeholders (including some larger and older producers in Ibo and Quirimba, local government, coffee traders) have been associated only to a limited extent to the initiative, limiting considerably, at least in this first phase, the opportunity for a strategic and inclusive approach to Ibo coffee value chain development.<sup>25 26</sup>

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<sup>22</sup> Including numerous theses, studies and a publication on "Annals of Botany"

<sup>23</sup> By project start APCI counted on 120 Members, Project results allowed a significant increase of interest of other farmers and membership raised to 162 Members (July 2024)

<sup>24</sup> The UNIDO methodology for a cluster approach involves identifying and supporting geographically concentrated groups of interconnected businesses and institutions. This approach focuses on enhancing competitiveness through collaboration, innovation, and shared resources. It emphasizes capacity building, networking, and the development of a supportive policy environment to foster sustainable economic growth and development within the cluster.

<sup>25</sup> Recently the project liaised APCI to "Alvaro duty free distributors - that resell Ibo's coffee in all airports in Mozambique and offering the best purchasing price (500 MZN/250gr)" (UNIDO project team communication to the evaluator, September 2024)

<sup>26</sup> "The project successfully leveraged the APCI association as a key entry point, focusing on building the capacities of the group and its 162 members, while equipping them with both processing, value addition and marketing assets. While broad consultations with various stakeholders were conducted, there is an opportunity to further strengthen the Ibo coffee value chain through a more comprehensive cluster approach, particularly by deepening engagement with coffee traders and distributors. Additionally, the project has the potential to reach 100% of coffee producers, considering that (ONLY) 2 producers in Quirimba and 10 in Ibo remain hesitant to join the ICPA; this approach could significantly enhance the strategic and inclusive development of the value chain and will be considered in future phases" Source: Ibidem



### **2.2.3. Increased awareness and commitment of farmers**

This is one of the most tangible areas of project achievements, with a result of mobilizing and significantly strengthening APCI association and building a strong motivation to dedicate important work and resources to the development of Ibo Coffee value chain. People external to the association also, thanks to the project, envisioned new opportunities, allowing for a significant expansion of the members and an accrued interest in Coffee Zanguebariae.

### **2.2.4. Strengthened governance and coordination**

The Project supported considerably the governance (and governance capacities) of the association, which is assessed as a tangible and satisfactory result of the intervention.

The project did not support the set up and operation of an Ibo (Zanguebariae) coffee Value Chain, including its inclusive governance and coordination mechanisms, an important area that needs to be addressed by a follow-up phase to achieve the value chain comprehensive and sustainable development.

### **2.2.5. Definition of goals, standards, grading and regulations for Ibo Coffee**

The intervention had the merit to set the “precursors” for a future Ibo coffee strategy, goals and regulations, enhancing an almost consensual awareness on the opportunities and appreciation of very special nature of the Zanguebariae coffee. Particularly the association set quality standards to purchase coffee from its members.

A more comprehensive work of defining standards and regulations needs yet to be set up and will require the previous organization of a cluster approach and strong governance extended to all the value chain.

### **2.2.6. Value chain development strategy**

The project supported yearly Ibo Coffee Development Plans that were included in the implementation specifications for subcontractors. Project activities created an interest at national level for the development of a coffee sector strategy for Mozambique. So far at level of Ibo no value chain development strategy has yet been developed. As a follow up of the project initiative MADER is currently launching with the support of UNIDO a study for a national coffee strategy.

This could be a good opportunity to build, as a sub-chapter, an Ibo – Zanguebariae - Coffee development strategy and implementation plan, through a participatory approach involving all value chain stakeholders.

Project key strategic choices involved:

- An adaptive and flexible approach to address contextual risks and uncertainties
- Targeted support to ICPA (main small-scale producer’s association in Ibo island). <sup>27</sup>
- Focus on Ibo and Quirimba Islands

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<sup>27</sup> Coffee producers are divided into 3 groups: producers with large area (more than 0.75 hectares), medium (0.3 to 0.75 hectares) and small area (at home). In total, the association has 88 large, 28 medium and 44 small producers. In each Island there is also a single large owner of coffee. These two larger farmers did not join the association.

- A massive increase of coffee planting in Ibo (plan to scale up from approximately 5000 trees to up to 60,000 new plants) multiplied by individual farmers, including a 12-ha common area, in the sun and so far without adequate shadow)<sup>28</sup>
- Limited support was provided to shadow tree planting (this included 2 training sessions (2022 and 2023), and distribution of 5800 gliceridia seedlings (January 2023), 1450 seeds of maçanica and 7300 seeds of papaya. It should be noted that the growth of shade trees takes time, especially under Ibo's conditions of poor soil and limited rainfall.
- The project supported as well improved individual farmers' practices on storage, drying, grading, milling and roasting.

### 2.2.7. Improved capacities of extension services

The project supported Ibo District SDAE extension services with knowledge (two 5-day workshops, together with ICPA producers), and the provision of equipment with motorbikes and gasoline for field work. This extension support proved to be valuable; capacity building included the development of a Coffee Production Manual.<sup>29</sup> This significant effort - although contributed to improving farmers and extensionists' knowledge- could not address, within the timeline and budget of the project, the structural capacities gaps and it did not allow transformational changes for the improvement of coffee practices. None of the four extensionists that benefitted from project training is a coffee specialist, and they feel they have not yet achieved adequate technical know-how to support farmers.<sup>30 31</sup> Farmers' trust in extension staff is also limited.

Capacity gaps include nursery techniques, planting, agronomic practices, harvesting and processing.

### 2.2.8. Infrastructures and equipment

The project adopted an adaptive strategy trying to find solutions for infrastructure and equipment for the association (and not the value chain).<sup>32</sup> Considerable efforts have been invested; by the time of the evaluation the situation is the following:

- The association is temporarily located in Santo Antonio Fortress, a remarkable historic site and valuable tourist attraction; the building had the advantage to link explicitly coffee activities with the history of the island; following 2019 Cyclone Kenneth's UNIDO, the National Conservation Law Authority and the funding partner favored the renovation of the building. The historical building, headquarters of the ICPA, was restored in 2023 by the project and provided in kind in furniture, agro-tools, boards, coffee equipment, etc.

<sup>28</sup> According to the sources, the extension of the cultivated (or potentially cultivated area belonging to the members of the association) is estimated at 70 hectares between the islands of Ibo and Quirimba. They also estimate an approximate total cultivable area of approximately 1000 has (Source: project communication to the evaluation, July 2024)

<sup>29</sup> "Manual de Boas Práticas Agrícolas para o Café do Ibo" developed through the joint efforts of UNIDO, UNILURIO, and Illy Caffè.

<sup>30</sup> The project initial strategy built on the strengthening of coffee extension capacities with a partnership with the Aga Khan Foundation and the Instituto Agrario de Bilibiza. This strategy was abandoned following the insurgents' attacks to the Institute in 2021.

<sup>31</sup> "The extensionists in Mozambique are generalists rather than crop specialists, with a broad understanding of Good Agricultural Practices for various crops. Extension services are also severely limited due to inadequate funding, insufficient preparation, and a high rate of staff turnover" (UNIDO project team communication to the evaluator, September 2024)

<sup>32</sup> The value chain approach involves not only the consultation with key stakeholders, but an organized mechanisms for coordination, dialogue, governance, accountability, monitoring of the value chain, with inclusive access to decision making



- However, the building proved to have structural limitations to serve as headquarters for the coffee farmers' association, including inadequate aeration, small rooms, lack of meeting places, dampness and narrow entrance
- A refurbished storage was rented to host the machines and equipment
- A milling and a roasting machine have been purchased and installed, addressing considerable logistic challenges; however, their capacity (1 kg of coffee per cycle) is not adapted to the association volume of work (in 2023 production registered 700 kg). These machines could be used only to a very limited extent and larger miller and roaster need to be purchased in the future<sup>33</sup>
- Small equipment for coffee farming has been provided as a grant to the association
- The association has been awarded a plot by Ibo district administration for the construction of an adequate building.

The association members feel uneasy with the current arrangements. The need for a good building and adequate processing equipment is felt as a major priority for all the members, to establish identity, visibility and enhance quality through centralized storage and processing of coffee.<sup>34</sup>

### 2.2.9. Increasing production

The project launched a campaign for a significant increase of the quantity of Zanguebariae coffee trees in Ibo as the main strategy to boost the offer, strengthening incomes and provide a better supply for supermarkets. However, the evaluation shows important shortfalls in this ongoing multiplication effort:

- a. The quantities of new trees are not calculated because of an assessment of the island carrying capacity (analysis of soil availability, land availability, water resources), the requirements to establish a shade cover and the market demand<sup>35</sup>
- b. The multiplication programme prioritized the selection of "Variant B" based on "superior performance, better growth, larger cherries, and other beneficial characteristics".<sup>36</sup> However, seed selection was not centralized and - beyond the choice of Variant B - it was not supported by additional phenotypic or genotypic selection of specific desirable features (which should be oriented by goals clearly

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<sup>33</sup> The project explained the rationale for the purchase as follow: "Procuring the necessary materials proved to be a significant challenge and transporting them from the mainland to the island was equally difficult. As this was the first coffee roasting machine introduced to operators with limited experience, the project had to carefully mitigate the risk of underutilizing such an asset. The decision was also influenced by the instability of the local power supply. For instance, if a 10 kg coffee roasting machine is in operation and the electricity cuts out, there is a risk of losing the entire batch. Typically, roasting 2 kg of coffee takes about 12-15 minutes, so roasting 20 kg would require approximately 150 minutes (2 ½ hours), and roasting 1,000 kg would demand around 100 hours of continuous operation. To ensure the sustainability of the machinery, purchasing spare parts is both more cost-effective and accessible for ICPA." Source: Project communication to the evaluator, September 2024

<sup>34</sup> These steps are foreseen for the second phase, Project Mais Valor 2 (Source: project communication to the evaluator, July 2024)

<sup>35</sup> Market demand is huge compared to the local offer (Source: project communication to the evaluator, July 2024)

<sup>36</sup> The selection was made in collaboration with coffee experts, association members, OIKOS, and under the support of SDAE and ICPA more active members. ." Source: Project communication to the evaluator, September 2024

set for Ibo Coffee by value chain stakeholders). The choice of seeds was left to the initiatives of individual farmers nurseries

- c. Most seedlings are planted in inadequate or very inadequate conditions:
- Most planting areas are depleted of soil and seedling are planted on loose sand with almost no presence of organic matter
  - Several areas dedicated to coffee feature a prevalence of rocks outcrops with very limited space left for root growth, water and nutrient retention
  - Young coffee is planted without shadow (the visit to several planted areas and nurseries evidenced how almost no shadow trees are being grown)
  - Coffee is consociated with cassava and maize, planted at a very short distance from coffee; <sup>37</sup> the practice should be discouraged, as it is competing with coffee and further depleting soils for nutrients and water
  - Compost is produced and added to each plant, a positive practice. Unfortunately, the number of cattle in Ibo is very sparse and not sufficient. Compost is mostly based on vegetable residues, with estimated very low nitrogenous content and a high C/N ratio. <sup>38</sup> The low nitrogen content will not improve soil composition and can hardly support coffee growth.

These planting practices risk having an impact negatively on coffee yields, on coffee quality as well as on Ibo ecosystem:

1. The multiplication techniques are likely to produce high variability across Ibo Zanguebariae coffee, not supporting specifically desirable traits (as caffeine content, yield, resistance to drought, etc.)
2. More importantly the inadequate choice of soils and the current practices risk producing soil depletion, leaching <sup>39</sup> and acidification; <sup>40</sup>
3. The current planting technique features a pure crop plantation without shadow trees and without adequate consociation, not allowing the setting of the semi-forest environment of natural Ibo Zanguebariae coffee, losing one of the main valuable features and selling points for Ibo Coffee <sup>41</sup>

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<sup>37</sup> Cassava and maize are planted under the wrong assumption that these are shadow plants

<sup>38</sup> Note of the evaluator: for effective composting, the ideal C/N ratio is generally considered to be around 25-30:1. This ratio ensures a balance that promotes efficient decomposition and results in high-quality compost that is rich in nutrients and beneficial for soil health.

<sup>39</sup> Soil leaching refers to the process by which soluble substances, such as nutrients, pesticides, or contaminants, are washed out of the soil by percolating water.

<sup>40</sup> Tropical soils are often deeply weathered and depleted of nutrients, and the leaching of essential minerals like calcium and magnesium accelerates this depletion. The rainfall washes away these nutrients and leads to acidification, which further degrades soil structure and fertility. This process is generally irreversible because the natural replenishment of minerals is slow and insufficient to counteract the rapid loss.

<sup>41</sup> According to Oikos report *“the agroforestry plan included the distribution of papaya seeds, boer beans (Cajanus spp), cassava, improved cashew trees, coconut trees, gliricidia, soapberries (local plant) and macanica seeds (local plant).*

*The project also distributed mapira, mexoeira, corn and peanuts over the years. The implementation of this agroforestry plan is still a challenge, as is explaining to producers the importance of shade trees and plant fertilization”.* Field observation, on at least 8 different sites, and in 4 farmers nurseries shows that no shade tree is being grown or planted. No fruit trees except for caju were also observed. Some plants of cajanus (feijao boer) were planted. Overall, there is a consensus from farmers, extension and Oikos that shadow and fruit tree planting have not yet been implemented, or only to a very limited extent.

4. This broad campaign for planting thousands of plants risks impacting negatively on Ibo fragile aquifer, lowering the water table and increasing its salinity, depriving in a few years the island water for human consumption <sup>42</sup>
5. There is no assessment of water resources to support irrigation, although the shallow and salty aquifers of the island risk a quick depletion.

It should be noted that these findings are supported by the evidence of suffering of coffee plants observed during field visits and recent reports of a very high mortality amongst young coffee plants.

The risk of an overall significant negative impact on the ecosystem and on the island, conservation is expected if these planting practices will not be urgently corrected (see recommendations).

#### **2.2.10. Improved processing and coffee quality**

One of the major results of the project was to build awareness within the beneficiary association to enhance the quality of Ibo Zanguebariae coffee. Several efforts were addressed to increase farmers' awareness for screening, drying and storage of coffee grains. Project support to improved processing included: i) a drying bed for coffee has been tested and is currently in use, b) coffee processing trials and experiments have been conducted, including de-husking, with the introduction of the manual *Botini* in 2022. C) two study tours were conducted in Ethiopia, along with one ICT (In-Country Training) tour in Parque Nacional de Gorongosa, aimed at improving capacities in processing operations. As a result, roasting methods evolved from traditional pan roasting to improved roasting techniques, resulting in better quality coffee, and the coffee being appreciated through cupping sessions by experts from Illycaffè, Coffee Training Center (CTC), and at the International Coffee Organization (ICO).

Additional steps need to be taken to enhance the quality of Ibo coffee, including:

- Defining standards for Ibo coffee quality
- Strengthening awareness and capacities for quality
- Monitoring quality of all of Ibo coffee production (and not only for APCI association)
- Capacity building and monitoring of harvest
- A centralized purchase of coffee cherries
- An adequate infrastructure for processing
- Drying equipment
- Sieving equipment
- Roasting equipment
- Adequate storage facilities

#### **2.2.11. Improved marketing**

The intervention positively supported Ibo Zanguebariae coffee image and marketing on national and international markets. These efforts, including the partnership with illycaffè, the participation to international events as the Rimini fair in Italy, the branding, the website and the social media campaign, along with the promotion of Ibo Coffee on Pemba supermarkets, increased significantly visibility and attention on Ibo coffee. These efforts

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<sup>42</sup> The project intends to keep monitoring the quality of water from Ibo wells. (Source: project communication to the evaluator, July 2024)

need to be pursued and expanded, backed by an adequate strategy, regulations, capacities, monitoring and standards, thus setting conditions for an increase in the offer while still aiming at maintaining a very high final producer price (currently around 38 USD /kg).<sup>43</sup>

Being Ibo Zanguebariae coffee a niche product, it should be noted that the increase of Ibo coffee offers without adequate attention to quality and image, risks to produce in the medium term, a sharp reduction of the product price.<sup>44</sup>

#### 2.2.12. Strengthened AMOCAFE capacities

AMOCAFE is supported by the project through few activities, including 2023 training in Gorongosa Park and strengthening its ties with ICPA Association. Participation to a Study Tour has been organized to the Coffee Training Center in Addis Ababa – Ethiopia,<sup>45</sup> supporting capacities related to coffee agronomy, sensorial lab, cupping, barista, roasting, and gain an overview of the Ethiopian coffee industry including on regulations and quality systems management. According to the project report<sup>46</sup> *“supporting AMOCAFE is creating ownership and trusted relationships amongst members, binding the Mozambican coffee sector stakeholders in a pre-competitive setting”*.

UNIDO support helped in building trust among members of AMOCAFE, which includes coffee growers, processors, and other stakeholders.

The evaluation assesses support to AMOCAFE as relevant, but still at a very early stage as it started in 2022<sup>47</sup>. According to the feedback from interviews, the support provided is useful and appreciated although AMOCAFE capacities are still incipient. Further support should be framed by a wider value chain strategy and accrued result orientation, defining specific measurable changes aimed by the project.

#### 2.2.13. MADER- DNDEL capacities

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<sup>43</sup> The coffee is currently sold in local (Pemba) markets at about 600 MT for a 250 g package of coffee, corresponding to approximately 38 \$ / kg

<sup>44</sup> For a niche product, a sharp increase in supply can lead to a quick market saturation. With more available than needed, competition among suppliers drives prices down rapidly.

<sup>45</sup> 15 to 21 of October 2023

<sup>46</sup> Mais Valor Project, UNIDO Progress Report, November 2023

<sup>47</sup> Activities and results included: I ) Increased AMOCAFE visibility at national level with a WORKSHOP in Maputo - 2022 launch of the AMOCAFE (still informal association) ii) support for Amocafé legalization and support - formally constituted 15 May 2024 iii) Capacity Building: 40% members attend training at CTC - in cupping/barista/processing and visited coffee operations/and coffee authorities (2 Study TOUR\_at CTC- October 2023 and April 2024), and in-country training at PNG - July 2023 iv) Facilitated networking opportunities and established connections with relevant industry stakeholders at FACIM (local major fair - 26 August to 1<sup>st</sup> September) and MACFRUT (international horticulture fair in Italy -8,9 10 May 2024), v) assisted MADER through the process of becoming a member of the International Coffee Organization (ICO), and ensured AMOCAFE's participation positioning them within a global network of coffee industry players vi) Co-organized the FESTIVAL of COFFE the first and largest event on coffee in Maputo (14/15)(Source: project communication to the evaluator, September 2024)

MADER is the official counterpart of the project and an active member of the Project Steering Committee; MADER has been constantly involved in consultations and several activities <sup>48</sup> including:

- a Rapid Assessment of the Mozambican coffee industry
- Study Tour to Ethiopia
- 2023 Participation to the yearly Fair of Facim
- A UNIDO Consultant is currently supporting the development of a national strategy for the coffee sector <sup>49</sup>

MADER-DNDEL appears well-engaged in project follow up, particularly for the coffee value chain.

Overall project activities are considered relevant and highly appreciated by MADER, who considers UNIDO support as “very important”. <sup>50</sup>

Ibo coffee support appears to be part of a wider AICS – MADER – UNIDO -AMOCAFE – illycaffè strategy to support Mozambique coffee value chain. The project next phase (Mais Valor 2) will be instrumental to support this wider strategy.

Notwithstanding the positive support, MADER challenges in providing institutional support and strategic guidance to the coffee value chain are still significant. Institutional capacity gaps include: <sup>51</sup>

- Financial resources,
- policy and regulatory framework development
- specialized coffee sector technical expertise at central and at local levels,
- sector coordination capacities,
- coffee extension and coffee research
- Monitoring and national statistics on coffee production, quality and export
- Support to standards and quality
- Adequate coordination and linkages with Ministry of Industry and Commerce

## **Result 2: Increased capacities for Manica fruits and vegetable value chain actors**

*To what extent does the project enhanced productivity, quality and marketing of the Manica province fruit and vegetable value chain stakeholders?*

### **Overall assessment**

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The 36-months project was endowed with a modest 2 M € budget, to support an ambitious goal of strengthening Manica’ Province fruits and vegetables value chains through several measures aimed at building capacities, improving production and quality of products,

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<sup>48</sup> The following activities are reported by UNIDO Progress Report (November 2023) under “Institutional Support: *As per MADER’s requests, the project has conducted a rapid assessment of the coffee industry in Mozambique in collaboration with an affirmed Ethiopian coffee value chain expert and an agribusiness specialist with expertise in the Mozambican agricultural context, including recommendations for actions needed for the sector’s growth. To expose Mozambican government representatives and AMOCAFE members to a country with an established coffee industry, a Study Tour (from the 15 to 21 of October 2023) has been organized to the Coffee Training Center in Addis Ababa – Ethiopia (<https://ctc.et/>).*

<sup>49</sup> This activity follows a specific request from the Ministry of Agriculture (Source MADER-DNDEL)

<sup>50</sup> Source: MADER-DNDEL, July 2024

<sup>51</sup> Source: Evaluator Interviews with MADER and a wide range of coffee sector stakeholders, and literary review.

strengthening farmers' associations, enabling the private sector and building linkages to markets.

4 clusters of activities targeted 3 businesses (producers and buyers) and 1 service provider:

- The Cooperative CFB (349 members) produce litchis for the major national fruit exporter (Westfalia)
- A new company (AFR) with a fruit processing line, linked to local producers' associations (outgrowers)<sup>52</sup>
- A fruit production company (Tigre de Ouro) is also linked to two local producer associations (approximately 50 producers each)
- The ISPM (Instituto Superior Politecnico de Manica), supporting knowledge and value chain service provision

To help smallholder farmers the project facilitated grants in the form of "cost-shared working packages" put in place with selected private partners (lead agribusinesses). These partners act as intermediaries to reach the farmers. According to the project, the ownership of equipment, tools and machinery will be granted once that the goals are met.

Most activities were useful, and all proved to be fully appreciated by beneficiaries. Several interventions produced tangible results in terms of improved equipment, infrastructure and capacities.

Positive outcomes include the consolidation of producers' groups, strengthened capacities of the Cooperative for production and quality, and support to Global GAP and HACCP certifications.

The setup of the Cooperative building and equipment helped strengthen Members' identity and build trust in the Cooperative.

UNIDO and the local government have been in charge to make sure that the "in-kind contributions" are used and maintained properly. Monitoring visits were organized each 6 months with the local authorities; a comprehensive checklist was created to evaluate and select private partners based on their alignment with project goals, focusing on Inclusive Business Models. Selection criteria for private partners covered 9 criteria, including experience with agro-hubs, sustainability commitment, and ability to transfer skills. These variables were applied to select most effective partners. Training, equipment, infrastructure, and services required for inclusive business development were identified to ensure proper support for smallholder farmers. This process was intended to ensure strategic alignment with project objectives<sup>53</sup>

The project efforts involved close interactions of selected stakeholders.<sup>54</sup>

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<sup>52</sup> AFR purchases fruits from 50 producers in Buzi (Sofala Province), 16 in Bela Vista (Macate district), 28 in Manica district (Ginger farmers), 15 in Sussundenga district (Banana farmers), and 5 in Barue district (Passion fruit farmers), totaling 114 providers. This number is expected to increase significantly at the beginning of the next tropical fruit harvest season (2024/2025) (source: Mais Valor Project, communication to the evaluator, July 2024)

<sup>53</sup> Source: Project communication to the evaluator, September 2024.

<sup>54</sup> ISPM students took part in training offered by AAU and local specialists (e.g., PRODUSOLA); AFR required more information on pineapple and mango varieties, leading to a germplasm collection by the ISPM lab with equipment provided by the project. Second-grade Litchi, produced by CFB, is being tested and is suitable for AFR's dry processing operations. Source: Project communication to the evaluator, September 2024.

The partnership with the ISPM had limited relevance to Manica value chains' priorities, produced limited results and had scarce capacity to contribute to project goals.

The current approach of selection of project effective partners favors a quick return on the investment in terms of visibility, beneficiary satisfaction and some progress in selected areas, involving contained risks for the cooperation effort. However, this approach is limited in scope as it involves only selected actors of the Manica fruit value chain.

According to the project the grants awarded to selected businesses are part of a matching grant strategy, where the project steps in with what is needed for the business (lead emerging firms) to reach a significant number of small-holder farmers. The supported businesses contribute to the overall intervention (in infrastructure, manpower, etc.), which is key to achieving the project goal of contributing to inclusive business in the horticulture Value Chain.

The table below highlights strengths and challenges related to such strategy:

**Table 4: Strengths and limitations of a matching grant strategy to support fruits and vegetables value chain**

Strengths	Limitations
<ul style="list-style-type: none"> <li>• Contained risk for the project investment</li> <li>• Opportunities to leverage private investment and encouraging innovation</li> <li>• Positive impact on selected businesses, with opportunities of increased capacities</li> <li>• Economic stimulation of selected businesses, with opportunities of job creation</li> </ul>	<ul style="list-style-type: none"> <li>• Project-driven mechanism, with risk of interfering with local market (offer and demand) mechanisms <sup>55</sup>.</li> <li>• Limited reach of a small percentage of the total number of producers and processors in the intervention area of Manica.</li> <li>• Mechanism does not necessarily reward businesses' quality and performance.</li> <li>• Promotion of risk aversion, limiting entrepreneurs' incentives to invest and to innovate.</li> <li>• Creating unfair competition for other entrepreneurs</li> <li>• Consolidation of an existing culture of dependence on grants and reliance on projects and external support</li> <li>• Matching grants are not sustainable <sup>56</sup>.</li> </ul>

<sup>55</sup> Matching grants to selected producers in the Manica fruit value chain can be a project-driven mechanism that risks interfering with local market mechanisms by distorting natural supply and demand dynamics. When grants are provided to specific producers, they may receive a competitive advantage over others, reducing the incentives for non-selected producers to compete effectively. This can result in market inefficiencies, as artificially supported entities may not reflect true market demand or production capabilities. Additionally, external financial support might lead to affecting the balance of local supply and demand.

<sup>56</sup> The comment is supported by numerous studies on matching grants, including:  
 World Bank (2003). *Matching Grants: A Review of Their Rationale and Effectiveness*.  
 Department for International Development (DFID) (2014). *Agricultural Grants and Their Impact on Market Dynamics in Africa*.  
 USAID (2015). *Evaluation of Matching Grant Programs: Lessons Learned from USAID Projects*.  
 IFAD (2012). *Scaling up Results: Sustainable Investments in Agricultural Development*.  
 UNDP (2010). *Final Evaluation of the UNDP Grant Mechanism in West Africa*.  
 Easterly, W. (2006). *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good*.



Strengths	Limitations
<ul style="list-style-type: none"> <li>• Opportunities of trickle-down benefits for small holder farmers / out growers</li> <li>• Relatively easy in terms of selection and grant delivery, but challenging implementation follow up and monitoring of results and impacts</li> </ul>	<ul style="list-style-type: none"> <li>• In the absence of new projects, the mechanism is not replicable or up scalable.</li> <li>• Very limited impact at the level of the province and the overall value chain</li> <li>• Activity at micro – level</li> <li>• Political economy and benefit distribution: risk of imbalance in favor of few wealthy operators</li> <li>• Implementation Challenges: Administering matching grants requires robust monitoring and evaluation to ensure funds are used appropriately. The approach may entail be issues with transparency, accountability, and proper utilization of funds</li> </ul>

*Source: evaluator' assessment, based on own expertise and literature and references of private sector development support, August 2024*

The analysis of the pros and cons suggests the need to reconsider the matching grant strategy in favor of mechanisms that may sustainably boost entrepreneurship development, innovation, value chain development, and inclusive benefits for small scale farmers.

Manica fruits and vegetables value chains offer remarkable return to the investments to farmers and entrepreneurs with opportunities for considerable economic results if strategic and harmonized efforts are addressed at enhancing the enabling environment, creating capacities for thousands of producers, setting opportunities and mechanisms for the private sector development and linking production to markets.

### ***Strengthening CFB Cooperative capacities***

CFB was established in 2012 with 212 members and has since developed with the support of a string of projects, including GlZ, Sustenta and Fundo Catalitico. Mais Valor offered a package of support addressing some of the Cooperative needs, including capacity development (through local extension services and Technical Assistance), provision of a complete headquarters and processing plant, 2 5-tons trucks, 60 smart telephones, other equipment, distribution of 2000 seedlings, Global Gap certification and improved linkages with markets. The overall investment in favor of the Cooperative was about 350,000 €.

Although it is still early to assess outcomes,<sup>57</sup> by this stage it's possible to observe several emerging positive results:

- increased number of cooperative members (about 10 % increase in 3 years) <sup>58</sup>
- Improved members' identity and trust in the Cooperative
- Improved quality of production (indicator: by 2021 50% of the product remitted to Westfalia was not apt to the export market; by 2024 the percentage decreased to 15%)
- Improved knowledge of production techniques
- Increased planted area (about 3%)
- 2023 Global Gap certification

<sup>57</sup> The construction is not yet completed and should be delivered by September 2024. The trucks have been recently delivered. The new plant is not yet operational.

<sup>58</sup> From 212 to 249, with two new associations applying, counting approximately 60 producers (source: CFB communication to the evaluation, July 2024)



No progress is yet recorded in terms of quantity of production <sup>59</sup> and farmers' income. Mechanisms set for sustainability and replicability (including Memorandum of Understanding with the local government for supervision and follow-up) are limited and entail risks of capacities, resources and in the medium term of commitment.

A significant outcome is related to the improved technical skills thanks to the high-quality technical assistance services provided by AAU Technical: AAUs, has become one of the most appreciated extension services for training, technical assistance, and Global GAP certification in the central region of Mozambique This effort deserves to be studied closer, continued and upscaled.

Conversely MADER/SDAE extension services, although they benefited from training, equipment (2 motorbikes) and manuals, did not manage to upgrade significantly the quality of their services to litchi famers, as key structural constraints are not addressed, including an important gap in technical skills, budget, management, monitoring of services and client orientation.

All stakeholders, including cooperative management, members, Westfalia management and extensionists, express a high satisfaction with project services, pointing to the need for a follow-up for the consolidation of results.

The project is likely to impact positively on the livelihood of cooperative members thanks to these efforts.

After more than a decade of external support and in consideration of the high revenues associated with litchi production, UNIDO and AICS should consider shifting the approach from matching grants to a few selected businesses to a broader and more sustainable approach to entrepreneurship support, introducing skills and tools for access to finance and promoting self-development mechanisms for litchi and vegetable farmers. <sup>60</sup>

### ***Strengthening AFR business start up***

AFR is a start up in fruit processing (drying, pulp, juice) set up by a local entrepreneur in 2019. Since, through own resources and the significant support of other projects (including Sustenta, Fundo Catalitico and recently UNIDO) he managed to complete the plant, <sup>61</sup> get a precertification in HACCP. The business started on a small scale, purchasing and processing fruits, in May 2024. AFR is still pending to finalize its first sale operation, expected to be completed by August 2024. It is unlikely that AFR would have secured support from a commercial bank and from Sustenta without the support from UNIDO; <sup>62</sup>

Project support materialized as a processing line for an estimated approximate value of 200,000 €. AFR plans to be able to gather products from up to 3000 producers, although he

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<sup>59</sup> Litchi production was affected by low precipitations in 2022 /2023 and sold product decreased from 400 tons (2021) to 185 tons (2023). A sharp production increase is expected for 2024, based on a very promising flowering of litchis (source: CFB communication to the evaluation, July 2024)

<sup>60</sup> Incubation and acceleration mechanisms are expected to be implemented in MAIS VALOR 2 (UNIDO Project ID 220203). Also, an assessment will be conducted during MAIS VALOR 2 for the possibility of establishing a dedicated financial mechanism through facilitated credits to support the companies (source: project communication to the evaluator, July 2024)

<sup>61</sup> Estimated capacity at 40 Tonnes per day, source: AFR owner, July 2024

<sup>62</sup> Source: project communication to the evaluator, September 2024

is currently linked <sup>63</sup> to two associations of 60 farmers.

The plan seems based on a sound assessment and the owner has a solid local reputation as a successful entrepreneur. Notwithstanding the considerable external support, he is investing and risking his own capital in the venture.

In this context, Mais Valor support appears a relatively safe bet for an effective targeting of small-scale farmers. Considering the considerable sunk costs already established by AFR, the venture may considerably contribute to project goals, providing markets and benefits for small scale farmers.

Also, in this case the evaluation invites to a reflection on the approach to private sector development, considering whether scarce cooperation resources should be allocated to wealthy businessmen or whether alternative mechanisms should be sought and promoted to create a favorable investment environment where private sector and small-scale producers alike may access to development finance to expand their businesses.

The intervention does not set up mechanisms for replicability or upscaling. <sup>64</sup>

### ***Strengthening Tigre de Ouro transport capacities and linkages with local associations***

The project granted a 5-ton refrigerated truck to the firm Tigre de Ouro, for an estimated investment of approximately 50,000 €. The company is family owned with 30 years' experience established on a 108 has fruit plantation, some 20 km south of Chimoio. The truck was recently delivered in May 2024. The grant will help the company to transport its fruits and those of 2 close-by associations <sup>65</sup> to the larger market of Beira (200 km distance). The support is intended to provide an incentive to accrue production for both the enterprise and the two associations, contributing to project goals. Two Fruit Aggregation Units (small sheds used as collection points) established close to farmer associations were intended to organize better the associations. Beneficiary farmers expressed appreciation for these sheds, as a step forward to support association collection, quality control and sales.

The business, with a new ownership (inherited last year) is currently in decline with a risk of dismantling its supply base. <sup>66</sup>

The evaluation invites stakeholders on reflecting on the rationale of donating such equipment to a well-off businessman, when the equipment could have been easily purchased by the company owner, as the plantation has been generating a wealthy flow of

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<sup>63</sup> Ibidem

<sup>64</sup> The following definitions are applied in the context of this evaluation:

- 1) Upscaling: the concept refers to the process of expanding the scope or size of the intervention to reach a larger audience or geographic area. In the context of a fruit value chain, upscaling could mean increasing production capacity, extending the value chain to new regions, or engaging more investors and producers
- 2) Replicability: refers to the ability of the project's model to be repeated or adapted in different settings while achieving similar positive results. For a fruit value chain supported by matching grants, replicability means that the investment and business model used can be effectively applied in other regions, to other fruit types, or in similar agricultural sectors, while maintaining efficiency and outcomes.

<sup>65</sup> Association Graça Machel, 27 members, most women, based in Marera and Association 4 de Outubro, 24 members (12 women), in Muconse. Both associations have been selling part of their produce to Tigre de Ouro, and the relationship seem to be based on reciprocal trust.

<sup>66</sup> Source: project communication to the evaluator, September 2024

revenues for the past 30 years.

The visit suggested that the owner has little interest in investing in the plantation, currently badly in need of a tractor, of irrigation, of maintenance and infrastructure; rather he is relying on cooperation projects to capitalize his business, hoping that soon new projects will meet additional needs.<sup>67</sup>

### ***Support and partnership with the ISPM***

The Institute, being a national institution, is constrained by very limited resources and capacities to influence and impact on Manica fruits and vegetables value chains.

Support was fragmented in a few activities of limited relevance to the project goal:

- A horticulture production manual was produced by ISPM (200 hard copies and pdf file). It seems that the task did not consider that in Mozambique in recent years have been produced outstanding manuals on the same subject.<sup>68</sup> The evaluation could not gather evidence that the manual (both paper and pdf versions) is being used by SDAE extensionists or producers.
- Botanical characterization of 5 varieties of mango and pineapple. The study is well presented but it lacks practical application for producers and value chain stakeholders as it focuses on a few native varieties and lacks a comparative analysis pointing to relative strengths and weaknesses for production, consumption, processing and commercialization, comparing the sample with varieties currently used for local and export markets
- Purchase of some laboratory equipment to support laboratory services for producers. Equipment has been installed but is yet unused.<sup>69</sup> The laboratory capacities remain very weak, accreditation is not yet achieved, and services remain constrained by the Institute shallow resources compounded by the need to address management and entrepreneurship capacities to meet value chain and private sector needs
- Building of a mango and ananas germplasm bank for 5 selected varieties. The

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<sup>67</sup> The selection of Tigre de Ouro to benefit from the project's support was not based on its capacity as a farmer (production level) but rather focused on the company's potential as a service provider (aggregation, organization of supply, distribution, and marketing). The aim was to ensure that fresh fruits from smallholder farmers could be distributed to other markets, rather than being sold directly on their farms, where prices are usually much lower and dictated by the buyer. The company is the sole enterprise sourcing fruits from smallholder farmers in the district, collaborating with two associations comprising about 50 members (before the project support), and it has the potential to reach more farmers with improved logistical means. As observed during the evaluator's visit, farmers have developed a good relationship with Tigre de Ouro based on trust after several years of collaboration, and they are willing to continue working with the company. Although the company is currently facing challenges at the farm level, its ability to source fruits from smallholder farmers remains positive and is highly appreciated by the associations and local authorities. Note: Before the Mais Valor project, Tigre de Ouro received funding partner's support solely to set up a partial irrigation system on the farm (dam, water pump, and piping). Source: project communication to the evaluator, September 2024

<sup>68</sup> Including 1) the comprehensive EMBRAPA 2015 manual: *Horticultura em Moçambique Características, Tecnologias de Produção e de Pós-Colheita* (specialized in vegetables); 2) USAID "Feed the Future Mozambique Agricultural Innovations Activity" (2019), with specific sections dedicated to fruit production and 3) The Food and Agriculture Organization (FAO) offers a variety of technical documents, including manuals related to fruit and vegetable production.

<sup>69</sup> Recent staff turnover and a shortage of qualified personnel have contributed to the underutilization of the lab. Additionally, the lab equipment supplier, GRAIDCO, delivered a spectrophotometer with a construction defect. However, progress is being made to address these challenges; Source: project communication to the evaluator, September 2024

initiative is laudable but narrowed to very few varieties with a relatively high number of plants (300) for a germplasm bank. Although the activity has limited relevance to project goals, it still can be useful to the ISPM as a teaching ground and to produce in future seedlings and fruits.

- The project supported thesis and studies in targeted value chains.

### ***Development of a digital platform for agricultural good practices and cooperative data collection***

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The project supported training on good agronomic practices using a digital platform (Kuwaka).<sup>70</sup> The project also piloted the use of a digital platform for data collection from the cooperative members,<sup>71</sup> to allow the cooperative easy access to information about fruit production and marketing from its members.<sup>72</sup>

Interviews with extension staff in Manica Province about the use of the digital platforms pointed out how extension staff is not making use of the platform for several practical reasons, including unavailability of airtime and lack of functioning hardware. If available, they pointed out how they would prefer some paper-training manual to support their farmers' capacity development.<sup>73</sup>

Also, interviewed farmers indicated that they are not making use of the digital platform.<sup>74</sup>

This finding differs from the analysis of the project mid-term review, which pointed to a satisfactory use of the digital platform in Manica province by extension staff.

The capacities and technical level of both farmers and extension staff appear very low for the effective use of digital support for capacity development; the following constraints appear to limit their relevance, effectiveness and sustainability:

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<sup>70</sup> in collaboration with STEP innovations; two additional modules have been integrated in the platform <https://play.google.com/store/apps/details?id=org.kuwakaapp>.

<sup>71</sup> (<https://play.google.com/store/apps/details?id=com.PlataformaCFB>).

<sup>72</sup> Source: Project Progress report, November 2023

<sup>73</sup> The use of digital platforms for capacity building was implemented in phases. Initially, the project piloted these platforms to train extension agents and farmers, aiming to expand coverage and address SDAE's limitations in providing technical assistance. The utilization rate of the app reached 74%, and both farmers and extension agents requested the continuation of the intervention for easier access to GAP. They also suggested changes to the app, which were considered by the project. As a result, a new app, KUWAKA, was tailored based on the trainees' feedback. New modules were developed. The KUWAKA app had a high completion rate, with 86% of users successfully completing the courses and earning certificates. However, there were challenges during the implementation of digital platforms for capacity building. These included low internet coverage in certain areas where farmers are located, limited access to smartphones for farmers, and low literacy levels, including digital literacy. To address these challenges, the project provided 60 smartphones to farmers so that they could access the app, offer internet bundles, and provide capacity-building with continuous technical assistance on how to use the app to improve digital literacy. Extension agents did not receive smartphones, as all selected agents already had tablets provided by the government through the SUSTENTA initiative to facilitate access to information. Stakeholders evaluated the use of digital platforms as appropriate for extension agents, but less so for farmers. Requests were made by DPAP, FAR, FP, and SDAEs to continue training extension agents using these digital platforms. Source: project communication to the evaluator, September 2024

<sup>74</sup> It should be noted that the mid-term evaluation of the Project, assessed positively these activities, recommending for their follow up

- Extension staff are reluctant to use digital guides and prefer to use paper manuals
- Several tablets broke down due to challenges of field work and traveling by motorbike
- Extension staff do not have access to mobile airtime for internet connection

None of the interviewed extensionists were making use of the digital manuals by the time of the evaluation.

#### 2.2.14. Contributions to long-term changes

*To what extent does the project contribute to its specific objectives of increased income for smallholder value chain farmers?*

The project, also in consideration of its short timeline, modest budget and challenging context, did not manage to impact coffee and fruit tree production, processing and marketing; therefore, the project did not yet affect revenues and net incomes of small-scale farmers across the two value chains. However, emerging positive transformational changes have been detected. These emerging changes may in the future contribute to project goals, under the assumptions of consolidation of the incipient results and of favorable political, economic, security and market context.

**Table 5: Emerging changes observed for the two value chains**

Coffee Zanguebariae value chain	Manica fruit and vegetables value chain
<ul style="list-style-type: none"> <li>• Improved national and international visibility of Ibo Coffee value chain</li> <li>• Increased coffee farmers awareness and commitment to production and quality; this is a major added value of Mais Valor 1 to the value chain.</li> <li>• Increased number of coffee trees and irrigation support on 8.</li> <li>• Mais Valor 1 is evolving into Mais Valor 2, a broader intervention in support to Mozambique coffee value chain, operating also for changes at meso and macro levels.</li> <li>• Improved opportunities for quality, packaging, labeling and marketing</li> </ul> <p>No long-term positive changes should be expected yet for improved coffee processing as the project</p>	<ul style="list-style-type: none"> <li>• Improved producers' awareness and capacities for production techniques, quality standards and compliance (CFB cooperative and its 349 members)</li> <li>• Improved transformation capacity of 2 companies (CFB pre-processing and AFR new line for dehydrated fruit)</li> <li>• Improved capacity for transportation to markets (2 5-ton trucks granted, one to CFB cooperative and one to Tigre de Ouro company)</li> <li>• Compliance of 2 selected companies (CFB and AFR) to HACCP management system.<sup>75</sup></li> </ul> <p>It should be noted that farmers' production and revenues have not increased yet with project support, as the total amount of production for CFB Cooperative has decreased significantly over the past three years due to rainfall shortages as well as to lower international market prices.<sup>76</sup></p>

<sup>75</sup> Hazard analysis and critical control points, (HACCP), is a systematic preventive approach to food safety from biological, chemical, and physical hazards in production processes that can cause the finished product to be unsafe and designs measures to reduce these risks to a safe level.

<sup>76</sup> CFB Cooperative records 151 t of litchi production sold in 2020, 140 t in 2021, 85 t in 2022 and only 47-ton 2023. However, a record production is expected for 2024, as the evaluator could witness to an exceptional flowering of litchi plants.

Coffee Zanguebariae value chain	Manica fruit and vegetables value chain
has not yet provided adequate equipment for washing, drying, sorting and milling.	

Source: evaluator's assessment based on field visits data collection, July 2024

No impact is expected from the support of the Instituto Superior Politecnico de Manica. Research, studies, gene banks and sector services will require a scaled up and strategic approach based on a medium-term vision rather than short term activities, with stronger partner engagement and adequate design, budget and timeline.

Future impacts on Manica fruits and vegetables value chains are likely to be very contained, in consideration of the limited reach and the absence of mechanisms for replicability and upscaling.

**The evaluation highlights as well some risks of negative impacts** related to the Mais Valor project:

- Risk of a negative environmental impact because of planting an excessive number of coffee trees on Ibo island, without adequate measures to protect soil, establish shadow and water conservation, fragilizing the delicate ecosystem of the island and compromising its aquifers.
- Risk of consolidating an existing culture of farmers and entrepreneurs' dependency on projects rather than building entrepreneurship capacities and propension to risk, investment and innovation.<sup>77</sup>

The evaluation evidences the need for an accrued attention at impact level, with the setting of clear targets and a measurement system (monitoring framework) both at project level and at value chain level. It is noted that outcome level monitoring may prove challenging for a small project like Mais Valor 2, which had to face considerable external factors like COVID, insecurity and cyclones.

## 2.3. EQ 3 – Efficiency

### **EQ 3 Project Implementation and Adaptive Management (Efficiency)**

Has the project been implemented efficiently, cost-effectively, and was it able to adapt to changing conditions? How has the COVID19 pandemic affected the project implementation? To what extent have tools of project governance, monitoring, reporting, lesson learning and communication supported the project?

<sup>77</sup> Project staff clarification: "The project agrees that there are risks associated with the approach. But, to mitigate the risk of dependency, the project made access to grants conditional upon a clear demonstration of the entrepreneurs' own contributions, whether financial, in-kind, or through inclusive approaches to source from other farmers in the region."

### 2.3.1. Financial Performances

The project was endowed with a financial envelop of 3,539,923 Euro attributed to 9 budget lines.<sup>78</sup> The project duration was set initially at 3 years (July 2019 to July 2023), matching the 3 -year programming period of the Italian Cooperation; the timeline was extended during implementation, through 2 no-cost extensions, up to July 2024, accumulating a total duration of 48 months.<sup>79</sup>

Table 6 shows budget allocations by budget line, disaggregated by output.

**Table 6: Project budget allocation by budget line**

UNIDO CODE	Description	Total agreement budget					
		Output 1	Output 2	Output 3	Output 4	TOTAL	% total
1100	Staff and Int. Consultants	834142	0	65.166	44.280	<b>943.588</b>	26,7
1500	Local Travel	73683	-		11.553	<b>223.997</b>	6,3
1600	Staff travel	2.224	-	478	798	<b>3.500</b>	0,1
1700	National Consultants / Staff	326.677	-	-	10.419	<b>337.096</b>	9,5
2100	Contractual services	33.684	577.455	741.400	-	<b>1.352.539</b>	38,2
3000	Train / Fellowship / Study	-	35.754	113.566	-	<b>149.320</b>	4,2
4300	Premises	3.082		3.250	-	<b>6.332</b>	0,2
4500	Equipment	59.278	50.565	406.498	-	<b>516.341</b>	14,6
5100	Other Direct Costs	50.744	1.750	65.496	2.949	<b>120.939</b>	3,4
	<b>TOTAL</b>	<b>1.383.514</b>	<b>665.524</b>	<b>1.534.615</b>	<b>69.999</b>	<b>3.539.823</b>	<b>100,0</b>
	Support costs 13%					460.176	
	<b>Grand Total</b>					<b>4.000.000</b>	

Source: UNIDO Grant Delivery report, Project 170217, June 2024

Three main budget lines cover some 80% of expenditures:

- Contractual services (including with Oikos for the coffee value chain and with AAU for Manica<sup>80</sup>Province) for a total of 1,352,539 (38,2% of the total envelope)
- Staff and international consultants, 944,588 Euro, (26,7 % of the total)
- Equipment, 516,341 Euro or 14,6 % of the total

Contractual services and equipment budget items, about 42% of the total budget, represent the portion of the budget that more directly translates into benefits to intended beneficiaries.

The comparison of the budget allocated in 2019 with total expenditures recorded by June 2024, shows limited and not significant variations across budget items, suggesting a meticulous financial management, intended to maintain expenditures according to plans and budget lines notwithstanding the profound changes in project design and activities

<sup>78</sup> Source: UNIDO Grant Delivery report, Project 170217, June 2024, value net of support costs (13%) with a Grand Total of financial envelope of 4,000,000 Euro.

<sup>79</sup> A new no-cost extension request has been submitted in December 2021 to protract the project duration up to May 2022

<sup>80</sup> Main procurements and contracts implemented by the project include: (source Project Communication to the evaluator, September 2024)

- Construction contract: a) **Flecha** (SPA) - b) OIKOS (restoration works of fortress),
- Capacity Building contract: a) **Step Innovation for Africa** (Digital training and data collection); b) **AAU** - horticultural training,
- Baseline/Training/R&D contract: a) **ISPM**
- Coffee value chain development contract: **OIKOS**

occurred in 2021.<sup>81</sup> The following table shows the breakdown of the budget for each result and the expenditures incurred up to June 2024 under the Project.

**Table 7: Project budget allocation and expenditure by component**

Project outputs	Total budget (Agreement)		Total expenditure (Grant report, June 2024)	
	Euro	%	Euro	%
<b>Output 1:</b> Project Management is established	1,383,464	38	1,564,190	39
<b>Output 2:</b> Quality and quantity of coffee improved	676,739	19	764,008	19
<b>Output 3:</b> IABIL extension services are improved	1,409,618	40	1,584,690	40
<b>Output 4:</b> A system of M&E is established	70.000	2	73.000	2
<b>Total Project</b>	<b>3,539,823</b>	<b>100</b>	<b>3,986,002</b>	<b>100</b>

Source: UNIDO Grant Delivery report, Project 170217, June 2024

The analysis of budget and expenditures per output points to the following findings:

- Output 3, labelled as “IABIL extension services are improved”, absorbed 40% of the budget. Under this item were supported activities in Manica Province for the fruit value chain.
- Second for importance is Output 1 (management), using 39% of the total budget, for a total of 1,564,190 Eur. Of this about 50% was allocated to international staff: the Chief Technical Advisor and the Industrial Development Officer; additional expenditures are related to the National Staff (National project coordinators for Output 2 and 3) and the project vehicle.<sup>82</sup>
- For Output 2 (Ibo Coffee) was spent 19% of the total budget; Main items included: building renovation for the Coffee Association, the contract with Oikos and its technical assistance (320,000 Eur) and 90,000 Euro for equipment, including costs for nursery, drying beds, roasting machine, huller, grinding, packaging, generator and motorcycles for extension staff. The relatively lower investment for Output 2 reflects the accrued challenges for the coffee value chain experienced in 2020/21.
- Monitoring expenditures (Output 4) represented 70,000 EUR, only 2% of the total budget, mostly to cover staff expenditures during year 3 of implementation.

The project budget was divided in 3 allotments distributed like follows:

Year 1: EUR 800.000

Year 2: EUR 1.200.000

<sup>81</sup> “Within UNIDO there are strict rules to adhere to the funding agreement with a funding partner, with a threshold of variation within +/- 15% allowed. Any change must go through PSC approval, then AICS approval in Maputo which must send the budget revision request to AICS Rome for final endorsement”. (source Project Communication to the evaluator, September 2024)

<sup>82</sup> Under Budget Line11 for international expertise are enclosed also the procurement officers, architect and designers, coffee and VC international experts (source Project Communication to the evaluator, September 2024)



Year 3: EUR 2.000.000

According to project management this proved to be a considerable limitation to project implementation and explains why most of activities found financial coverage (i.e. CFB construction) only at a late stage of implementation.<sup>83</sup>

The average yearly budget allocation over the 4-year implementation was 884,846 €. The financial flow is summarized in Table 8 showing how the unfavourable context brought to a concentration of expenditures on year 3. This pattern is particularly marked for output 3, finding that helps to explain the slower emergence of outcomes observed for the fruit value chain in Manica.

During the first-year financial resources were mostly used to cover staff costs and limited expenditures for the coffee value chain (113,000 EUR). The distribution of cost across the 4 outputs is more balanced in year 2, but still with a limited flow for Manica (output 3 by end of year 2 registers expenditures for less than 30% of the allocated budget)

**Table 8: Financial flow per year for each output**

Project outputs	Total expenditure per Year			
	Year 1	Year 2	Year 3	Total
<b>Output 1:</b> Project Management is established	502.000	432.000	432.823	1.366.823
<b>Output 2:</b> Quality and quantity of coffee improved	113.000	214.000	263.000	590.000
<b>Output 3:</b> IABIL extension services are improved	92.965	415.947	1.004.089	1.513.001
<b>Output 4:</b> A system of M&E is established			70.000	70.000
<b>Total Project</b>	<b>707.965</b>	<b>1.061.947</b>	<b>1.769.912</b>	<b>3.539.824</b>
Support costs 13%	92.035	138.053	230.088	460.176
<b>GRAND TOTAL</b>	<b>800.000</b>	<b>1.200.000</b>	<b>2.000.000</b>	<b>4.000.000</b>

Source: UNIDO Grant Delivery report, Project 170217, June 2024

### 2.3.2. Financial mechanisms and procedures

The project administration was well and proactively managed by UNIDO project team with a close and constant coordination between Maputo and Vienna and with the field office in Chimoio.<sup>84</sup>

The project is affected by UNIDO centralized, relatively heavy and slow financial procedures. Procurement mechanisms have limited flexibility. Decisions for expenditures as little as 300 USD have to be deferred to Head Quarters; UNIDO should consider significantly improve the level of subsidiarity and decentralization of projects, including for their finance and administration. The finding refers in general to the UN system and to UNIDO and is not specific to the project under evaluation.<sup>85</sup>

<sup>83</sup> Source: Project Management communication to the evaluator, September 2024

<sup>84</sup> UNIDO office in Pemba - due to UNDSS limitation – could not be operational . A part-time National Coordinator has been recruited in Pemba only in the framework of project “220203”. Source: Project Management communication to the evaluator, September 2024

<sup>85</sup> UNIDO Internal Reforms such as ROTC (Reform of Technical Cooperation) are still under pilot phase and not confirmed for future actions; Source: Project Management communication to the evaluator, September 2024

The application of UNIDO tight procedures gave the advantage to ensure good quality financial management and minimize risks of misuse of financial resources.

The project finance officer based in Maputo plays a critical role in linking the financial needs in the field with the decision making in Vienna. Financial management could be further strengthened by an improved understanding of the finance officer of operational aspects, with regular visits to the two Provinces and participation to planning and monitoring exercises, all the while strengthening ties with Head Quarters.

### 2.3.3. Delivery and cost effectiveness

The intervention, in consideration of its contained financial envelop (3.5 million EUR), the outstanding challenges, the achievements for both value chains, and the promising expansion and opportunities for upscaling for the next phase, represents good value for money for the Italian Cooperation and for project stakeholders.<sup>86</sup>

Overall, the delivery for outputs 2 and 3 scored as satisfactory under the efficiency criterion, reflecting a favourable cost-benefit ratio. With an envelope of 590,000 Euro the project managed to move ahead with several activities of the coffee value chain in the difficult context of Cabo Delgado, **thanks as well to a positive delivery of the local implementing partner Oikos and its technical assistance services**. Some of the expenditures had limited relevance to expected outcomes (including the rehabilitation of the association headquarters and the equipment which, due their very limited capacity (1,5 kg of coffee per hour) proved not adapted to support the processing needs of the association and need to be re-purchased in the second phase.<sup>87</sup>

Some of the equipment (motorbikes, 5-tonnes lorry) proved not to be fully adapted to the harsh working conditions of both provinces.<sup>88</sup>

The laboratory equipment of the ISPM could also be better suited to local conditions and the stove looks oversized in relation to needs.

Most project activities and services by contractors (Oikos and AAU Technical) progressed remarkably well, particularly considering the difficult conditions and the delays of the fruit value chain.

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<sup>86</sup> This finding is supported by the analysis of project delivery particularly for outputs 2 and 3. A perception of good value for money is confirmed by beneficiaries' perception expressed by stakeholders during interviews.

<sup>87</sup> Note from Project Management: *"it is important to note that the requested manpower to compensate the machine limited capacity, played a critical role in fostering responsibility, organizing working shifts, improving internal workflow, and enhancing cooperation among ICPA members"*

<sup>88</sup> *It is important to recall how challenging it can be to adhere to UNIDO's procurement rules. While technical specifications are always clearly defined, a significant level of uncertainty arises from the offers received through the UNIDO bidding system. This system requires the selection of the cheapest proposal when all conditions are equally met.* Source: Project Management communication to the evaluator, September 2024. The evaluation fully agrees with this statement and the challenge to operate within UNIDFO central procurement mechanism.

The delivery of some project outputs registered delays, including for: shadow tree planting for coffee (not yet in place), <sup>89</sup> coffee processing, irrigation for coffee, the building and equipment for the Cooperative in Manica (delayed and not yet completed). The quality of some studies (including coffee mapping and coffee development proposal) proved to be not satisfactory; for instance these documents did not involve a baseline on number of coffee trees, the analysis of plant distribution, analysis of existing farms and farming systems, analysis of island carrying capacity, water availability and shadow tree, identification of strategy, costs and areas for planting and projections of sustainable planting over time. Such study has very limited or no usefulness to build a strategy or a plan for coffee development in Ibo.

**All stakeholders interviewed by the evaluation manifested a high level of satisfaction with project services.**

#### **2.3.4. Governance, management and performance of partners**

The project was supported by an effective management set up, with a well-coordinated level of responsibilities. The project guidance and steering were ensured by a very close and continuous coordination between UNIDO and AICS and the Ministry of Agriculture, which were constantly involved in updates and decision making. As such the governance mechanism, the project Steering Committee, had a more limited and formal role to endorse key decisions.

The steering is very positively appraised for its capacity to adjust the intervention to the dramatical change of conditions in Cabo Delgado, identifying a viable option with the support to the fruit value chain in Manica. On the other hand, the Steering Committee needed accrued strategic vision and result-orientation, and an increased capacity to detect, to assess and to improve specific challenges met during implementation. <sup>90</sup>

In general, the project maintained outstanding coordination and dialogue with other stakeholders in both Provinces. However, in both cases it did not set up mechanisms supporting coordination and dialogue at the level of the value chains, weakening the effectiveness of a value chain and cluster approach, both for the coffee and the fruit value chains. <sup>91</sup>

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<sup>89</sup> Project management maintains that “*The agroforestry system has been designed and implemented despite limitations, such as the inability to cover all of the island’s plots, rainfall scarcity, and poor soil conditions, which slow the growth of shade trees and increase the mortality rate*” However the evidence gathered during in situ observations during extensive field visits, supported by interviews with APCI and Oikos suggest that, although some fruit and leguminous trees seed were distributed to farmers, no shadow tree system has been so far established to support the planting of new coffee plots. Cassava, millet and other food crops cannot be considered as shadow tree and their consociation with coffee is judged as unsuitable.

<sup>90</sup> Including for instance the poor coffee mapping and development plan, the lack of a value chain approach, the risky and inadequate coffee planting plan, the decisions related to coffee building and equipment, the partnership and results related to ISPM et cetera.

<sup>91</sup> Note from the Project: “*The Project Technical Committees were conceived and established for this purpose and have proven to be highly inclusive for stakeholders. It is also important to recall the starting point: prior to UNIDO’s intervention, there was no dialogue, no interaction among actors, and no institutional engagement within the clusters and value chains.*” Although the evaluation agrees with these observations, it is maintained the finding that sustainable coordination and dialogue mechanisms (not specifically linked to project operation) need yet to be established.

For the coffee value chain, a project's standout feature is its partnership with UNIDO and illycaffé. This collaboration enriches the intervention with illycaffé's vision, ethical standards, expertise, connections, and strong international reputation, an asset which was very appreciated by partners, increasing significantly Ibo Zanguebariae Coffee opportunities and visibility. APCI provided a valuable entry point to support the coffee value chain. Project partnerships however had limited capacity to detect and address important shortcomings related to the implementation of the coffee component (see analysis in EQ 2).

An additional alliance which proved outstanding was the capacity development supported by AAU Technical in Manica Province (global GAP and HACCP).<sup>92</sup> AAU's intervention within the project was strongly supported and guided by the UNIDO technical team.

Much weaker proved the partnership and service provision with ISPM, affected by structural challenges of the Institute as a public institution, limited in its resources (both for operation and investment), management capacities and strategic guidance.

AICS showed a remarkable performance with an unusually close follow up; capacity to adjust to a changing environment; AICS has been seeking opportunities for follow up and support expansion.

UNIDO, as the implementation agency, provided a strong management performance, positively appraised for adaptive management, very good dialogue and consultation mechanisms, close coordination with both funding partners and national counterparts.

### **2.3.5. Reporting, monitoring and lesson learning**

Monitoring and reporting processes need to be enhanced with a stronger emphasis on outcomes. While annual reports are well-structured, they lack a focus on outcome-level results.

All project processes, including design, planning, monitoring, reporting, mid-term assessment and governance need to be further result oriented.

Overall learning mechanisms deserve as well to be strengthened. The project started to work on a value chain with very limited existing knowledge, capacities and external support; Mais Valor studied and supported capacity building related to coffee farming practices, planting, cluster approach and private sector development. Nevertheless, this evaluation shows opportunities for further strengthening capacities and approaches related to coffee capacity development, coffee planting, coffee processing, cluster approach, private sector approach and extension services support.

The mid-term evaluation failed to provide significant lessons and practical orientations for the project follow up phase.

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<sup>92</sup> Note from Project Management: *"It is important to highlight that the AAU's intervention within the project was strongly supported, driven, and guided by the UNIDO technical team. While the AAU technical staff had prior exposure to private sector interventions, they were new to development projects. UNIDO played a key role by providing strong facilitation, which significantly contributed to the AAU's success in service delivery."* The evaluation fully endorses this remark

### 2.3.6. Flexibility and adjustments to external challenges

The evaluation assesses very positively the project capacity to adjustments to external challenges, including the deterioration of the security conditions in Cabo Delgado and the redesign of outputs 2 and 3, the consequences for the cyclone and the Covid effects during 2020 and 2021.

Notwithstanding these challenges, the project had the capacity to adjust effectively, reshaping its initial design (although the process took one and half years up to April 2021) and move forward, making satisfactory progress across the two value chains.

### 2.3.7. Communication and visibility

The project established a positive reputation among both national and international stakeholders in the coffee sector. Key factors contributing to this include the dedication and networking efforts of UNIDO management, the value added of the partnership with illycaffè and the awareness building related to coffee and fruit quality.

This positive return in visibility and reputation allowed the project to expand into a second phase (Mais Valor 2) with a more ambitious engagement at macro and meso levels.

## 2.4. EQ 4 – Sustainability

### EQ 4 Sustainability

Will the project results and benefits be sustained after the end of funding partner's funding?

Has the project put in place a mechanism to ensure sustainability (in terms of financial, legal, institutional, socio-economic instruments, frameworks or processes)? Is an adequate exit strategy in place?

The sustainability analysis reveals that the project-initiated efforts to enhance the likelihood of benefits being maintained after the end of external support:

- Supporting capacity development for both value chain farmers
- Strengthening capacities for Ministry extension staff in both Provinces
- Raising awareness about the importance of quality
- Linking project beneficiaries to finance development institutions <sup>93</sup>
- Implementing activities in Manica to support certification and quality standards
- Establishing connections between producers, processors, and markets.

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<sup>93</sup> “Efforts have been done to link Masi Valor beneficiaries to DFIs active in Manica Province; However, cumbersome procedures, high interest rate, long waiting list, are some of the main challenges that keep away business to seek funds from DFIs operating in Manica. E.g. IFAD, FAR, EP have specific financial lines for innovation and investment promotion, but also due to the reason above their credit lines are stagnant. Recently ADVZ-Fundo Catalítico is offering in the region financial opportunity for investments for MSMEs.” (Source: Project communication to the evaluator, September 2024)

- Some, albeit limited, efforts to strengthen sector institutions, FRUTICENTRO <sup>94</sup> and AMOCAFE, the national coffee producers' association.

A favourable factor for sustainability in both value chains is the robust market demand, which offers opportunities for expansion and is likely to stimulate future increases in production and improvements in processing.

Despite this, sustainability remains the most vulnerable aspect of the intervention, weakened by the limited scope, duration and budget of the intervention, its reliance on grants and the limited incentives for farmers and private sector participants to invest further and innovate.

The project was designed to build capacities, consolidate the linkages between supply and processing centers, aiming at equipping stakeholders with tools and knowledge and strengthening their capacity to operate autonomously. Sustainability nevertheless was undermined by a prevailing culture of reliance on projects and external support among farmers, associations, and the private sector. This culture was reinforced by project activities.

The ICPA Coffee Association and the CFB fruit Cooperative in Manica have seen significant improvements in assets, technical capabilities, and governance, which led to a notable increase in membership. However, their financial capacities (relative to future investment and operational needs), as well as their technical and management skills, remain limited for CFB and very limited in the case of ICPA. <sup>95</sup>

While extension staff have enhanced their capacities, substantial institutional, financial, and technical challenges still restrict their ability to support farmers without a continued external support.

Despite the significant assistance received from the project, ISPM appears to have limited financial and management capabilities to sustain laboratory activities, future research, and gene bank expansion without continued project backing. It seems unlikely that ISPM will emerge as a key driver or significant stakeholder/partner in the development of the Manica fruit value chain.

The private sector in Manica was supported through two instances of matching grants (AFR and Tigre de Ouro). These one-off interventions may provide direct benefits for business owners and associated contract farmers, but they offer little potential for replication or scaling up without a project.

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<sup>94</sup> FRUTICENTRO is a fruticulture business association that has been recently revitalized and officially legalized (June 2024) through the efforts of the project (Source: Project management communication to the evaluator, September 2024)

<sup>95</sup> Note from Project management to the evaluator: *"It's also worth noting that many of project beneficiaries, particularly farmers, required foundational support in areas such as literacy and basic skills, as entrepreneurship is not a day-to-day goal for them. This support was provided through capacity building by Oikos (for ICPA) and AAU Technical (for CFB) as part of the implementation of the training program in commercial horticulture. Moreover, the project's mandate primarily focused on agro-processing, value addition, and the organization of supply chains, rather than on fostering entrepreneurial capacities. Moving forward, the project will continue refining our approach to ensure sustainability is built into these key areas"* The evaluation endorses these notes and encourages future support on these areas.

The evaluation also highlights significant environmental constraints affecting the project's coffee planting plan in Ibo and Quirimba, thus limiting the sustainability of these efforts.

Notwithstanding the considerable progress in terms of capacity development, value addition and value chain organization, overall, project results need further consolidation, and the coffee value chain will not be able to expand without renewed project support. For the Manica fruit value chain, sustainable mechanisms need to be introduced to build mutual trust, stimulate production, processing, and value chain expansion.<sup>96</sup>

The evaluation evidences the need for future interventions to establish sustainable mechanisms that can promote growth and benefits for small-scale farmers, rather than directly implementing activities for value chain development.

Mais Valor 1 did not include an exit strategy but instead relies on a follow-up phase to consolidate and expand results (project Mais Valor 2).

## 2.5. EQ 5 – Upscaling

**EQ 5 Upscaling;** Are the project's successful aspects being transferred to appropriate parties, potential future beneficiaries, and others who could learn from the project and potentially replicate and/or scale it in the future?

Although results for both value chains are still at an early stage and, overall, not yet ready for expansion, the following upscaling opportunities are identified by the evaluation:

- One promising result for upscaling is the development of technical capacity for Good Agricultural Practices (GAP) certification and industry HACCP accreditation, achieved through the specialized and effective services of AAU Technical company. However, mechanisms and resources need to be identified to expand this achievement.
- Upscaling coffee development (production, quality, processing, marketing, enabling environment, institutional set up, capacities) in other regions of Mozambique.<sup>97</sup> This is a thematic area where the Italian Cooperation supported by UNIDO and its partnership with illycaffé has a considerable comparative advantage. Partial results, achieved by the project with potential for replicability, are the project building awareness on the importance of coffee quality and the partnership established with illycaffé. However, expansion of these results to other coffee regions in Mozambique will require the setup of an appropriate institutional framework, expansion of the partnership illycaffé and adequate financial resources.<sup>98</sup>

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<sup>96</sup> Project management note to the evaluator: *In the view of the UNIDO PIU, the most significant area for improvement lies in enhancing the link for inclusive and sustainable supply chain organization. This includes building mutual trust among farmers and aggregator / agro-processing hubs, for the supply of fruits for processing and technical assistance.*

<sup>97</sup> Project management note to the evaluator: *Already considered by 220203 and taking shape in this first phase of the new project.*

<sup>98</sup> The project notes that the support to a national coffee strategy represents a step in this direction (source: Project management communication to the evaluator (September 2024):



Results for the coffee value chain production and processing need yet to be expanded and improved; value chain cluster mechanisms have not yet been established. Support has been provided to APCI farmers' association, but a comprehensive Ibo Zanguebarie coffee strategy and development plan have not yet been formulated.<sup>99</sup> Upscaling of coffee value chain development needs also to be based on a careful assessment of the financial viability based on cost and benefit analysis.

For the fruit value chain, the project supported three initiatives through matching grants; these initiatives, being based on one-off donations, have limited potential for replication or upscaling without external financial and technical support.

Partnerships with stakeholders such as the ICO for International Visibility and the Coffee Training Center in Addis Ababa for Regional cooperation, have proven a positive contribution to South-South cooperation and for fostering awareness of coffee quality-oriented projects

## **2.6. EQ 6 – Contributions to crosscutting priorities of gender, environment and good governance**

The Project Mais Valor, for the nature of the two value chains, offered interesting opportunities to contribute significantly to crosscutting priorities of gender, environment and good governance.

Implementation featured a systematic attention to gender balance across its activities; the evaluation highlights scope for further strengthening women empowerment, entrepreneurship development and women' leadership across the two value chains.

Environmental safeguards proved to be less than adequate to produce coffee Zanguebarie in Ibo Island, with a significant risk of a negative environmental impact, due to the possible deterioration of the island fragile ecosystem and overexploitation of the very shallow island aquifers.

In terms of governance the project supported positively capacities related to the governance of one coffee association (APCI) and one fruit producers' association (CFB). However, the contributions to improve the governance of the two value chains, including aspects of monitoring and evaluation, transparency, accountability and democratic representation have been negligible for the lack of a cluster development and value chain approach.

## **3. Overarching Assessment and Rating Table**

The following table summarizes the evaluation ratings according to UNIDO evaluation guidelines and instructions for rating. Scores vary between 1 (minimum) and 6 (maximum).

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<sup>99</sup> Project management communication to the evaluator (September 2024): *This is included in the national strategic plan for coffee (2024-2033)*



The range 1 to 3 is defined as “unsatisfactory” and the range 3 to 6 as “satisfactory”.

**Table 9: Summary of the evaluation ratings**

#	Evaluation criteria	Summary assessment	Rating
<b>A</b>	<b>Impact</b>	Budget, short duration, strategic choices, challenges for sustainability and upscaling considerably limited Project Mais Valor opportunities for impacts; some positive changes are emerging, included renewed interest and visibility for Ibo Coffee, the partnership with illycaffé and the awareness for enhanced coffee quality. For the fruit value chain some pilots of matching grants have been tested, with limited impacts and need to identify sustainable strategies for value chain and private sector development. The score considers how impact is constrained by external factors as insecurity as well as the need for adequate financial tools, a variable not within the scope of the intervention.	<b>MS</b>
<b>B</b>	<b>Project design</b>	Satisfactorily assessed the targeting of value chain and the capacity of adjustment. On the other side the quality of design of results needs to be significantly strengthened.	<b>MS</b>
<b>1</b>	<b>Overall design</b>	Both value chains are well targeted and offer interesting opportunities for AICS and UNIDO support. Design deserved to be significantly improved in all its aspects, including for strategy, mechanisms, measurability, sustainability. A very positive feature has been the capacity to adjust along the way and launch a new Component in Manica in 2021.	<b>MS</b>
<b>2</b>	<b>Logframe</b>	The score recognizes the limited quality of the intervention logic but also project remarkable capacity of adjusting the result framework during implementation.	<b>MS</b>
<b>C</b>	<b>Project performance</b>		<b>S</b>
<b>1</b>	<b>Relevance</b>	Strong relevance to needs of beneficiaries and value chains stakeholders, aligned to national priorities; opportunities to reinforce coherence with PSD and value chain sustainable approaches.	<b>HS</b>
<b>2</b>	<b>Effectiveness</b>	Mixed level of efficiency, with positive progress for some results (ICPA and CFB Cooperative capabilities, increased awareness for quality, visibility of Coffee Zanguebariae, market opportunities). Several other results are yet at an incipient stage.	<b>HS</b>
<b>3</b>	<b>Efficiency</b>	Performances are appraised very satisfactorily, particularly in consideration of the external challenges that affected project implementation; the intervention showed high level of flexibility and positive dialogue / coordination amongst stakeholders; need for an increase in result orientation throughout project mechanisms and M&E.	<b>MS</b>
<b>4</b>	<b>Sustainability of benefits</b>	Some attention was provided to improved capacities as a contributor to sustainability. Results need consolidation and increased attention need to be provided to sustainability issues, including private sector incentives, value chain governance and cluster development, increased level of capacity transfers that may lead to transformational changes.	<b>MS</b>
<b>D</b>	<b>Cross-cutting</b>		<b>S</b>
<b>1</b>	<b>Gender</b>	Satisfactory application of gender balance principles across the project but scope for significantly strengthen women empowerment /leadership throughout the two value chains and in entrepreneurship development.	<b>S</b>
<b>2</b>	<b>M&amp;E and design implementation</b>	Mid-term evaluation was implemented but with very limited value added. The monitoring system of the project had to undergo several changes in the initial months of the project, due to the changing context,	<b>S</b>

#	<u>Evaluation criteria</u>	<u>Summary assessment</u>	<u>Rating</u>
		including attacks by insurgents in Cabo Delgado. The monitoring system was structured only on year 3 and not adequately developed to track outcomes. The score considers these challenges; the use of indicators identity sheets is assessed as a positive practice.	
3	<b>Results-based Management</b>	Need for increased attention at outcome level and building a system of management based on incentives and disincentives related to the achievement of results	<b>HS</b>
<b>E</b>	<b>Performance of partners</b>		<b>HS</b>
1	<b>UNIDO</b>	Outstanding performance, positively appraised for adaptive management, very good dialogue and consultation mechanisms, close coordination with funding partners and national counterpart;	<b>HS</b>
2	<b>National counterparts</b>	Very positive contribution although national involvement was limited both at central and at provincial level	<b>S</b>
3	<b>AICS</b>	Remarkable performance with an unusually close follow up; capacity to adjust to a changing environment; AICS has been seeking opportunities for follow up and support expansion	<b>HS</b>
<b>F</b>	<b><u>Overall assessment</u></b>		<b><u>S</u></b>

## 4. Conclusions and Recommendations

### 4.1. Overall Conclusions

The 36-month, € 4 million project had the ambitious goal of supporting two promising value chains in two different provinces of Mozambique. Time and budget were too short, particularly for tree crop development; moreover, implementation was affected by a challenging environment.

The project featured a remarkable resilience and capacity to adapt to very unfavorable contextual factors, a feature that allowed to avoid complete paralysis and move forward with considerable progress for both value chains.

The project generated important lessons, and positive results are emerging in both value chains. Mais Valor displayed positive performances and overall provided a good return on the cooperation investment; the project obtained a positive visibility, particularly for coffee Zanguebariae, and for UNIDO-AICS cooperation tandem. The project also supported positive dialogue and cooperation with national authorities (particularly with MADER) and with AMOCAFE.

The intervention evidenced the need to expand project scope and vision from a micro level and support to few selected stakeholders to a comprehensive value chain approach, promoting incentives and mechanisms for private sector and farmers' investment, risk, innovation and market linkages.

Positive results included the promotion of products' quality, GAP certification and good practices, HACCP business accreditation and setting the initial steps for a more comprehensive value chain approach and development strategy, that will be eventually pursued with the next phase, Mais Valor 2.

Significant additional work is required in areas related to value chain strategy, governance, cluster approach, definition of goals and standards, private sector and farmers incentives, increased attention to sustainability and result orientation.

### 4.2. Conclusions for the Coffee value Chain

The project laid an important groundwork for the development of the Ibo Zanguebariae coffee value chain and one of its key achievements has been to build awareness amongst stakeholders on the importance to improve the quality. The intervention improved capacities and provided equipment to enhance quality; efforts contributed to a tangible improvement of the quality of the coffee produced by the targeted association.

Nevertheless, the challenging context, a shallow design, the short timeline and the contained budget did not allow to make significant progress toward goals of improved production, establishing a quality standard for coffee Zanguebariae, impacting on the value chain development and farmers revenues; significant challenges remain.

Addressing these challenges through strategic planning, inclusive governance, transformative capacity building, and sustainable practices will be critical for realizing the

full potential of Ibo coffee as a driver of local economic, social and environmental development.

Visibility has been supported by capillary work on training events and workshops, participation in public events, manual distribution, and collaborative efforts with academia and AMOCAFE,

The project generated valuable scientific and technical knowledge regarding Ibo Zanguebariae coffee, but this knowledge remains fragmented and largely underutilized. There is a need to systematize and disseminate this information widely through publications, online platforms, and workshops. This will enable stakeholders to convert theoretical insights into practical strategies and evidence-based policies for Zanguebariae coffee value chain development.

The current focus on APCI association is too narrow to achieve a truly inclusive and strategic value chain development. Expanding the project's scope to include larger producers, traders, and local government will foster a more integrated approach. The adoption of a strengthened UNIDO Cluster Approach will be essential to facilitate the involvement of all stakeholders and ensure a more coordinated and sustainable development.

The absence of a comprehensive Ibo / Zanguebariae coffee strategy and development plan is a significant gap that hinders the long-term sustainability of the value chain. This strategy must be developed through a participatory and inclusive approach, involving contributions from all value chain stakeholders. The strategy should address risk mitigation, resource management, and specific goals for different areas, including Quirimba Island.

Establishing inclusive governance mechanisms will be critical to ensure that all stakeholders groups are represented and that development efforts are coordinated effectively.

The project highlighted significant deficiencies in the coffee value chain infrastructure and equipment, which are critical for the sustainability and scaling up of the Ibo Zanguebariae coffee development effort. Investment in dedicated facilities, with adapted milling and roasting equipment, and sustainable farming practices are needed.

Enhancing the technical capacities of farmers and extension services through sustainable capacity transfer mechanisms including the introduction of experienced coffee technicians and demonstration fields, will be vital for a sustainable improvement of production practices.

The long-term viability of coffee cultivation on Ibo Island requires careful consideration of environmental factors. Conducting assessments to determine the island's carrying capacity, establishing centralized nurseries, establishing the shadow trees with the selection of appropriate tree species for shade, and adopting sustainable soil and water conservation practices are essential steps to ensure that coffee farming is both environmentally sustainable and economically viable.

The project must prioritize the development and implementation of comprehensive standards and regulations for Ibo Zanguebariae coffee to ensure consistent quality. This includes enhancing processing and quality control practices among farmers and establishing centralized processing facilities. A robust marketing strategy first at national

level (and eventually at a later stage on international markets) will be necessary to position Ibo coffee as a premium product and to tap into high-value markets.

The integration of nutrition-focused components within the coffee value chain, such as the consociation of coffee with fruit trees and other nutrient-rich crops, presents a valuable opportunity to enhance food and nutrition security on Ibo and Quirimba. This approach could create synergies with other nutrition projects, thereby contributing to the overall well-being of the local population.

### **4.3. Conclusions for the Fruit and vegetables value chain**

The project's very short timeline and modest budget led to a tactical approach focused on low-risk, small-scale interventions. While this has produced some visibility and beneficiary satisfaction, the focus on short-term, one-off support limits the potential for broader impacts, sustainability, and replicability. A more strategic approach is needed to achieve longer term, systemic change in the value chain.

While the project has made progress with its current approach, long-term sustainability and scalability require a shift towards more strategic, impact-driven interventions, better alignment with market mechanisms, and stronger governance and policy frameworks. These adjustments will enable UNIDO, AICS and partners to position themselves more effectively within the dynamic fruit and vegetable value chains in Manica Province.

Fragmentation of project activities into minor initiatives reduces the potential for achieving substantial impacts. To generate meaningful results, the project needs to narrow its focus and concentrate on high-priority interventions.

The project's current approach of providing ad hoc matching grants to existing businesses carries the risk to undermine market mechanisms. A more strategic engagement with the private sector should be sought for cooperation follow up, including the development of blended finance instruments to support small scale and medium-sized entrepreneurs, associations, and farmers in collaboration with local financial institutions and civil society.

The value chain bottlenecks often occur at the production level, yet the project focused more on processing, a key area for UNIDO mandate and value addition. However, this leaves a gap for value chain development.

The project should foster stronger coordination and synergies with other interventions, including national mechanisms, to ensure more comprehensive support for both production and processing.

UNIDO's comparative advantage lies in the improvement of the value chain enabling environment, support to the macro and the institutional levels and policy dialogue. The project should capitalize on this by promoting partnerships with international markets (e.g., Asia), establishing regulations for the value chain, and advocating for incentives and supporting access to critical inputs including fertilizers, pesticides, and irrigation systems through partnerships, studies, and financing mechanisms that may reduce operational costs for farmers and cooperatives.

Supporting access to improved varieties of seedlings demanded by the market is critical. However, this effort should focus on inclusive access rather than research or germplasm banks, as these demand more specialized long-term efforts.

The project needs to shift its focus from activities to outcomes, with improved monitoring frameworks that track progress through key performance indicators. A digital dashboard could enhance the tracking of project results, ensuring that the project remains outcome-oriented.

Organizing local market events on a rotational basis, without significant infrastructure investment, can help connect producers with buyers. These markets can facilitate demand and supply alignment in a low-cost, effective manner, using simple facilities.

Improved mechanisms for coordination, dialogue, and governance within specific value chains need to be established.

## 4.4. Recommendations

The first set of recommendations is intended to guide project design and implementation mechanisms and processes.

Separate recommendations are developed for the two value chains, to support design and implementation of the project follow up phase, Mais Valor 2.

### 4.4.1. Recommendations for project design and implementation mechanisms

#### **R 1. Strengthen considerably the quality of project design including:**

- Increased focus of design, avoiding fragmentation on minor activities; fragmentation leads to a dilution of impact opportunities
- Strengthened problem analysis and baseline
- Improve considerably the specification of expected changes (results)
- Measurability and M&E framework, with stronger result orientation at outcome level
- Analysis of sustainability factors, including accurate cost – benefit analysis and exit strategies
- Design should address mechanisms for continued follow up of results, to ensure that benefit flow continues after the project ends.

#### **R 2 Planning, Monitoring, Result orientation and lesson learning;**

Improve project and value chain monitoring at performance and impact levels, including a digital dashboard for follow up of progress on key performance indicators. The project focus needs to shift from activities to results (at outcome level).

Reinforcing result orientation, planning, monitoring and lesson learning should include the following activities:

- Organize a start-up 3-day workshop to define the project monitoring framework and the set of indicators to follow, with participation of key stakeholders. This will increase consensus and appropriation. The project during the workshop will also develop detailed planning for the first year.
- Organize planning and monitoring 2-day workshops, if possible, at six months intervals,

with participation of key project stakeholders, presenting progress and defining in a participatory approach target and expected progress for the follow up period. The outcomes of these workshops should inform the Project Steering Committees and the M&E system. This process will strengthen considerably coordination, accountability and engagement, improving planning and performance. The Project Technical Committees, meeting every six months, could constitute a relevant platform to support these activities.

- Organize weekly or weekly **management meetings** (mixed method, with participation by video conference and in person, frequency may be adjusted according to management needs), defining regularly responsibilities and main issues to be tackled. This will contribute to participating in management and engagement at different levels; finance and administration should participate.
- Strengthen lesson learning and exchanges amongst components

### **R 3 Support value chain coordination, dialogue and governance.**

Stronger mechanisms of coordination, dialogue and governance need to be set up at the level of targeted value chains and across producers and associations strengthening coherence with UNIDO cluster approach.

#### **R 4.1 Building synergies with other projects and organizations.**

UNIDO vocation is at a level of processing; nevertheless, the value chain bottleneck is often at production level; it would be unrealistic to establish a project assumption that production will be supported by other projects / organizations (for instance FAO). In practice this seldom happens.

A more coordinated and harmonized approach with other interventions (including national funds and mechanisms) needs to be sought.

#### **R 4.2 Strengthen financial management and administration capacities and mechanisms.**

Support the finance officer's regular field visits to targeted provinces to strengthen financial and administrative follow-up; encourage strengthening ties with Vienna, including visits to Headquarters and continuous capacity building activities; establish monitoring of financial performances. In the long term the organization needs to address the need for effective subsidiarity and decentralization.

#### **4.4.2. Ibo Coffee Value Chain: key recommendations**

##### **R 5.1 Systemize and Disseminate Knowledge**

Consolidate the scientific and technical knowledge gained about Ibo coffee and make it accessible through publications, online platforms, and workshops to convert it into practical strategies for value chain development.

##### **R 5.2 Strengthen the cluster approach for value chain development:**

- i. Expand the project's focus beyond the ICPA association to include all stakeholders such as larger producers, traders, local governments, AMOCAFE and institutions. Facilitate their involvement in the value chain to ensure a more inclusive and strategic approach; the project should continue as well as the strengthening of ICPA association with better integration with other actors.



- ii. **The approach will include an Inclusive Governance Mechanisms for Ibo Coffee Value Chain:** Develop and implement a comprehensive governance structure for the Ibo Zanguebariae coffee value chain.

### **R 5.3 Develop an Ibo Zanguebariae coffee strategy and development plan**

- i. The strategy should be developed as a sub-chapter of the ongoing study for Coffee in Mozambique; this strategy needs contributions from all the value chain stakeholders. The follow up project should support the implementation plan of this strategy. Ensure it includes risk mitigation, resource management, and specific goals for each area, including Quirimba island. Strategy should include standards and regulations setting detailed standards, grading, and regulations for Ibo coffee through a participatory approach
- ii. An investment and development plan should be prepared for the value chain, applying consistently a participatory approach. The investment and development plan should be supported by a cost-benefit analysis
- iii. Invest in value chain infrastructure, equipment and capacity development in the follow up phase; Secure adequate facilities and appropriate processing equipment to meet the association and the value chain needs.
- iv. Prioritize the rehabilitation of a dedicated building (the evaluation in the context of Ibo Island does not recommend the construction of a new building but rather the rehabilitation of an old building as part of a wider plan of improvement of the historical infrastructure of the Island and support an image of an old, historic value chain).
- v. Procurement of adequate capacity milling and roasting machines in alignment with the expected increase in the production of Ibo coffee in the upcoming years
- vi. Follow up positive practices of South-South Cooperation enhancing capacity development mechanisms for farmers and extension services through a sustainable south-south cooperation mechanism: identify a specialized technician with over 10 years field experience in coffee and bring him/her to Ibo. Promote experiences exchanges.
- vii. Establish a coffee demonstration field (with one of the old existing coffee farms).
- viii. Enhance Processing and Quality Control: Define and implement quality standards for Ibo coffee. Provide farmers with the necessary tools and training for proper processing and establish centralized facilities for efficient and quality-controlled processing and storage.
- ix. Develop a marketing strategy and pursue a marketing plan and campaign at national level and - when conditions will be se - also eventually targeting international markets

### **R.5.4 Establish a plan for production and multiplication based on Ibo carrying capacity.**

- i. Conduct a coffee mapping exercise and assessment to determine the island's carrying capacity for coffee cultivation

- ii. Prepare a development plan based on mapping and carrying capacity
- iii. Support a centralized nursery. Establish a plan for phenotypical or genetic selection
- iv. Establish conditions for planting coffee under shadow; Planting shadow trees in preparation for a coffee plantation involves selecting appropriate tree species that provide the right amount of shade without competing heavily for resources. Space the shadow trees evenly throughout the plantation area, ensuring they are placed at intervals that will provide adequate canopy cover. Plant the trees well in advance of coffee seedlings to allow them to establish and grow tall enough to offer shade. Maintain and prune the shadow trees regularly to control light levels and prevent them from overshadowing the coffee plants excessively. Integrate nitrogen-fixing species <sup>100</sup> to enhance soil fertility and overall ecosystem health.
- v. Adopt sustainable soil and water conservation practices and optimize Zanguebariae coffee production practices including nursery management, choice of soil, preparation of compost, nitrogen contributions, careful choice of consociations in early years

#### **R 5.5 Support nutrition.**

Establish a nutrition component for the first three years with consociation with fruit trees, ground nuts, *Vigna Unguiculata* and *Cajanus Cajanus*. The production of nutritious and diversified food could establish synergies with other nutrition projects (example: Ibo Foundation)

#### **4.4.3. Recommendations for Manica Province fruits and vegetables value chains**

##### **R .6.1 Adjust and improve the fruit value chain strategy.**

- i. Mais valor is a relatively small project, with a contained time and budget; funding partners' and implementer's priorities and mechanisms do ultimately restrict the menu of options for a strategic approach.
- ii. The current tactic opts for a low risk, micro level, one-off support of selected groups and entrepreneurs, where opportunities are identified. This method offers opportunities for relatively safe (low risk) intervention, producing visibility, beneficiary satisfaction and some, albeit limited, results for targeted groups. People are reached by the hundreds. The project is doing things rather than establishing mechanisms for results to be continued after external support ends. The tradeoff is related to the limited capacity to produce impacts, to achieve sustainability and to operate on a wider scale, supporting replicability and upscaling.
- iii. In the dynamic and remunerative environment of Manica fruit and vegetables value chains, both UNIDO and AICS could position themselves at a higher level, aspiring to achieve impacts on value chains and small producers.
- iv. This, however, would require a strategic and carefully designed approach that will consider the following points:

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<sup>100</sup> Desirable species include Inga spp., Albizia spp, Gliricidia sepium, Sesbania sesban, Leucaena leucocephala , Aziradacta Indica, Cajanus spp. (Cajanus to be consociated only during the first years )

### **R 6.2 Building farmers' capacities and alignment to marketing standards.**

- i. Mais Valor 2 should aim at upscaling the Technical Assistance provided to farmers with AAU Technical.
- ii. Unfortunately, the structural problems affecting SDAE extension services and the small project size do not allow to expect significant results from local extensionists; these however cannot be ignored and need to be associated with project activities.
- iii. Some low-cost incentives and management support need to be provided to enable extension staff to carry out more effectively their work. This may include airtime and increased allocations for gasoline, based on extension performances
- iv. The evaluation does not recommend pursuing effort with digital platforms to support capacity development, as the tool does not appear aligned to local capacities. However, in consideration of the different indications provided by the mid-term review it is also recommended to carry out a quick verification monitoring exercise about the effective use and possible outcomes (or lack of) related to the digital platform.

### **R 6.3 more strategic approach to the private sector.**

- i. the project should not interfere with market mechanisms providing ad hoc grants here and there
- ii. **Specific blended finance instruments** need to be developed to support medium size entrepreneurs, associations and private farmers, in partnership with local actors (including finance institutions and civil society). Specific instruments need to be developed to support small entrepreneurs and small-scale farmers
- iii. **Operating at policy level.** This is where UNIDO may have a sound comparative advantage and opportunities for optimal cost benefit ratios. For instance, promoting partnership agreements with Asian markets to export of Manica fruits / vegetables / coffee. Establishing regulations and legislation for the value chain. Promoting private sector incentives for fertilizers, pesticides and irrigation.

### **R 7.1 Irrigation and other inputs.**

- i. Irrigation in Manica is one of the most cost-effective ways to increase production and it represents one of the strongest priorities for farmers. Nevertheless, the project timeline is too short to work effectively on irrigation
- ii. Production and quality are also constrained by limited access and know-how about fertilizers and pesticides.
- iii. Mechanisms should be supported to promote an enabling environment for irrigation and access to other inputs to expand at a wider scale (including studies, partnerships with purchasing companies and blending mechanisms supporting operational costs for farmers / associations / cooperatives)
- iv. Improved varieties; support to mechanisms to provide inclusive access to seedlings of varieties demanded by the market.
- v. This effort should not embrace research or germplasm banks, activities that would

require a specialized effort over a much longer timeline.

### R 7.2 Promoting local market events.

in case both producers and buyers are interested, local markets could be organized on a rotational basis to allow demand to meet offer. This should not involve market infrastructures,<sup>101</sup> just a level ground with limited WASH facilities.

## 4.4 Recommendations and Management Response

#	Recommendation	Management Actions (for the new project ID220203)	Responsible Person	Target date
1.	<b>Strengthening project design and implementation for greater impact</b> To enhance project effectiveness, future interventions must prioritize a stronger design process with clear objectives and impact-driven implementation. Key actions include: <ul style="list-style-type: none"> <li>○ Reduce fragmentation by prioritizing fewer, high-impact activities rather than dispersing efforts across multiple minor interventions.</li> <li>○ Strengthen problem diagnostics and establish a comprehensive baseline for measuring</li> <li>○ Clear definition of expected results: improve the design of expected changes, ensuring specification and measurability on anticipated project outcomes.</li> <li>○ Establish a rigorous M&amp;E framework with a results-based approach at the outcome level.</li> <li>○ Sustainability and exit strategy: conduct cost-benefit analyses, integrate exit strategies, and define mechanisms for long-term follow-up to ensure results persist beyond project completion.</li> <li>○ Post-project follow-up mechanisms: develop structured methods for continued tracking of project outcomes, ensuring sustainable benefit flow.</li> </ul>	A specialized firm in M&E and data digitalization (TEAM DEV) has been contracted to assist the project team on restructuring the indicators and design a results-based M&E system that tracks progress at the outcome level, rather than just activity completion. The firm will also train the project personnel and implementing partners on designing and implementing M&E tools. Also, the project will use digital solutions such as GIS mapping and remote sensing technologies, where applicable, to enhance data collection and representation. The digital tools will improve data representation and sharing with project stakeholders through digital dashboards, and Story Maps.	IET/AGR/RAP	May 2026
2.	<b>Improving planning, monitoring, and lesson learning for effective decision-making</b>	A (4) four-day training has been planned to train the project personnel, implementing partners and the local	IET/AGR/RAP	June 2025 (PTCs)

	<p>A shift from activity-based implementation to results-oriented project management is necessary. This will be achieved through:</p> <ul style="list-style-type: none"> <li>○ Stakeholder-driven monitoring framework: organize a 3-day start-up workshop with key stakeholders to co-develop a monitoring system, define key performance indicators, and establish a detailed first-year plan.</li> <li>○ Regular progress reviews and adjustments: <ul style="list-style-type: none"> <li>  Conduct biannual planning and monitoring workshops with key stakeholders to review progress, adjust targets, and strengthen coordination.</li> <li>  The project steering committee and technical committees will use these reviews to enhance accountability and engagement</li> <li>  Frequent management meetings: implement weekly or bi-weekly management meetings (virtual and in-person) to facilitate decision-making, track responsibilities, and involve finance and administration teams.</li> </ul> </li> <li>○ Cross-component knowledge exchange: strengthen lesson learning mechanisms, facilitating exchanges across project components and between provinces.</li> <li>○ Digital dashboard for monitoring: establish a digital dashboard to track key performance indicators at performance and impact levels, ensuring a shift from activities to results.</li> </ul>	<p>government official on developing and implementing M&amp;E tools for the new project. The training will be conducted by TeamDev M&amp;E expert. Team dev will provide M&amp;E backstopping throughout the project</p> <p>The project will also share document success stories, case studies, and lessons learned for each implementation geographic area and disseminate amongst all project stakeholders.</p> <p>A digital dashboard will be developed and GIS map produced as part of the development of the project M&amp;E system. This will allow the stakeholders to have an easy and timely access to the information regarding the project progress.</p>		<p>December 2025 (PSC &amp; PTCs) June 2026 (PTCs) December 2026 (PSC &amp; PTCs)</p>
3.	<p><b>Strengthening value chain coordination, governance, and synergies</b></p> <p>The effectiveness of targeted value chains will require robust governance, coordination, and</p>	<p>The project,</p> <ul style="list-style-type: none"> <li>• supports existing coordination platforms such as AMOCAFE and FRUTICENTRO business associations and facilitate policy dialogue and advocacy with the local government</li> </ul>	IET/AGR/RAP	May 2026

	<p>collaboration with complementary initiatives. Actions include:</p> <ul style="list-style-type: none"> <li>Improving stakeholder governance mechanisms: establish structured coordination platforms for dialogue and decision-making across producers, associations, and support institutions.</li> <li>aligning with UNIDO's cluster approach methodology to drive integrated value chain development</li> <li>Harmonizing with other interventions: develop structured partnerships with complementary development programs (FAO, national funds, private sector) to ensure synergies</li> <li>Avoid unrealistic assumptions that production will be supported by external programs, as this seldom materializes in practice.</li> </ul>	<ul style="list-style-type: none"> <li>participates in AgRED-platform<sup>102</sup>, and each 6 months share relevant update to the group to explore synergies with other actors with interventions in the same geographic areas.</li> <li>develops joint mission and plan with ITC (International Trade Centre) coffee initiative to ensure synergies for coffee value chain development.</li> <li>develops joint implementation plans with FAO for bringing coffee expertise and set up trials and conduct coffee research initiatives. This involves collaboration with coffee experts from EPAMIG and EMBRAPA, who will share their knowledge with Mozambican technicians.</li> </ul>		
4.	<p><b>Enhancing UNIDO financial management and administrative efficiency</b></p> <p>To optimize UNIDO financial oversight and ensure smooth administration, key improvements are recommended:</p> <ul style="list-style-type: none"> <li>Field-based financial oversight: facilitate regular field visits by the finance officer to strengthen financial and administrative monitoring in targeted provinces</li> <li>Capacity building for finance and administration: encourage stronger linkages with UNIDO headquarters (Vienna) through training, exchange visits, and technical support</li> <li>Financial performance tracking: establish a mechanism for continuous monitoring of financial performance, ensuring transparent and efficient resource allocation.</li> <li>Long-term decentralization strategy: develop a roadmap for</li> </ul>	<p>The team has developed a mentorship approach where experienced UNIDO finance staff support project assistant in addressing financial and administrative challenges. The project assistant (financial) will conduct visits in the project area to meet the project key stakeholders, and become familiar with project areas and main beneficiaries</p>	IET/AGR/RAP	May 2026

<sup>102</sup> AgRED is a platform where funding partners, development partners and local government share progress the agricultural sector

	effective subsidiarity and decentralization within UNIDO			
5.	<b>Advancing Ibo Coffee Value Chain Development</b> The development of the Ibo coffee sector requires a structured, multi-pronged approach that integrates improved and sustainable production techniques, knowledge dissemination, infrastructure investments, and quality enhancement. <ul style="list-style-type: none"> <li>Knowledge management and dissemination: Consolidate scientific and technical insights into publications, online platforms, and training materials.</li> <li>Inclusive governance mechanisms: expand engagement beyond ICPA to include larger producers, traders, local governments, and institutions in a participatory governance framework.</li> <li>Develop an Ibo Zanguebariae coffee strategy, integrating risk mitigation, resource planning, and market alignment</li> <li>Investment in processing and infrastructure: prioritize the rehabilitation of existing historical buildings rather than new constructions, ensuring alignment with the island's heritage and identity.</li> <li>Secure milling and roasting machines based on projected production increases.</li> <li>South-South knowledge exchange: deploy a specialized coffee expert with 10+ years of field experience to provide hands-on technical support and farmer training.</li> <li>Establish a plan for production and multiplication based on Ibo carrying capacity;</li> </ul>	ID220203 is updating the existing training material to develop a comprehensive manual on Ibo Zanguebariae coffee cultivation and processing taking into consideration the technical knowledge generated in ID170217.  A digital repository/database for coffee-related knowledge, including technical guidelines, research findings, and best practices is being created by making the information accessible to the coffee value chain stakeholders. The repository will be hosted on UniLurio website and be shared with key project stakeholders and the public in general.  A needs assessment has been planned to determine the type and capacity of milling and roasting machines required. This will be based on expected production levels, quality standards, and the local energy source and stability.	IET/AGR/RAP	May 2026
6.	<b>Strengthening Manica's fruit &amp; vegetable value chains</b> To ensure long-term sustainability, the fruit and vegetable sector	The project has identified lead farmers and farmer groups (cooperative and associations) for structured support,	IET/AGR/RAP	December 2025



	<p>requires a strategic shift from short-term interventions to scalable, impact-driven approaches.</p> <ul style="list-style-type: none"> <li>- Refining the value chain strategy: shift from one-off micro-support to a model that enhances long-term sustainability, upscaling, and replication.</li> <li>- Mais Valor 2 (ID220203) should aim at upscaling the Technical Assistance provided to farmers with AAU Technical.</li> <li>- Unfortunately, the structural problems affecting SDAE extension services and the small project size do not allow to expect significant results from local extensionists; these however cannot be ignored and need to be associated with project activities. Some low-cost incentives and management support need to be provided to enable extension staff to carry out more effectively their work. This may include airtime and increased allocations for gasoline, based on extension performances</li> </ul>	ensuring knowledge dissemination and sustainability.		
7.	<p><b>Promoting access to inputs, irrigation, and local market opportunities</b></p> <p>To enhance productivity and market access, key structural barriers must be addressed:</p> <ul style="list-style-type: none"> <li>- Expanding irrigation access: develop partnerships for long-term irrigation expansion to increase production.</li> <li>- Supporting fertilizer and pesticide access: facilitate mechanisms that improve smallholder access to agricultural inputs.</li> <li>- Market linkages through local market events: organize rotational local markets with minimal infrastructure (leveled ground, basic wash facilities) to enhance producer-buyer interactions</li> </ul>	<p>Provide technical training on water-use efficiency to ensure farmers maximize productivity while minimizing waste.</p> <p>Explore partnership with MOZRURAL to support irrigation at farming level, including CFB, AFR, TdO, and other producers.</p> <p>Support the organization of periodic trade fairs and B2B forums to connect farmers with traders, retailers, and processing companies. The project is also supporting producers to participate at the provincial, national (e.g. FACIM) and international fair (e.g. MACFRUT) to connect with potential buyers.</p>	ET/AGR/RAP	December 2025

## 4.5. Lessons Learned

**Lesson 1:** Effective project adaptation requires close collaboration between implementing agencies, funding partners, and national counterparts.

**Lesson 2:** Partnerships, like the one set up with illycaffé, can provide significant international visibility and offer promotion opportunities to the value chain.

**Lesson 3:** A comprehensive cluster approach is vital for value chain development.

**Lesson 4:** Strengthening local extension services is essential but must address structural limitations through alternative capacity-building mechanisms including private sector specialized services.

**Lesson 5:** Private sector development requires mechanisms that incentivize investment, risk-taking, and innovation for sustainability and upscaling.

**Lesson 6:** Research activities – particularly for tree crops - need a strong partner, adequate timelines (7 to 10 year), and better systematization of learning.

## 5. Annexes

### Annex 1: Evaluation Terms of Reference



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

#### TERMS OF REFERENCE

**Independent terminal evaluation of the project:**

**Improving Inclusive and Sustainable Agro Value Chains Development, Including The Ibo Specialty Coffee One, of Cabo Delgado and Manica Provinces Through Public Private Partnership Approach**

**UNIDO ID: 170217**

**| 06/2024 |**

## PROJECT BACKGROUND AND CONTEXT

### 1. Project factsheet<sup>103</sup>

<b>Project title</b>	Improving Inclusive and Sustainable Agro Value Chains Development, Including The Ibo Specialty Coffee One, of Cabo Delgado and Manica Provinces Through Public Private Partnership Approach
<b>UNIDO ID</b>	170217
<b>Country(ies)</b>	Mozambique
<b>Project donor(s)</b>	Italian Agency for Development Cooperation (AICS)
<b>Project approval date</b>	July 2018
<b>Planned project start date (as indicated in project document)</b>	January 2019
<b>Actual project start date (First PAD issuance date)</b>	July 2019
<b>Planned project completion date (as indicated in project document)</b>	January 2022
<b>Actual project completion date (as indicated in UNIDO ERP system)</b>	July 2024
<b>Project duration (year):</b>	Planned: 3 Actual: 5
<b>Implementing agency(ies)</b>	UNIDO
<b>Government coordinating agency</b>	MADER
<b>Executing Partners</b>	Ernesto Illy Foundation
<b>Donor funding</b>	4.000.000 EUR
<b>UNIDO input (in kind, EUR)</b>	3.539.824 EUR
<b>Total project cost (EUR), excluding support costs</b>	3.539.824 EUR
<b>Mid-term review date</b>	August 2023 (first MTR report)
<b>Planned terminal evaluation date</b>	August 2024

(Source: Project document, UNIDO ERP system)

<sup>103</sup> Data to be validated by the Consultant

## 2. Project context

The project was developed in response to an official request from the Provincial Directorate of Science and Technology, Higher, and Professional Education of Cabo Delgado Province, Mozambique. This request sought technical assistance to enhance the production, quality, and international recognition of Mozambican coffee, particularly focusing on Ibo coffee. The requested assistance aims to increase local capacities and skills, introduce modern processing technology units, and improve coffee quality through professional education and expertise. The project aimed to leverage UNIDO's experience from a successful technical assistance project that supported the Ethiopian coffee value chain (Project ID 130144), in partnership with illycaffè S.p.A. and the Ernesto Illy Foundation. This successful public-private partnership was replicated in Mozambique, where illycaffè S.p.A. and the Ernesto Illy Foundation contributed in-kind resources to the project's implementation. The kick-off of the project had to adapt to a local context where insecurity was considered at its highest level by UNDSS, due to terroristic movement which was storming Cabo Delgado Province.<sup>104</sup>

To resume, the project definition had to delve into the following crucial steps:

1. The project strategy initially focused on providing support to smallholder farmers associated in the Association of Coffee Producers of Ibo. This support included capacity building, technology transfer, and the establishment of both backward and forward linkages (Output 2). Furthermore, the strategy aimed to support the Bilibiza Institute (IABil) by enhancing its capacity to serve as a knowledge and rural hub. This included acting as a collection center, a primary processing plant, and an agro-marketing knowledge hub for smallholder farmers associated with IABil (Output 3). However, the IABil school was looted and destroyed by armed militants linked to insurgent movement operating in Cabo Delgado Province in early 2020.
2. As a result, UNIDO had to identify an alternative location to meet the increasing horticultural demand in Pemba Province. Casa Agrária in Metuge was selected for this purpose. Following this development, a new Inception Project Report (IPR) with a baseline, value chain gap analysis, budget review, and workplan was issued in April 2020. Accordingly, the IPR was submitted with Output 2, focusing on the coffee value chain, remaining unchanged. However, Output 3 was redefined to reflect the new scenario, replacing Bilibiza with Casa Agrária of Metuge. With the consensus of government institutions, the project donor, and project partners, the district of Metuge was identified as an optimal location for launching an agro-industrial program to support local farmers, as well as fruit and vegetable producers. The plan aimed to assist Casa Agrária in enhancing its horticultural production base, developing technical capacities for its teachers and students, and establishing agro-processing lines. The ultimate goal was to add value to the agricultural products to be sold in the market at a premium price. However, the proposal with coffee value chain development in Ibo and agro-processing activities targeting Casa Agrária de Metuge was then presented

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<sup>104</sup> <https://www.cabodelgado.com/>

with unfortunate events. The wave of violence, which began at the northern part of the province, spread further south, affecting the district of Metuge with insurgents' incursions. In mid-2020, the security situation worsened, leading to increasing instability, and the area remained a fragile environment for investing in industrial upgrading.

3. As a consequence, in consultation with project counterparts, it was decided that direct intervention in horticulture value chain activities in Cabo Delgado would be considered viable only when the security situation allowed. In light of the above difficulties in proceeding with a final and valid implementation plan, the project called for a Tripartite Meeting, its highest body for governance and guidance, in order to better drive the project development in a safer and effective way, adopting a risk mitigation strategy and ultimately safeguarding the project beneficiaries. The Tripartite Meeting took place on August 14, 2020, with the participation of the donor, the Government of Mozambique, and UNIDO (represented by UNIDO country representative and the UNIDO Project team). The tripartite meeting proposed to adopt a risk mitigation strategy aimed at identifying complementary project areas.

Accordingly, Manica Province was included as a new area for project intervention, presenting significant opportunities for promoting sustainable agricultural development, especially in the horticulture sector. This approach was implemented to ensure the sustainability of the action and to enhance coordination with other initiatives in Manica Province funded by the Italian Government, which receive strong support from the Government of Mozambique. Given the changed circumstances, most of the investments initially planned for the horticulture value chain in Cabo Delgado were redirected to Manica Province. With the expansion to Manica province, the project could bridge its activities with already existing initiatives promoted by institutions of the GoM in Manica and several projects operating in the agricultural sector funded by the same donor, the Italian Agency for Development Cooperation (AICS). Therefore, synergies were identified through which the project could contribute to a more holistic support to Manica's agricultural development joining UNIDO's efforts with other AICS projects and initiatives of GoM.

The selected value chains were analyzed in detail through field assessments, contacting, and collecting information from involved actors, including producers (smallholders, associations, private companies), processors, suppliers, national and international buyers, institutions at national, provincial, and district levels, technical and research institutes, NGOs, UN agencies, DFIs, and donors. Major constraints were identified through extensive discussions with different stakeholders and through detailed profiling activities, focusing on the main challenges and opportunities faced by each stakeholder. In this context, baseline data were collected, specific KPIs were defined, and a detailed action plan was prepared, aligning with the project document's objectives and remaining coherent with both budget and timeline.

As a result of this analysis, UNIDO proposed actions under Output 2 aimed at increasing "coffee production and processing best practices are introduced and international

recognition of Racemosa coffee is increased." This report recommended project implementation focus on: supporting smallholder farmers and the Association of Coffee Producers of Ibo in capacity building, technology transfer, and establishing backward and forward linkages to improve income generation opportunities for coffee producers; and institutional support for rehabilitating local institutional capacity to provide training and extension service support to Ibo Island's farmers.

Similarly, under Output 3, the action plan focused on improving "extension services, including market linkages facilitation, in the horticultural sector." The project strategy aimed to enhance the capacity of the "Instituto Superior Politécnico de Manica" (ISPM) to act as an extension service provider and rural hub, as well as an agro-marketing center for associated smallholder farmers. By aggregating products and adding value through processing, certification, and efficient distribution, it was expected that associated smallholder farmers would be directly linked to market actors.

New key partners, stakeholders, and beneficiaries were identified and supported in Manica province. Meanwhile, in accordance with the project document's mandate, activities for developing the coffee value chain in Ibo have been conducted as initially planned.

## **CURRENT STATUS OF IMPLEMENTATION**

Overall, the project is on track to achieve its goals by creating and consolidating capacity for agricultural production, value addition and agro-processing and linking smallholder farmers to stable, more structured, and rewarding inclusive markets.

The main status of implementation per output are described below:

### **A. COFFEE VALUE CHAIN (OUTPUT 2)**

Despite initial difficulties due to the COVID-19 pandemic and regional insecurity, which somewhat affected the project's efficiency, coffee value chain development activities in Ibo's district are progressively moving towards their targets. Field activities that support sustainable production, modern processing, marketing, and technical assistance are yielding significant value addition. This is reflected in improved income for the coffee association's members. Due to the project's intervention, there is evident diversification in the farmers' income and expansion among producers on the ground. The ICPA's membership grew from 112 to 162 members (95 men, 65 women). Additionally, new seedlings have been produced, with approximately 35,000 transplanted.

During the project implementation, UNIDO intensively worked to equip coffee farmers with advanced roasting skills and technologies, enabling them to transition from traditional methods to modern processing techniques. The establishment of a local coffee processing



unit, managed by the ICPA board, now allows farmers to sell higher quality coffee to formal markets, increasing profits for ICPA members.

As a result of assisting the ICPA by upgrading the quality and quantity of coffee production, a meaningful shift in the perception of coffee as a cash crop has been observed not only among ICPA's members but also within the broader Ibo community. Farmers now consider coffee a valuable crop, integrating it with traditional annual and perennial crops, which contributes to increased income, enhanced biodiversity, and improved household resilience.

The project also legalized the ICPA to be a recognized association, opened a bank account and improved the organisational structure and management of the association.

To enhance the quality and volume of coffee produced, ICPA members were supported in exploring a collective area of 12 hectares assigned by the government for coffee plantations, intercropping with other crops considered fundamental for the local diet. Through project intervention, 8 hectares of the collective plot benefited from irrigation systems, seedlings, and technical assistance to establish an agroforestry system.

However, throughout the project, SDAE extensionists joined farmers in training sessions on good agronomic practices (including integrated pest management, pruning, and agroforestry), thereby strengthening the relationship between the farmers and the extensionists. As a result, SDAE has been assisting farmers in coffee production and in collecting monitoring data. SDAE's involvement in the project is crucial to guarantee the continuity of technical assistance to coffee farmers after the project phase-out.

UNIDO has facilitated the establishment of a formal trade agreement with several marketing strategic distribution points such as SPA VIP-Supermarket, Shoprite in Pemba and Maputo, Karibu, João Pereira Lda, and Divino. Other potential buyers from London and Saudia Arabia were identified but the current volume of coffee is not enough to supply the demand.

The project rehabilitated the Fortim de Santo Antonio, which has been established as the ICPA headquarters, Ibo's coffee showcase, and the main coffee buying point for island visitors.

Additional worthmentioning results are enclosed below:

**R&D: publication in peer reviewed scientific journal.**

Based on phenotypic and genomic findings a research paper, titled "*Mozambican Coffea accessions from Ibo and Quirimbas Islands: identification and geographical distribution*" was published in reputed scientific journal AoB PLANTS.

**In-country training and best practices exchange with Gorongosa National Park (GNP)**

With the aim of promoting a learning experience and facilitating the exchange of coffee production and processing techniques, AMOCAFE selected members from ICPA and GNP coffee specialists for an in-country training conducted at GNP's coffee operations. The training allowed participants to visit several facilities, familiarizing them with coffee post-harvest management, quality control, and good agronomic practices. It included a coffee cupping session, which involved evaluating various parameters such as aroma, acidity, bitterness, body, and defects. This marked the first time representatives from ICPA, Café Vumba, and Café Manica participated in a coffee cupping exercise. The insights gained could be applied at the Ibo coffee processing unit to determine the optimal processing profile for Ibo coffee. The hands-on learning experience resulted in the establishment of stronger connections between ICPA members, GNP staff, and other relevant stakeholders in Mozambique's coffee industry.

**AMOCAFE**

The project has been actively supporting the international recognition of Ibo's and Mozambican coffees through key activities such as governance support, capacity building, and communication outreach, benefiting the Mozambique Coffee Producers Association, AMOCAFE. There has been observed cohesion and visibility of producers at both national and international levels within AMOCAFE, which encourages the growth of the national coffee industry. Additionally, the project supported the discussion and revision of AMOCAFE's statute and facilitated the legalization process.

#### **Institutional support to MADER – DNDEL**

In response to MADER's requests, the project conducted a rapid assessment of the coffee industry in Mozambique, in collaboration with a renowned Ethiopian coffee value chain expert and an agribusiness specialist knowledgeable about the Mozambican agricultural context. The assessment included recommendations for actions needed to foster the sector's growth. To expose Mozambican government representatives and AMOCAFE members to a country with an established coffee industry, a Study Tour was organized (from October 15 to 21, 2023) to the Coffee Training Center in Addis Ababa, Ethiopia. (<https://ctc.et/>).

This experience allowed the participants to learn important concepts on coffee agronomy, sensorial lab, cupping and barista and roasting, and gain an overview of the Ethiopian coffee industry including on regulations and quality systems management. They also visited coffee farmer cooperatives and large coffee operators and exporters. As part of this work, a successful south- south cooperation mechanism between Mozambique and Ethiopia has been established thanks to AICS facilitation and technical support.

### **B. HORTICULTURE VALUE CHAIN (OUTPUT 3)**

The Project provides capacity building, technical assistance and business development services to the private sector: Agro-Pecuária Frutas de Revue (AFR), an emerging agribusiness, and the *Cooperativa Frutas de Báruè* (CFB), a farmer cooperative composed of 207 members, and Tigre de Ouro, an agribusiness firm that meet the requirements for contributing to achieve project goals.

#### **Agro-Pecuária Frutas de Révuè (AFR)**

The project provided support to AFR in establishing a tropical fruit dehydration line, with the potential to benefit at least 250 smallholder farmers engaged in fruit production through an inclusive business approach. The company started its processing operations in December 2023 and has integrated smallholder farmers into its operations. In strict collaboration with AAU Technical Lda and SDAEs, the project has identified more than 100 farmers willing to sign an agreement to supply raw material to AFR. Additionally, the project team, in collaboration with Step Innovations Africa, developed a Road Map to create a digital tool for data collection and management of all logistics related to the supply of raw materials and marketing. The company is also receiving technical assistance from the project on good manufacturing practices and preparation for HACCP certification.

#### **Cooperativa Frutas de Báruè (CFB)**

With regard to CFB, the Project is working to strengthen its managerial capacities and consolidate its market share by improving fruit quality to comply with export market requirements, and by providing support to diversify crop production. To achieve this, the project is implementing a technological upgrade plan, which includes the construction of a solar-powered agri-hub to be used as an aggregation point and cooperative headquarters. Transportation means, including two trucks, and 500 plastic crates for fruit transport and storage, have been acquired to equip the cooperative with the capacity to transport produce from the farms to the aggregation unit and from there to the market. The availability of an aggregation point and logistical resources will facilitate the collective movement of the fruit from the farms to the market, resulting in higher negotiation power for CFB members, better prices, and increased income for associated members. The hub will also benefit the entire community through the provision of IT and internet services..

Additionally, the project has supported CFB in establishing a digital data collection tool. This tool enables the cooperative to collect information and data regarding members and their farm output using a customized CFB Data Tool. The digital tool is now in use by the cooperative, and several members have been fully registered on the platform, with their data being regularly updated. The cooperative board has found the platform user-friendly and valuable. It allows the cooperative to collect real-time information from the members, which can be used for marketing purposes and shared with the cooperative's partners.

### **Tigre de OURO**

Tigre de Ouro Lda has been recognized as a key partner for attaining the project's development goals. The partnership with Tigre de Ouro to set up an inclusive business model will allow the company to expand its current contract farming scheme in the Macate district, by increasing the number of contract farmers from 19 to 90 tropical fruit producers. The partnership with the company will allow the Project to facilitate the linkage of smallholder farmers (SHFs) to the market, as the Project lacks both the technical extension know-how and the required market access for the smallholders in the region.

Under the proposed partnership, the project procured a refrigerated truck for fruit transport in temperature-controlled conditions. This truck will enable the company to transport fruits from out-growers to distant markets, expanding its customer base and increasing revenue opportunities.

The project has set up fruit aggregation units (pre-fabricated sheds) at the farm level, benefiting two associations in the Macate district. Establishing fruit aggregation will allow Tigre de Ouro to improve the efficiency of transportation and facilitate logistics for farmers. Produce will be gathered in one place and transported in better quality conditions.

### **SDAE**

In Manica province, the Project has also worked directly with selected SDAEs to strengthen their capacity by providing training to extension agents and institutional support. SDAE extensionists in Vanduzi and Bárue were trained in Local GAP certification by the Project. Also, extension agents were selected in five (5) districts of the province (i.e., Vanduzi, Bárue, Sussundenga, Macate, and Gondola) and trained in good agronomic practices as part of the implementation of the Training Program in Commercial Horticulture. Trained extension agents

have consequently trained and assisted farmers in their respective districts, with the Project's assistance through AAU Technical Lda.

Upon a request from MADER, the project has also provided training to extension agents and selected farmers in Bárue and Macate districts on fruit and vegetables drying using solar dryers provided by SUSTENTA.

#### **ISPM**

The Project has upgraded ISPM Food Processing and Soil & Plant Nutrition laboratories to improve laboratory services access for local agribusiness operators and improve quality of training and research. The ISPM laboratories have been equipped with the following assets: Water Activity Meter; Portable Non-destructive Fruit Quality Meter, Heating/Drying Oven, FT-IR Spectrometer (DRIFT- accessory); Portable Digital Refractometer; Penetrologger Standard Set. Technicians from the above-mentioned laboratories were trained on the use of equipment using a hybrid methodology, with in-person and online sessions. The technicians were also trained on the implementation of Standard Operational Procedure, and assist on the process for ISO 17025 Accreditation. Also, the project is providing technical assistance to ISPM to develop Standard Operational Procedures (SOP) for the Soil & Plant Science and Food Technology laboratories of ISPM, following recommendations from the gaps analysis conducted in collaboration with Promove Comercio Project.

### **C. MONITORING AND EVALUATION (OUTPUT 4)**

As a result of the change in context as described in section 2 (Project Context), for M&E has been adopted and used the reviewed Log Frame approved in the PSC organized on February 2022.

Overall, data collection for M&E system has been guaranteed by the Project implementing partners and PIU through paper-based and open-source online tools, used for collecting data timely and carrying out analysis.

Ex-ante impact analysis and ex-post impact assessment need has been incorporated on the Terms of Reference for the project partners to allow the assessment of the effects of the intervention, including a comparative analysis of benefits on target group vs group of proxy stakeholders which have not received the services. Data collection for baseline has been collected at the beginning of the intervention for digitalization services (by Step Innovation Africa) and quality-oriented services (by AAU Technical Lda), and new data are also being collected after the intervention to measure the impact.

Also, the Project Mid-Term Review (MTR) has been conducted in both provinces. All MTR related documents were prepared as per UNIDO internal rules and has supported the project team measuring the project impact as well as inform on corrective measures towards achievement of project's results.

### **3. Project objective and expected outcomes**

The main objective of the proposed project is to increase income generation for smallholder farmers in Cabo Delgado and Manica Provinces. The outcome is that inclusive and sustainable agro value chain performances (in coffee and horticultural sectors) are improved.

The following **project components** have been developed, in addition to project management, to achieve the project objectives:

**Component 1 (OUTPUT 2): Coffee production and processing best practices are introduced and international recognition of Racemosa coffee is increased.**

The project strategy focuses on providing support to smallholder farmers and to the Ibo Coffee Producers Association (ICPA) in Ibo, in terms of capacity building, technology transfer and establishment of backward and forward linkages.

UNIDO implement its operations with the already active coffee producers in Ibo and Quirimba Islands, formally associated with the ICPA. All the actions are aimed at increasing the value of coffee produced by ICPA, with an increase in yield and quality of the coffee and by the improved international recognition of Ibo coffee quality.

By targeting the coffee producers and upgrading the quality and quantity of coffee available, a meaningful shift in the perception of coffee as cash crop has been achieved among the rural smallholders: in a context like Ibo, it was possible to enlarge the base of the producers by promoting the idea that coffee is a valuable crop which can also easily coexist with traditional annual and perennial crops (fundamental for the household food security needs) and can increase the biodiversity and the agricultural resilience, with also a significant diversification of farmers' income.

The following are, in brief, the expected results for Output 2:

- **Result 1:** Coffee Racemosa best varieties are selected and quality of secondary processing improved
- **Result 2:** Coffee producers are capable to apply, to their coffee farming and primary processing, principles of sustainable management
- **Result 3:** Coffee producers are supported in applying value addition and diversification strategies to their coffee production

**Component 2 (OUTPUT 3): Extension services, including market linkages facilitation, in the horticultural sector are improved.**

The updated project strategy aimed to select an established firms mainly led by “Pequenos Agricultores Comerciais Emergentes” (PACES) and integrating Pequenos Agricultores (PAs) into inclusive and efficient value chains and a farmers' cooperative.

ISPM and SDAE selected staff also benefit from training, capacity building activities and receive institutional support: their capacities has been strengthened in order to provide better extension services to local farmers and emerging agribusiness companies, thus improving the horticulture value chain as a whole.

Twinning arrangements with extension service providers in Cabo Delgado by involving IABIL former personnel (currently relocated in Ocua) was also explored: the project has implemented specific training modules in benefit of both producing areas, Manica, and Cabo Delgado.

The following are, in brief, the expected results for Output 3:

- **Result 1:** Horticulture producers are strengthened, and producers are capable to apply principles of sustainable management
- **Result 2:** Horticulture producers are capable to adopt best agro-processing practices to their farming
- **Result 3:** Horticultural producers are capable to establish market linkages

**Component 3 (OUTPUT 4): A system of monitoring and communication is in place and conducted.**

UNIDO set up a monitoring system to carry out a data driven decision making and implementation.

Beyond the M&E framework and the informed decisions through advanced data analytics, data management support the project in preparing promotional initiatives, guaranteeing project visibility with brochures, video, etc; as well as organizing awareness workshops and seminars with stakeholders and counterparts.

#### **4. Project implementation arrangements**

The project was shaped under public private partnership. UNIDO's partnership approach calls for collective actions and catalyzes key local and international development partners to provide the required support, knowledge and financial resources for the successful implementation of the project. The private-sector partner involvement has been planned from an early stage, enabling the private-sector partner to be part of the project design and implementation. In Mozambique, illycaffè has also shaped the project since the first scoping mission, addressing the most important challenges and orienting the project action toward its sustainability.

This collaboration with illycaffè through a Public Private Partnership (PPP) ensures that interventions are sustainable and continue beyond the project lifetime because they follow international business logics and consider all parties' benefits.

Moreover, the project has prioritized engaging the local private sector in the target implementation areas, promoting long-term sustainability even after the project's phase-out.

The key project stakeholders include:

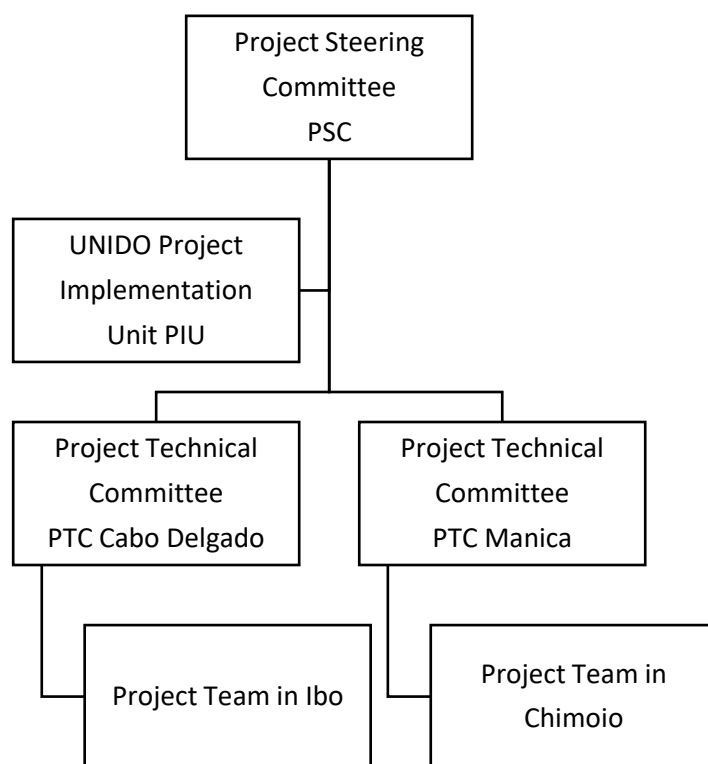
Stakeholder	Role	Responsibilities
<b>Coffe value chain</b>		
ICPA	Project beneficiary	Adopt best practices promoted by the project and ensure maintenance of the equipment provided by the project.

IIAM	Research partner	Assist on reserch of Ibo coffee and provide cientific inputs on coffee.
UniLúrio	Research and capacity building partner	Colaborate to conduct trials/studies of Ibo coffe and deliver training to ICPA members and SDAE Extensionists.
SDAE	Beneficiary and Implementation partner	Provide Technical Assistance and Monitoring Project activities and supervise adoption of best practices.
OIKOS	implementation partner	Ensure correct execution of project activities for Ibo' coffee value chain development.
illyCaffè	Project implementation partner	Provide technical Backstopping in coffee research and set up of coffee processing unit.
<b>Horticulture Value Chain</b>		
ISPM	Beneficiary and Implementation partner	Participate in project implementation (research and capacity building programs development) and ensure maintenance of equipmente received and participate in project implemation.
SDAE	Beneficiary and Implementation partner	Disseminate lesson learned and provide technical assistance to farmers, and supervise adoption of best practices.
AAU Technical	Implementation partner	Ensure correct execution of project activities for horticultural training program, and quality certification services.
Step Innovations for Africa	Implementation partner	Assist on data collection and training on best practices using digital platforms.



CFB	Project beneficiary	Adopt GAP best practices and engage with new producers and manage the cooperative in a professional way.
AFR	Project beneficiary	Adopt an inclusive business model benefitting at least 250 producers, and ensure maintenance and repairs of the processing line provided by the project.
Tigre de Ouro	Project beneficiary	Adopt an inclusive business model benefitting at least 60 producers and ensure proper use of the logistical means provided by the project.

To ensure a full project ownership and a comprehensive participatory process, a Project Governance Structure was developed (herewith below) to identify the various layers of management and decision-making structures:



## 5. Main findings of the Mid-term review (MTR)

This section summarizes the MTR's main findings and recommendations and how the recommendations have been addressed.

The main findings of the MTR per project component are as follows:

### MTR's key findings on component 1: Project Management is established

- The project management unit was set up in Maputo with a Chief Technical Advisor based in Maputo, and a National Project Coordinator being located in Chimoio, Manica, responding to both technical intervention areas
- The Project Inception Reports was submitted in three versions caused by significant changes in the political and security situation in Cabo Delgado and the inclusion of a new project intervention area (Manica)

### MTR's key findings on component 2: Coffee production and processing best practices are introduced and international recognition of racemose coffee is increased

- Ibo coffee variety has been identified and its analysis performed according to sound research practices: not Racemosa Loureiro but Zanguebariae species.
- Different sub-types of the variety are known to producers (jointly discovered)
- Increase in plantation of new coffee plants
- Significant increase in coffee plant seedling production with seedlings both at home as well as in the field (to be planted with the first rains in December)
- Coffee producers started adopting the new good practices for coffee production: cleaning around the trees, where to plant new seedlings, sample soil analysis, seedling production, harvesting techniques (all interviewed started at least 1 new practice introduced by the project)
- Support of activists in monitoring and supporting application of good practices during harvest and seedling production phase was important for allowing ICPA members adoption of new agronomic practices and massive seedling multiplication
- Producers are aware about shade crops and inter-cropping supporting coffee production, appreciating new cassava varieties and crop diversification support
- Aside of purely technical, the moral support provided by the project to producers is appointed as the core reason for application of new practices
- Coffee producers apply the first post-harvest processing practices and selection of prime coffee quality
- With the buying of coffee by the association in 2023, producers reached higher prices than ever (outcome: higher income from coffee, new income stream generated from coffee production) and is expected additional price increase in the next coffee harvest season.
- Coffee processing unit is set-up and fully operational at a rented facility.

- Ibo Coffee association is improved in its internal organization and overall functioning (formalized, services to members, bank account open, proud appearance with their product), when compared to the initial stage was the collective work was completely missing.

MTR's key findings on component 3: Extension services, including market linkages facilitation, in the horticultural sector are improved

- The project established a strong collaboration with DPAP, DPIC, and SDAE extension technicians and improved their knowledge and skills in selected areas.
- CFB improved their organizational structure:
  - CFB is progressively understanding the width of their needed capacities for operating fully and effectively.
  - There is a progress in trainings to producers, and results will be evaluated later in 2023 and 2024 after at least 15 months after training.
- Research on mango and pineapple varieties with germplasm analysis, and associated activities with ISPM are well developed for overall sector development and integration of institutions as well as awareness raising of agri-processing potentials in Manica province.
- IABiL capacity strengthening is a good effort for continued inclusion and a recent fruit tree grafting practical training upon request by AKF/IABiL are well adopted.
- Great capacity building opportunities for SDAE technicians – supporting Gov and creating needed new knowledge
- The project has introduced Digital courses which are used as a “library in the pocket” by the SDAE extensionist
- Administrative and financial project bureaucracy and governance aspects delaying provision of logistical means to SDAE and CFB (as well as emergency seeds to producers) which has undermined efficiency on project progress.
- Processing equipment at AFR already installed and identification of over 100 SHF conducted with support of AAU.
- ISPM Laboratory upgrading & its strengthening has been a significant support for the horticulture sector in Manica and to secure value-added in the future.
- CFB acts as supplier of first-grade litchi to Westfalia but still need to identify alternative market for second-grade fruit. Hence, it still needs long-standing support to understand the market(s) and required internal processes to operate on its own, independent of Westfalia. Currently, the cooperative members are creating an interest for selling more crops jointly and use their bargaining power, which will be more intensified with the operationalization of the solar-powered community hub (SPAH).

MTR's key findings on component 4: A system of monitoring and communication in place and conducted

- The project monitoring system has been set-up and adapted to the new monitoring framework

The main recommendations of the Mid-term review and measures to address them are summarized below:

- Consider implementation of an assessment on the role and tasks of the woman in the different value chains, and identifying at least 2 initiatives to support women empowerment further (to be continued in the new project phase).
- Start reporting on changes identified regarding women economic empowerment by applying the “gender lense” to result and change reporting.
- Similar to women empowerment, assess opportunities and document information regarding changes affecting the youth through project interventions. Based on these observations, a concept for the next phase could be developed..
- It is recommended that a general revision of procurement and administrative processes be conducted to determine which can be managed locally in-country and which should be handled by HQ. Specifically, increasing the relatively low threshold for HQ's procurement management could be allow more flexibility of the project team on the ground, increase project efficiency and effectiveness.

## 6. Budget information

**Table 1. Financing plan summary - Outcome breakdown**

Project outcomes/components	Donor (\$)	Co-Financing (\$)	Total (\$)
Output 1	1,366,823		1,366,823
Output 2	590,000		590,000
Output 3	1,513,001		1,513,001
Output 4	70,000		70,000
<b>Total (\$)</b>	<b>3,539,824</b>		<b>3,539,824</b>

Source: Project document

**Table 2. UNIDO budget allocation and expenditure by budget line**

Budget line	Items by budget line	2019	2020	2021	2022	2023	2024	Total allocation (a)	
								(USD/EUR)	
2100	Contractual Services	43,848	82,571	222,239	343,966	544,119	7,144	1,243,887	37.4
4500	Equipment	5,051	51,548	1,694	387,194	70,803	39	516,329	15.5
1500	Local travel	11,791	7,308	11,294	14,719	36,470	754	82,336	2.5
1700	Nat. Consult./Staff	3,563	20,939	71,524	84,088	93,296	57,962	331,372	9.9
5100	Other Direct Costs	1,902	9,297	15,394	21,379	56,224	5,336	109,532	3.3
4300	Premises	0	3,028	0	3,250	0	0	6,278	0.1
1100	Staff & Intern Consultants	23,495	145,209	201,099	242,761	212,549	97,410	922,523	27.8

Budget line	Items by budget line	2019	2020	2021	2022	2023	2024	Total allocation (a)	
								(USD/EUR)	
1600	Staff travel	1,988	0	82	110	1,626	0	3,806	0.1
300	Train/Fellowship/Study	0	0	31,047	20,693	82,156	-20,854	113,042	3.4
<b>Total</b>		<b>93,657</b>	<b>321,920</b>	<b>556,394</b>	<b>1,120,182</b>	<b>1,099,266</b>	<b>149,815</b>	<b>3,329,105</b>	<b>100</b>

Source: UNIDO Project Management ERP database as of 12 March 2024

## 6. SCOPE AND PURPOSE OF THE EVALUATION

The purpose of the evaluation is to independently assess the project to help UNIDO improve performance and results of ongoing and future programmes and projects. The terminal evaluation (TE) will cover the whole duration of the project from its starting date in July 2019 to the estimated completion date in July 2024.

The evaluation has two specific objectives:

Assess the project performance in terms of relevance, effectiveness, efficiency, sustainability, coherence, and progress to impact; and

Develop a series of findings, lessons and recommendations for enhancing the design of new and implementation of ongoing projects by UNIDO.

## 7. EVALUATION APPROACH AND METHODOLOGY

The TE will be conducted in accordance with the UNIDO Evaluation Policy<sup>105</sup>, the UNIDO Guidelines for the Technical Cooperation Project and Project Cycle<sup>106</sup>, and UNIDO [Evaluation Manual](#).

The evaluation will be carried out as an independent in-depth exercise using a participatory approach whereby all key parties associated with the project will be informed and consulted throughout the process. The evaluation team leader will liaise with the UNIDO Independent Evaluation Unit (EIO/IEU) on the conduct of the evaluation and methodological issues.

The evaluation will use a theory of change approach<sup>107</sup> and mixed methods to collect data and information from a range of sources and informants. It will pay attention to triangulating the data and information collected before forming its assessment. This is essential to ensure an evidence-based and credible evaluation, with robust analytical underpinning.

The theory of change will depict the causal and transformational pathways from project outputs to outcomes and longer-term impacts. It also identifies the drivers and barriers to

<sup>105</sup> UNIDO. (2021). Director General's Bulletin: Evaluation Policy (UNIDO/DGB/2021/11)

<sup>106</sup> UNIDO. (2006). Director-General's Administrative Instruction No. 17/Rev.1: Guidelines for the Technical Cooperation Programme and Project Cycle (DGAI.17/Rev.1, 24 August 2006), under revision

<sup>107</sup> For more information on Theory of Change, please see UNIDO [Evaluation Manual](#).

achieving results. Learning from this analysis will be useful for the design of future projects so that the management team can effectively use the theory of change to manage the project based on results.

## 1. Data collection methods

Following are the main instruments for data collection:

- (a) **Desk and literature review** of documents related to the project, including but not limited to:
  - The original project document, monitoring reports (such as progress and financial reports, mid-term review report, technical reports, back-to-office mission report(s), end-of-contract report(s) and relevant correspondence.
  - Notes from the meetings of committees involved in the project.
- (b) **Stakeholder consultations** will be conducted through structured and semi-structured interviews and focus group discussions. Key stakeholders to be interviewed include:
  - UNIDO Management and staff involved in the project; and
  - Representatives of donors, counterparts, and other stakeholders.
- (c) **Field visit** to project sites in Mozambique.
  - On-site observation of results achieved by the project, including interviews of actual and potential project beneficiaries.
  - Interviews with the relevant UN Resident Coordinator and UNIDO Country offices' representative to the extent that he/she was involved in the project and the project's management members and the various national [and sub-regional] authorities dealing with project activities as necessary.
- (d) **Online data collection** methods will be used to the extent possible.

## 2. Key evaluation questions and criteria

The key evaluation questions (corresponding to the six OECD/DAC criteria) are the following:

- 1) Relevance: Is the intervention doing the right things? To what extent do the project/programme's objectives respond to beneficiaries, global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change?
- 2) Coherence: How well does the intervention fit? How compatible is the project/programme with other interventions in the country, sector or institution?
- 3) Effectiveness: Is the project/programme achieving its objectives?
- 4) Efficiency: How well are resources being used? Has the project/programme delivered results in an economic and timely manner?
- 5) Impact: What difference does the intervention make? To what extent has the project/programme generated significant positive or negative, intended or unintended, higher-level effects? Has the project/programme had transformative effects?

- 6) **Sustainability:** Will the benefits last? To what extent will the net benefits of the project/programme continue, or are likely to continue?

The table below provides the key evaluation criteria to be assessed by the evaluation. The detailed questions to assess each evaluation criterion are in annex 2 of UNIDO [Evaluation Manual](#).

**Table 5. Project evaluation criteria**

#	Evaluation criteria	Mandatory rating
<b>A</b>	<b>Progress to Impact</b>	<b>Yes</b>
<b>B</b>	<b>Project design</b>	<b>Yes</b>
1	• Overall design	Yes
2	• Project results framework/log frame	Yes
<b>C</b>	<b>Project performance and progress towards results</b>	<b>Yes</b>
1	• Relevance	Yes
2	• Coherence	Yes
3	• Effectiveness	Yes
4	• Efficiency	Yes
5	• Sustainability of benefits	Yes
<b>D</b>	<b>Gender mainstreaming</b>	<b>Yes</b>
<b>E</b>	<b>Project implementation management</b>	<b>Yes</b>
1	• Results-based management (RBM)	Yes
2	• Monitoring and Evaluation, Reporting	Yes
<b>F</b>	<b>Performance of partners</b>	
1	• UNIDO	Yes
2	• National counterparts	Yes
3	• Implementing partner (if applicable)	Yes
4	• Donor	Yes
<b>G</b>	<b>Environmental and Social Safeguards (ESS), Disability and Human Rights</b>	<b>Yes</b>
1	• Environmental Safeguards	Yes
2	• Social Safeguards, Disability and Human Rights	Yes
<b>H</b>	<b>Overall Assessment</b>	<b>Yes</b>

**These topics should be covered as applicable:**

The terminal evaluation will assess the following topics, for which **ratings are not required:**

- Need for follow-up:** e.g. in instances of financial mismanagement, unintended negative impacts or risks.
- Environmental and Social Safeguards:** appropriate environmental and social safeguards were addressed in the project's design and implementation, e.g. preventive



or mitigation measures for any foreseeable adverse effects and/or harm to environment or to any stakeholder.

### 3. Rating system

In line with the practice adopted by many development agencies, the UNIDO Independent Evaluation Unit uses a six-point rating system, where 6 is the highest score (highly satisfactory) and 1 is the lowest (highly unsatisfactory) as per the table below.

**Table 6. Project rating criteria**

Score		Definition
6	Highly satisfactory	Level of achievement presents no shortcomings (90% - 100% achievement rate of planned expectations and targets).
5	Satisfactory	Level of achievement presents minor shortcomings (70% - 89% achievement rate of planned expectations and targets).
4	Moderately satisfactory	Level of achievement presents moderate shortcomings (50% - 69% achievement rate of planned expectations and targets).
3	Moderately unsatisfactory	Level of achievement presents some significant shortcomings (30% - 49% achievement rate of planned expectations and targets).
2	Unsatisfactory	Level of achievement presents major shortcomings (10% - 29% achievement rate of planned expectations and targets).
1	Highly unsatisfactory	Level of achievement presents severe shortcomings (0% - 9% achievement rate of planned expectations and targets).

### 8. EVALUATION PROCESS

The evaluation will be conducted from June 2024 to September 2024. The evaluation will be implemented in five phases, which are not strictly sequential, but in many cases iterative, conducted in parallel and partly overlapping:

- 1) Inception phase: The evaluation team will prepare the inception report providing details on the evaluation methodology and include an evaluation matrix with specific issues for the evaluation to address; the specific site visits will be determined during the inception

phase, taking into consideration the findings and recommendations of the mid-term review.

- 2) Desk review and data analysis;
- 3) Interviews, survey and literature review;
- 4) Country visits (whenever possible) and debriefing to key relevant stakeholders in the field;
- 5) Data analysis, report writing and debriefing to UNIDO staff at the Headquarters; and
- 6) Final report issuance and distribution with management response sheet, and publication of the final evaluation report in UNIDO website.

## 9. TIME SCHEDULE AND DELIVERABLES

The evaluation is scheduled to take place from June 2024 to September 2024. The evaluation field mission is tentatively planned for July 2024. At the end of the field mission, the evaluation team will present the preliminary findings for key relevant stakeholders involved in this project in the country. The tentative timelines are provided in the table below.

After the evaluation field mission, the evaluation team leader will arrange a virtual debriefing and presentation of the preliminary findings of the terminal evaluation with UNIDO Headquarters. The draft TE report will be submitted 4 to 6 weeks after the end of the mission. The draft TE report is to be shared with the UNIDO Project Manager (PM), UNIDO Independent Evaluation Unit, and other stakeholders for comments. The Evaluation team leader is expected to revise the draft TE report based on the comments received, edit the language and submit the final version of the TE report in accordance with UNIDO EIO/IEU standards.

**Table 7. Tentative timelines**

<b>Timelines</b>	<b>Tasks</b>
June 2024	Desk review and writing of inception report
June 2024	Online briefing with UNIDO project manager and the project team based in Vienna.
July 2024	Field visit to Mozambique
July 2024	Online debriefing with UNIDO HQ Preparation of first draft evaluation report
August 2024	Internal peer review of the report by UNIDO's Independent Evaluation Unit and other stakeholder comments to draft evaluation report
September 2024	Final evaluation report

## **10. EVALUATION TEAM COMPOSITION**

The assignment will be conducted by one international evaluation consultant that will possess a mixed skill set and experience including evaluation, relevant technical expertise, social and environmental safeguards and gender.

The tasks are specified in the job descriptions annexed to these terms of reference.

According to UNIDO Evaluation Policy, the evaluation consultant must not have been directly involved in the design and/or implementation of the project under evaluation.

The UNIDO Project Manager and the project management team in Mozambique will support the evaluation consultant during the assignment.

An evaluation manager from UNIDO Independent Evaluation Unit will provide technical backstopping to the evaluation team and ensure the quality of the evaluation. The UNIDO Project Manager and national project teams will act as resource persons and provide support to the evaluation consultant.

## **11. REPORTING**

### **Inception report**

These Terms of Reference (TOR) provide some information on the evaluation methodology, but this should not be regarded as exhaustive. After reviewing the project documentation and initial interviews with the project manager, the Team Leader will prepare, in collaboration with the team member, a short inception report that will operationalize the TOR relating to the evaluation questions and provide information on what type and how the evidence will be collected (methodology). It will be discussed with and approved by the responsible UNIDO Evaluation Manager.

The Inception Report will focus on the following elements: preliminary project theory model(s); elaboration of evaluation methodology including quantitative and qualitative approaches through an evaluation framework (“evaluation matrix”); Unit of work between the evaluation team members; field mission plan, including places to be visited, people to be interviewed and possible surveys to be conducted; and a debriefing and reporting timetable<sup>108</sup>.

### **Evaluation report format and review procedures**

The draft report will be delivered to UNIDO Independent Evaluation Unit (with a suggested report outline) and circulated to UNIDO staff and key stakeholders associated with the project for factual validation and comments. Any comments or responses, or feedback on any errors of fact to the draft report will be sent to UNIDO’s Independent Evaluation Unit for collation and onward transmission to the evaluation team who will be advised of any necessary revisions. On the basis of this feedback, and taking into consideration the comments received, the evaluation team will prepare the final version of the terminal evaluation report.

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<sup>108</sup> The evaluator will be provided with a Guide on how to prepare an evaluation inception report prepared by UNIDO Independent Evaluation Unit.

The evaluation team will present its preliminary findings to the local stakeholders at the end of the field visit and take into account their feedback in preparing the evaluation report. A presentation of preliminary findings will take place at UNIDO HQ afterwards.

The evaluation report should be brief, to the point and easy to understand. It must explain the purpose of the evaluation, what was evaluated, and the methods used. The report must highlight any methodological limitations, identify key concerns and present evidence-based findings, consequent conclusions, recommendations and lessons. The report should provide information on when the evaluation took place, the places visited, who was involved and be presented in a way that makes the information accessible and comprehensible. The report should include an executive summary that encapsulates the essence of the information contained in the report to facilitate dissemination and distillation of lessons.

Findings, conclusions and recommendations should be presented in a complete, logical and balanced manner. The evaluation report shall be written in English and follow the outline given by UNIDO Independent Evaluation Unit.

## **12. QUALITY ASSURANCE**

All UNIDO evaluations are subject to quality assessments by UNIDO Independent Evaluation Unit. Quality assurance and control is exercised in different ways throughout the evaluation process (briefing of consultants on methodology and process of UNIDO Independent Evaluation Unit, providing inputs regarding findings, lessons learned and recommendations from other UNIDO evaluations, review of inception report and evaluation report by UNIDO's Independent Evaluation Unit).

The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality. The applied evaluation quality assessment criteria are used as a tool to provide structured feedback. UNIDO Independent Evaluation Unit should ensure that the evaluation report is useful for UNIDO in terms of organizational learning (recommendations and lessons learned) and is compliant with UNIDO's evaluation policy and these terms of reference. The draft and final evaluation report are reviewed by UNIDO Independent Evaluation Unit, which will circulate it within UNIDO together with a management response sheet.

## 12.1. Annex 1: Project Logical Framework

The project logframe has been revised during the inception phase with the modification of target area due to a *force majeure* cause: the IABIL school, initially designated as target of the intervention, was looted and destroyed by the insurgents that are destabilizing Cabo Delgado Province since late 2017, forcing operations to shut down and student and staff to relocate to safer areas.

As a consequence of this unfortunate event, an alternative hotspot for satisfying the growing horticultural demand in Mozambique, has been identified in a safer province, more precisely in Manica. This does not exclude that the project will continuously monitor and assess security conditions in the Province of Cabo Delgado, for developing horticulture value chain in Pemba's surrounding areas: the project will work for improving farmers' productivity and facilitate market linkages opportunities, progressively scaling up the project activities when the security situation will allow to.

Accordingly, not only the target area and its related Output has been modified, but also the General Objective and the Outcome have been re-phrased in order to better capture the final goal of the entire project initiative; likewise, the Outputs dedicated to both value chains- coffee and horticulture- have been further detailed and specifically described, with pertinent indicators and means of verification on the base of the **UNIDO AI/2020/01: A brief introduction to UNIDO's Integrated Results and Performance Framework (IRPF) (ANNEX 7).**

	INTERVENTION LOGIC	INDICATORS	MEANS OF VERIFICATION
<b>GENERAL OBJECTIVE</b>	To increase income generation for smallholder farmers in Cabo Delgado and Manica Provinces. .	<ul style="list-style-type: none"> <li>• SOC.3 = 3900</li> </ul> Number of People living under poverty line who gain access to quality assured products	<ul style="list-style-type: none"> <li>• Baseline study, project monitoring and evaluation reports</li> <li>• National statistics</li> <li>• Progress Reports</li> </ul>
<b>OUTCOME</b>	Inclusive and sustainable agro value chain performances (in coffee and horticultural sectors) are improved	<ul style="list-style-type: none"> <li>• GOV.1 = 20</li> </ul> Number of institutions established or strengthened <ul style="list-style-type: none"> <li>• GOV.2 = 15</li> </ul> Number of actors participating in enhanced collaboration settings (clusters, networks, cooperatives) <ul style="list-style-type: none"> <li>• KASA.1= 3180</li> </ul> Number of actors gaining awareness/knowledge on UNIDO knowledge areas <ul style="list-style-type: none"> <li>• KASA.2 =965</li> </ul> Number of actors gaining skills on UNIDO knowledge areas	<ul style="list-style-type: none"> <li>• Final Report</li> <li>• Final Evaluation</li> <li>• Newsletters</li> <li>• Surveys</li> <li>• Certifications</li> <li>• Project visibility.</li> </ul>

		<ul style="list-style-type: none"> <li>• REA.2= 985 Number of actors engaged</li> </ul>	
<b>OUTPUT 1</b>	Project management is established.	<ul style="list-style-type: none"> <li>• CPO.4= 2 Number of interventions or Joint Programmes with UN System entities</li> <li>• CPO.5= 2 Number of interventions (projects/programmes) in partnership with non-UN institutions</li> </ul>	<ul style="list-style-type: none"> <li>• HR records</li> <li>• Office and asset inspection</li> <li>• IP Report</li> <li>• PSC meeting minutes</li> <li>• PTC meeting minutes</li> </ul>
<b>OUTPUT 2</b>	Coffee production and processing best practices are introduced and international recognition of <i>Racemosa</i> coffee is increased.	<ul style="list-style-type: none"> <li>• TCO.1= 12 Number of capacity building activities provided</li> <li>• TCO.2= TBD Value of assets provided</li> <li>• TCO.3= 4 Number of toolkits and guidelines produced</li> <li>• TCO.4= 2 Number of business plans developed</li> </ul>	<ul style="list-style-type: none"> <li>• Reports from the ICPA, from SDAE office, update of the baseline data</li> <li>• Interviews with farmers household members made by UNIDO supervisors.</li> </ul>
<b>OUTPUT 3</b>	Extension services, including market linkages facilitation, in the horticultural sector are improved.	<ul style="list-style-type: none"> <li>• TCO.1= 36 Number of capacity building activities provided</li> <li>• TCO.2 = TBD Value of assets provided</li> <li>• TCO.3 = 12 Number of toolkits and guidelines produced</li> <li>• TCO.4 = 10 Number of business plans developed</li> </ul>	<ul style="list-style-type: none"> <li>• Reports from ISPM, from SDAE office, update of the baseline data.</li> <li>• Interviews with farmers household members made by UNIDO supervisors.</li> </ul>
<b>OUTPUT 4</b>	A system of monitoring and communication is in place and conducted.	<ul style="list-style-type: none"> <li>• baseline data collected</li> <li>• Monitoring system is established within the database and active throughout the project life</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline</li> <li>• Annual Reports</li> <li>• M&amp;E reports</li> <li>• Financial Reports</li> <li>• Press records</li> <li>• Videos</li> </ul>

		<ul style="list-style-type: none"> <li>• promotional initiatives performed</li> <li>• Visibility supports created incl. brochures, promotional materials, etc.</li> </ul>	• Promotional events, visibility and communication materials produced.
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## UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

### TERMS OF REFERENCE FOR PERSONNEL UNDER INDIVIDUAL SERVICE AGREEMENT (ISA)

Title:	International evaluation consultant (team leader)
Main duty station and location:	Home-based
Missions:	Missions to Mozambique
Start of contract (EOD):	1 June 2024
End of contract (COB):	31 September 2024
Number of working days:	WAE: 45 WDs

### ORGANIZATIONAL CONTEXT

The United Nations Industrial Development Organization (UNIDO) is the specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability. The mission of UNIDO, as described in the Lima Declaration adopted at the fifteenth session of the UNIDO General Conference in 2013 as well as the Abu Dhabi Declaration adopted at the eighteenth session of UNIDO General Conference in 2019, is to promote and accelerate inclusive and sustainable industrial development (ISID) in Member States. The relevance of ISID as an integrated approach to all three pillars of sustainable development is recognized by the 2030 Agenda for Sustainable Development and the related Sustainable Development Goals (SDGs), which will frame United Nations and country efforts towards sustainable development. UNIDO's mandate is fully recognized in SDG-9, which calls to "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation". The relevance of ISID, however, applies in greater or lesser extent to all SDGs. Accordingly, the Organization's programmatic focus is structured in four strategic priorities: Creating

shared prosperity; Advancing economic competitiveness; Safeguarding the environment; and Strengthening knowledge and institutions.

Each of these programmatic fields of activity contains a number of individual programmes, which are implemented in a holistic manner to achieve effective outcomes and impacts through UNIDO's four enabling functions: (i) technical cooperation; (ii) analytical and research functions and policy advisory services; (iii) normative functions and standards and quality-related activities; and (iv) convening and partnerships for knowledge transfer, networking and industrial cooperation. Such core functions are carried out in Departments/Offices in its Headquarters, Regional Offices and Hubs and Country Offices.

## DIRECTORATE OF SDG INNOVATION AND ECONOMIC TRANSFORMATION (IET)

Under the overall direction of the Director General, and in close collaboration with all organizational entities within UNIDO, in particular the Office of Change Management (ODG/CHM), the Office of Legal Affairs and Compliance (ODG/LEG), the Strategic Planning and UN Engagement Division (ODG/SPU), and the Office of Evaluation and Internal Oversight (EIO), the Directorate of SDG Innovation and Economic Transformation (IET), headed by a Managing Director, is responsible for the development of innovative UNIDO services in the areas of agro-industry and agribusiness, sustainability standards and fair production, and climate-relevant or climate-improving technologies. It is also, in collaboration with ODG, responsible for developing innovative technical cooperation concepts, identifying new sources and means of finance and entering new partnerships with a broad range of relevant stakeholders.

The Directorate houses the Divisions of Coordination and Integration Support (IET/CIS), Quality, Impact and Accountability (IET/QUA), Agribusiness and Infrastructure Development (IET/AGR), Innovative Finance and International Financial Institutions (IET/IFI), Fair Production, Sustainability Standards and Trade (IET/PST), Public-Private Partnerships (PPP), and Climate and Technology Partnerships (CTP). The Directorate also ensures close coordination and collaboration among the Divisions and relevant entities in the Directorate of Global Partnerships and External Relations (GLO) and the Directorate of Technical Cooperation and Sustainable Industrial Development (TCS).

### Division of Agribusiness and Infrastructure Development (IET/AGR)

Under the overall guidance of the Director General, the direct supervision of the Managing Director, Directorate of SDG Innovation and Economic Transformation (IET), and in close coordination with other organizational entities within UNIDO, the Division of Agribusiness and Infrastructure Development (IET/AGR) supports Member States in their efforts to pave the way to sustainable rural development and a structurally transformed and modernized agribusiness sector. Capitalizing on the experience gained by UNIDO in this field over decades and on tried-and-tested and to-be-developed service modules, the Division will explore innovative approaches to maximise the potential that exists in agribusiness development, addressing emerging global trends, in particular food security, poverty alleviation and climate change. It will explore new ways to contribute to global efforts to



reduce hunger, accelerate food systems transition, and generate income and employment, especially among women and youth.

The Division provides technical cooperation services to assist the modernization of agriculture and agro-industry, especially in less-developed countries, ensuring that enterprises add value to primary agricultural production, substitute the imports of food and other value-added agricultural products, and participate effectively in local, regional and global value chains. Where needed, it will develop infrastructure and agro-industrial parks and capacities for agro-industrialization, value addition, quality assurance and food safety. It will also bring innovative approaches to Member States to fully benefit from carbon-neutral and biodiversity-enhancing agricultural and agro-industrial production and development opportunities in the green and blue bioeconomy.

#### Rural Development, Agro-industries and Industrial Parks Unit (IET/AGR/RAP)

The Rural Development, Agroindustries and Industrial Parks Unit (IET/AGR/RAP) aims to improve rural livelihoods by extending and professionalizing agro-industrial production, infrastructure supply and employment. It provides technical cooperation services to develop formal and informal enterprises and entrepreneurs that produce and source agricultural products– directly or through business-development service agents – with support for business planning, technology adoption, investment planning, product improvement, quality compliance and marketing. The Unit also promotes the planning for developing the necessary infrastructure for the transportation of intermediary and final products and related basic infrastructure (land, electricity, water, communication, waste treatment, etc.) required for agro-processing and value addition, making use, among others, of sustainable agro-industrial park development schemes.

#### PROJECT CONTEXT

The present Project named “improving inclusive and sustainable agro-value chains development, including the Ibo specialty coffee one of Cabo Delgado and Manica Province through public and private partnership approach (170217), intends increasing the smallholder’s livelihood in Mozambican Provinces of Cabo Delgado and Manica. The project is the result of an official request received by UNIDO from the Provincial Directorate of Science and Technology, Higher and Professional Education of Cabo Delgado Province aimed at assisting the Government of Mozambique in improving the production, quality and international recognition of the Mozambican “racemosa coffee”, by increasing local capacities and skills, introducing modern processing technologies units, as well as enhancing coffee quality through professional education and know-how. On the base of this request, the project has considered the opportunity of scaling up its core activities on agro-value chain development in an additional province, bridging with already active initiatives in the area promoted by GoM Institutions, funded by the funding partner Italian Agency for Development Cooperation and widely supported by private sector stakeholders and DFIs.

The specific objective is to increase income generation for smallholder farmers in Cabo Delgado and Manica Provinces, through the improvement of inclusive and sustainable agro

value chain performances in coffee and horticultural sectors. The main outputs of the Project are i) Coffee production and processing best practices are introduced and international recognition of Racemosa coffee is increased; ii) Extension services, included market linkages facilitation, in the horticultural sector are improved.

Throughout this consultancy work, it is expected to complete the Final Evaluation of the Project 170217 implementation phase, elaborate all related document as per UNIDO internal rules, and support the project team measuring project impact as well as inform future project operations. Under the overall supervision of the Project Manager based at the Headquarter, under the guidance of the International Project Coordinator, it is expected that the consultant performs, inter alia, the following main tasks:

#### DUTIES AND RESPONSIBILITIES

MAIN DUTIES	Concrete/ Measurable outputs to be achieved	Expected duration w/d)	Location
<ul style="list-style-type: none"> <li>Review project documentation and relevant country background information (national policies and strategies, UN strategies and general economic data).</li> <li>Define technical issues and questions th addressed by the national technical evaluator prior the field visit.</li> <li>Determine key data to collect in the field and adjust the key data collection instrument if needed.</li> <li>In coordination with the project manager, the project management team and the national technical evaluator, determine the</li> </ul>	<ul style="list-style-type: none"> <li>Adjusted table of evaluation questions, depending on country specific context;</li> <li>Draft list of stakeholders to interview during the field missions.</li> <li>Identify issues and questions to be addressed by the national evaluator</li> </ul>	10	Home Based with Field Mission to Project Target Areas to be settled down through Travel Request

suitable sites to be visited and stakeholders to be interviewed.			
<ul style="list-style-type: none"> <li>• Prepare an inception report which streamlines the specific questions to address the key issues in the TOR, specific methods that will be used and data to collect in the field visits, confirm the evaluation methodology, draft theory of change, and tentative agenda for field work.</li> <li>• Provide guidance to the national evaluator to prepare an initial draft of output analysis and review technical inputs prepared by national evaluator, prior to field mission.</li> </ul>	<ul style="list-style-type: none"> <li>• Draft theory of change and Evaluation framework to submit the Evaluation Manager for clearance.</li> <li>• Guidance the national evaluator to prepare output analysis and technical reports</li> </ul>	10	
<ul style="list-style-type: none"> <li>• Briefing with the UNIDO Independent Evaluation Division, project managers and other key stakeholders at UNIDO HQ (included is preparation of presentation).</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed evaluation schedule with tentative mission agenda (incl. list of stakeholders to interview and site visits); mission planning;</li> <li>• Division of evaluation tasks with the National Consultant.</li> </ul>	2	
<ul style="list-style-type: none"> <li>• Support national evaluator during field mission</li> </ul>	<ul style="list-style-type: none"> <li>• Support national evaluator in conducting meetings with relevant project stakeholders, beneficiaries, etc.;</li> </ul>	2	

	<ul style="list-style-type: none"> <li>• Agreement with the National Consultant on the structure and content of the evaluation report and the distribution of writing tasks;</li> <li>• Evaluation presentation of the evaluation's preliminary findings, conclusions and recommendations to stakeholders in the country at the</li> </ul>	
<ul style="list-style-type: none"> <li>• Present overall findings and recommendations the stakeholders at UNIDO HQ</li> </ul>	<ul style="list-style-type: none"> <li>• After field mission(s): Presentation slides, feedback from stakeholders obtained and discussed.</li> </ul>	2
<ul style="list-style-type: none"> <li>• Prepare the evaluation report, with inputs from the National Consultant, according to the TOR;</li> <li>• Coordinate the inputs from the National Consultant and combine with her/his own inputs into the draft evaluation report.</li> <li>• Share the evaluation report with UNIDO HQ and national stakeholders for feedback and comments.</li> </ul>	<ul style="list-style-type: none"> <li>• Draft evaluation report.</li> </ul>	15
<ul style="list-style-type: none"> <li>• Revise the draft project evaluation report based on</li> </ul>	<ul style="list-style-type: none"> <li>• Final evaluation report.</li> </ul>	4

comments from UNIDO Independent Evaluation Division and stakeholders and edit the language and form 106ft he final version according to UNIDO standards.			
Total WDs		45	

## MINIMUM REQUIREMENTS

Education: Advanced university degree in development studies, social sciences, agronomy or related field.

Technical and functional experience:

- Minimum of 15-20 years' experience in evaluation of development projects and programmes
- Experience in the evaluation of UNIDO projects and knowledge of UNIDO activities is an asset
- Knowledge about multilateral technical cooperation and the UN, international development priorities and frameworks
- Familiarity with gender analysis tools and methodologies
- Working experience in developing countries

Languages: Fluency in written and spoken English is required. Knowledge of Portuguese would be an asset.

Reporting and deliverables

1) At the beginning of the assignment the consultant will submit a concise inception report that will outline the general methodology and presents a concept table of contents;

2) The country assignment will have the following deliverables:

- Presentation of initial findings of the mission to key national stakeholders.
- Draft review report;
- Final review report, comprising of executive summary, findings regarding design, implementation and results, conclusions and recommendations.

### 3) Debriefing at UNIDO HQ level:

- Presentation and discussion of findings (to be organized with a dedicated on-line meeting);
- Concise summary and comparative analysis of the main results of the review report.

All reports and related documents must be in English and presented in electronic format.

Absence of conflict of interest:

According to UNIDO rules, the consultant must not have been involved in the design and/or implementation, supervision and coordination of and/or have benefited from the programme/project (or theme) under review. The consultant will be requested to sign a declaration that none of the above situations exists and that the consultants will not seek assignments with the manager/s in charge of the 170217 project before the completion of their contract with the UNIDO Quality Monitoring Division.

### REQUIRED COMPETENCIES

Core values:

WE LIVE AND ACT WITH INTEGRITY: work honestly, openly and impartially.

WE SHOW PROFESSIONALISM: work hard and competently in a committed and responsible manner.

WE RESPECT DIVERSITY: work together effectively, respectfully and inclusively, regardless of our differences in culture and perspective.

Core competencies:

WE FOCUS ON PEOPLE: cooperate to fully reach our potential –and this is true for our colleagues as well as our clients. Emotional intelligence and receptiveness are vital parts of our UNIDO identity.

WE FOCUS ON RESULTS AND RESPONSIBILITIES: focus on planning, organizing and managing our work effectively and efficiently. We are responsible and accountable for achieving our results and meeting our performance standards. This accountability does not end with our colleagues and supervisors, but we also owe it to those we serve and who have trusted us to contribute to a better, safer and healthier world.

WE COMMUNICATE AND EARN TRUST: communicate effectively with one another and build an environment of trust where we can all excel in our work.

WE THINK OUTSIDE THE BOX AND INNOVATE: To stay relevant, we continuously improve, support innovation, share our knowledge and skills, and learn from one another.

## Annex 2: Evaluation Framework / Matrix

The evaluation framework is structured along 6 main questions, aligned to OECD evaluation criteria and informed by the evaluation priorities, as evidenced by the terms of reference.

For each question the evaluation framework specifies:

- Sub-questions (or Judgement criteria - JC)
- Indicators
- Sources
- Data Collection tools

### 1.1.1 EQ 1 – Project relevance and quality of design

**EQ 1 Project relevance and quality of design;** To which extent is the project relevant to Mozambique National Priorities, to AICS priorities, to UNIDO approach and to value chains' stakeholders?

The first EQ embraces the relevance criterion, reviewing project design and key strategic choices guiding the project, including the following judgment criteria (JC) or sub-questions:

- 1.1 Relevance to national priorities and coherence to AICS and UNIDO approaches and strategies
- 1.2 Relevance to stakeholders and beneficiaries' needs and priorities;
- 1.3 Quality of design, strategy and Theory of Change;
- 1.4 Ownership and commitment of stakeholders;

The Question explores the relationship between **needs** (first column of the Theory of Change) and the **results**. It also addresses principles of result-orientation and national ownership (Paris Declaration, 2005).

	Judgment Criteria and Indicators	Key sources and data collection tools
1.1.1	The project is relevant to Mozambique National Priorities	<ul style="list-style-type: none"> <li>• Review of national priorities</li> <li>• Relevance check</li> <li>• MTE</li> <li>• Interviews with National Authorities</li> <li>• Project document and Reports</li> </ul>
1.1.2	The project is relevant to AICS priorities	<ul style="list-style-type: none"> <li>• PRODOC</li> <li>• Interviews with AICS</li> <li>• Review of Italian priorities (programming)</li> <li>• Reports and monitoring</li> </ul>
1.1.3	The project is coherent with UNIDO approach to value chain competitiveness	<ul style="list-style-type: none"> <li>• Interviews with UNIDO officials (Vienna, Italy, Maputo)</li> <li>• UNIDO strategic documents</li> <li>• PRODOC and Reports</li> </ul>
1.1.4	Relevance to beneficiaries needs and priorities	<ul style="list-style-type: none"> <li>• Interviews with UNIDO project staff</li> <li>• Interviews with beneficiaries and stakeholders (farmers, associations)</li> <li>• PRODOC and progress reports</li> <li>• Project monitoring</li> </ul>

	Judgment Criteria and Indicators	Key sources and data collection tools
1.1.5	<ul style="list-style-type: none"> <li>• Design adequately result oriented and aligned to international design standards and UNIDO best practices</li> <li>• Level of participation of national stakeholders to the preparatory phase</li> </ul>	<ul style="list-style-type: none"> <li>• Review of PRODOC, formulation studies, baseline studies, Theory of Change, logical framework and expert assessment</li> </ul>
1.1.6	Full national and stakeholders' ownership and engagement for Cabo Delgado and Manica (indicators: national and stakeholders' commitment in terms of strategy, human resources, financial resources)	<ul style="list-style-type: none"> <li>• Interviews with national authorities and value chain stakeholders</li> <li>• Interviews with Project staff</li> <li>• Project reports</li> <li>• Evidence of stakeholders' investment and ownership (during field visits) for instance in terms of co-financing, appropriation of recurrent costs, follow up of activities</li> </ul>

For each criterion the evaluation will assess whether changes that happened over the implementation period may have affected the relevance of the intervention.

### 1.1.2 EQ 2 – Effectiveness

**EQ 2 Progress toward results (effectiveness);** To what extent the expected results have been achieved thus far? What have been barriers to achieving the objectives? What have been the key enabling factors?

The analysis is structured in judgment criteria, related to each of the key results of the intervention. Additional criteria study opportunities for crosscutting priorities as well as long-term changes (impacts), summarizing overall effectiveness and impact opportunities.

#### Result 1: Project Management

**Box: Output 1 (inception phase).** This is not considered as a project result and hence is not covered by the analysis of effectiveness, the inception being part of project preparatory activities. The evaluation will assess management, including inception activities and deliverables (including identification studies, set up of offices and management mechanisms, baseline, action plan and communication plan) as part of EQ 1 (design) and EQ3 (efficiency)

#### Result 2: Increased capacities for Ibo coffee value chain actors

*To what extent does the project support enhanced productivity, quality, marketing and income of the coffee value chain stakeholders?*

	Indicators	Key sources and data collection tools
2.2.1	Improved coordination of value chain actors	<ul style="list-style-type: none"> <li>• Interviews with UNIDO staff</li> <li>• Interview with Illy Caffé</li> <li>• Interviews in Maputo (DNDEL)</li> <li>• Interviews with AMOCAFE</li> <li>• Video conferences with stakeholders in Ibo</li> <li>• Interviews with Instituto Agrário de Bilibiza</li> <li>• Progress reports</li> <li>• MTE</li> </ul>
2.2.2	Improved MADER- DNDEL capacities	
2.2.3	Improved extension (SDAE) capacities	
2.2.4	Improved capacities of the Instituto Agrario de Bilibiza	
2.2.5	Improved farmers' capacities	
2.2.6	Improved production techniques and increased production	



	Indicators	Key sources and data collection tools
2.2.7	Improved ICPA governance and capacities	<ul style="list-style-type: none"> <li>• Evidence (reports, monitoring, statistics) about improved production, improved quality, improved processing</li> <li>• Interviews with marketing outlets</li> <li>• Evidence of increased sales and prices</li> </ul>
2.2.8	Improved processing	
2.2.9	Improve marketing	
2.2.10	Improved AMOCAFE capacities	

### Result 3: Increased capacities for Manica horticulture value chain actors

*2.3. To which extent have extension services (including the promotion and research on) been improved; To what extent project support enhanced productivity, quality, marketing and income of the horticulture value chain stakeholders?*

	Indicators	Key sources and data collection tools
2.3.1	Improved coordination of value chain actors	<ul style="list-style-type: none"> <li>• Interviews with UNIDO staff</li> <li>• Interviews in Maputo MADER</li> <li>• Interviews with extension in Manica (SDAE and AAU technical)</li> <li>• Visits to all targeted associations and farmers groups</li> <li>• Interviews with associations management and farmers</li> <li>• Visit to production and processing sites</li> <li>• Visits to laboratories and interviews with staff</li> <li>• Records of cooperatives and laboratories</li> <li>• Beneficiaries' perception monitoring</li> <li>• Focus Groups, farmers, women, private sector</li> <li>• Workshop with Value Chain stakeholders in Manica</li> <li>• Interviews and visits to marketing outlets</li> <li>• MTE</li> <li>• Evidence (reports, monitoring, statistics) about improved production, improved quality, improved processing, improved marketing</li> <li>• Evidence of increased sales and prices</li> </ul>
2.3.2	Improved capacities of local cooperatives	
2.3.3	Improved extension (SDAE and AAU Technical) capacities	
2.3.4	Improved farmers capacities	
2.3.5	Improved irrigation	
2.3.6	Improved production techniques and increased production	
2.3.7	Improved laboratory capacities and services	
2.3.8	Improved processing	
2.3.9	Improve marketing	
2.3.10	Improve AMOCAFE capacities	

## 4. Result 4: Monitoring and Evaluation

**Box: Result 4 (monitoring and evaluation)** is a management and lesson learning tool rather than a project result and hence is not covered by the analysis of effectiveness. M&E mechanisms will be assessed as part of EQ 4 Efficiency, which embraces management tools.

## 5. Contributions to crosscutting priorities of gender, environment and good governance

*To which extent the project made contributions to crosscutting priorities related to gender, environment and good governance?*

	Indicators	Key sources and data collection tools
2.5.1	Contributions to gender equality and women empowerment	<ul style="list-style-type: none"> <li>• Interviews with UNIDO, National institutions, extension services, value chain stakeholders</li> </ul>
2.5.2	Contributions to good governance	

	Indicators	Key sources and data collection tools
2.5.3	Contributions to the sustainable management of natural resources	<ul style="list-style-type: none"> <li>• Focus group discussion with women at State level</li> <li>• MTE</li> <li>• Project reports and monitoring</li> </ul>

## 6. Contributions to long-term changes

*To what extent does the project contribute to its specific objectives of increased income for smallholder value chain farmers?*

The evaluation will look for changes at specific objective level as well as for opportunities for impacts and “indices” or precursors of transformational changes that can be attributed to the Project. The analysis will embrace as well as unexpected changes the project may have contributed to.

	Indicators	Key sources and data collection tools
2.6.1	Evidence of increased revenues, income and resilience for coffee value chains	<ul style="list-style-type: none"> <li>• Interviews with UNIDO staff</li> <li>• Interviews in Maputo MADER</li> <li>• Interviews with extension</li> <li>• Visits to all targeted associations and farmers groups</li> <li>• Interviews with associations management and farmers</li> <li>• Visit to production and processing sites</li> <li>• Visits to laboratories and interviews to staff</li> <li>• Records of cooperatives and laboratories</li> <li>• Beneficiaries’ perception monitoring</li> <li>• Focus Groups, farmers, women, private sector</li> <li>• Workshop with Value Chain stakeholders</li> <li>• Interviews and visits to marketing outlets</li> <li>• MTE</li> <li>• Evidence (reports, monitoring, statistics) about improved production, improved quality, improved processing, improved marketing</li> <li>• Evidence of increased sales and price</li> <li>• Focus group with women</li> </ul>
2.6.2	Evidence of increased revenues, income and resilience for horticulture value chains	

### 1.1.3 EQ 3 – Efficiency

#### **EQ 3 Project Implementation and Adaptive Management (Efficiency)**

Has the project been implemented efficiently, cost-effectively, and was it able to adapt to changing conditions? How has the COVID19 pandemic affected the project implementation? To what extent have tools of project governance, monitoring, reporting, lesson learning and communication supported the project?

Under EQ 3 the evaluation will evaluate to the following dimensions of efficiency:

1. Financial performances
2. Timely delivery and cost effectiveness
3. Flexibility and adjustment to COVID19
4. Governance and management

5. Reporting, monitoring and lesson learning
6. Communication and visibility

### 3.1 Financial Performances:

*To what extent does the project had satisfactory financial performances?*

Under financial performances the evaluation will assess the absorption of financial resources and financial performances along with the implementation timeline, including the timeliness of delivery.

	Indicators	Key sources and data collection tools
3.1.1	Financial commitments and expenditure (% of total budget)	<ul style="list-style-type: none"> <li>• UNIDO project manager and finance officer</li> <li>• Financial reports</li> <li>• AICS</li> <li>• Interviews with MADER, beneficiary associations</li> <li>• Interviews with implementing partners</li> <li>• MTE</li> </ul>
3.1.2	Timeliness of delivery	
3.1.3	Strengths and weaknesses of project administrative set up	

### 3.2 Delivery and cost effectiveness

*To what extent the project delivered according to schedule and with satisfactory cost / benefit ratios?*

The sub question analyses product delivery and cost effectiveness (a qualitative comparison of costs and results). The analysis will consider whether similar results could have been achieved with lesser costs.

	Indicators	Key sources and data collection tools
3.2.1	% of product delivery and timeliness, according to plans	<ul style="list-style-type: none"> <li>• Interviews with MADER, SDAE</li> <li>• Interviews, UNIDO, AICS, Illy</li> <li>• Interview with beneficiary' groups</li> <li>• Analysis of Monitoring data (about product delivery and timeline)</li> <li>• Review of Progress reports</li> <li>• MTE</li> </ul>
3.2.2	Qualitative costs / benefits ratio	
3.2.3	Stakeholders' perception of the project representing "good value for money"	

### 3.3 Governance and management

*To what extent project management and governance mechanisms supported positive performances and the achievement of expected results?*

The judgment criterion assesses the capacity of governance and management to support the project toward an effective and efficient achievement of its goals and expected results. The analysis will consider both strengths and weaknesses of the governance and management systems.

	Indicators	Key sources and data collection tools
3.3.1	Evidence of governance steering effectively the project towards its goals	<ul style="list-style-type: none"> <li>• Interview with UNIDO project management</li> <li>• AICS</li> <li>• Illy</li> <li>• Interviews</li> <li>• Steering Committee minutes review</li> <li>• PTC minutes</li> <li>• Interviews with Members of Steering Committee</li> </ul>
3.3.2	Strengths and bottlenecks of project governance	
3.3.3	Evidence of management performances and result orientation	
3.3.4	Strengths and bottlenecks of project management	

	Indicators	Key sources and data collection tools
		<ul style="list-style-type: none"> <li>• Interviews with stakeholders and project's benefits</li> <li>• If possible, a SWOT session will be organised with project stakeholders to evidence governance and management strengths and weaknesses</li> <li>• MTE</li> </ul>
3.4.5	Quality of coordination and synergies with other stakeholders	<ul style="list-style-type: none"> <li>• Reports</li> <li>• Interviews with UNIDO, AICS, MADER, Cooperatives, MTE</li> </ul>
3.4.6	Quality and value added of partnership with Illy Caffè	

### 3.4 Reporting, monitoring and lesson learning

*To which extent did the project benefit of effective tools for reporting, monitoring and lesson learning?*

With this Judgment criterion the evaluation will review key Project management instruments, including monitoring, planning, reporting and lesson learning and to what extent they have been supporting an effective and efficient implementation.

	Indicators	Key sources and data collection tools
3.4.1	Monitoring system is result oriented and aligned to best practices	<ul style="list-style-type: none"> <li>• Review of monitoring system</li> <li>• Review of project planning</li> <li>• Review of project reports</li> <li>• Review of lesson learning examples supporting management</li> <li>• Interview with UNIDO management and AICS</li> <li>• Interview with MADER</li> <li>• MTE</li> </ul>
3.4.2	Reporting is result oriented and aligned to best practices	
3.4.3	Evidence of lesson learning supporting governance and management	

### 3.5 Flexibility and adjustments to external challenges

*To which extent does the project manage to adjust to contextual changes and to COVID-19?*

	Indicators	Key sources and data collection tools
3.5.1	Review of performances under COVID	<ul style="list-style-type: none"> <li>• Interviews with MADER, SDAE and beneficiary Cooperatives</li> <li>• Interviews with UNIDO and the Italian Cooperation</li> <li>• Monitoring table</li> <li>• Progress reports</li> <li>• MTE</li> </ul>
3.5.2	Evidence of Project' adjustments to face security, COVID and other challenges	
3.5.3	Stakeholders' perception of project flexibility	

### 3.6 Communication and visibility

*To what extent did the project establish satisfactory visibility with effective communication mechanisms?*

	Indicators	Key sources and data collection tools
3.6.1	Evidence of project supported by effective communication component	<ul style="list-style-type: none"> <li>• Review of communication and visibility plans</li> <li>• Review of communication and visibility outputs and progress reports</li> <li>• Interviews with UNIDO and Italian Cooperation</li> <li>• Interviews with key stakeholders (project stakeholders, including extension Cooperatives, marketing outlets)</li> </ul>
3.6.2	Evidence of project leveraging good visibility	

#### 1.1.4 EQ 4 – Sustainability

##### EQ 4 Sustainability

Will the project results and benefits be sustained after the end of funding partner's funding?

Has the project put in place a mechanism to ensure sustainability (in terms of financial, legal, institutional, socio-economic instruments, frameworks or processes)? Is an adequate exit strategy in place

Question 4 studies key dimensions of sustainability, including:

- Institutional and organizational sustainability (for MADER SDAE, AMOCAFE, intermediary organizations, business support organizations and associations)
- Financial sustainability (including assessing to which extent stakeholders will manage to face accrued recurrent / operation costs after the end of the intervention)
- Market sustainability
- Political and policy environment sustainability

The study of these dimensions will evidence major risks that are likely to affect project results and goals.

	Indicators	Key sources and data collection tools
4.1	Evidence that project results and benefits will be sustained after the end of the external assistance.	<ul style="list-style-type: none"> <li>• Interviews with key institutions (MADER), Illy</li> <li>• UNIDO project staff</li> <li>• AICS</li> <li>• farmers networks, cooperatives and farmers</li> <li>• Interviews with Steering Committee members</li> <li>• MTE</li> <li>• Analysis of budgets</li> <li>• Review of exit strategy</li> <li>• Interviews with stakeholders in Manica (SDAE and AAU technical)</li> <li>• Visits to all targeted associations and farmers groups</li> <li>• Interviews to associations management and farmers</li> <li>• Visit to production and processing sites</li> <li>• Visits to laboratories and interviews to staff</li> </ul>
4.1	Evidence of financial, institutional and organizational sustainable set up; quality and sustainability of business plans	
4.2	Evidence of market demand for products and for support services	
4.3	Evidence of sustainability for key project services, including capacity building, and equipment supply	
4.3	Evidence of political and policy environment sustainability;	
4.4	Exit strategy in place	

### 1.1.5 EQ 5 – Upscaling

**EQ 5 Upscaling;** Are the project’s successful aspects being transferred to appropriate parties, potential future beneficiaries, and others who could learn from the project and potentially replicate and/or scale it in the future? To what extent the project current approach could be up-scaled to other value chains?

EQ 5 embraces the opportunity to transfer, replicate and expand Project achievements. Field work and all data collection activities will thrive to evidence the Project best practices and successful lessons and opportunities for upscaling.

	Indicators	Key sources and data collection tools
5.1	Evidence of successful approaches and outcomes being upscaled	<ul style="list-style-type: none"><li>• Interviews with key institutions (MADER), Illy</li><li>• UNIDO project staff</li><li>• AICS</li><li>• farmers networks, cooperatives and farmers</li><li>• Interviews with Steering Committee members</li><li>• MTE</li><li>• Analysis of budgets</li><li>• Review of exit strategy</li><li>• Interviews with stakeholders in Manica (SDAE and AAU technical)</li><li>• Visits to all targeted associations and farmers groups</li><li>• Interviews to associations management and farmers</li><li>• Visit to production and processing sites</li><li>• Visits to laboratories and interviews to staff</li></ul>

### 1.1.6 EQ 6 – Lessons learnt

#### **EQ 6 Lessons learnt**

What lessons can be drawn from the successful and unsuccessful practices in designing, implementing and managing the project so far?

The last EQ focuses on main lessons emerging from this Terminal Evaluation. This section represents a synthesis of the evaluation work.

	Indicators	Key sources and data collection tools
6.1	Evidence of lessons emerging from the design and implementation	<ul style="list-style-type: none"><li>• All data collection tools applied to the evaluation</li><li>• <u>Specific brainstorming session with key stakeholders by the end of the field phase</u></li></ul>

### Annex 3: List of Stakeholders Consulted

Name	Position
Andrea De Marco	Project Manager , UNIDO
Chiara Scaraggi	Value Chain Expert, Coffee, UNIDO
Gianluca Luongo	Chief Technical Advisor (CTA), UNIDO
Rafael José Nguenha	National Project Coordinator, UNIDO
Jaime Henrique Comiche	UNIDO Country Representative, Mozambique
Tercio Horacio	National Coffee Expert, UNIDO
Catija de Alemeida	National Project Administrator, UNIDO
Giovanni Barbagli	Program officer, AICS (Italian Agency for Development Cooperation)
Alberto Giani	Agriculture Team Leader, AICS (Italian Agency for Development Cooperation)
Massimo Massaro	Monitoring Officer, AICS (Italian Agency for Development Cooperation)
Dra Deodete	Diretora DNDEL, 3. Ministry of Agriculture and Rural Development (MADER)
Jenaro Lopez	Director, CEO, AMOCAFE`
Dora Domingos	Extensionist, SDAE Vanduzi
Pedro Castro	Director, SDAE Ibo District
Lucas Raice	Director, SDAE Báruè District
Florinda Carlos	Director, SDAE Vanduzi District
Lucas Mussosso	Extensionist, SDAE Báruè
Maiansa Zeca	Extensionist, SDAE Vanduzi
Tércio Horácio	Assistant Lecturer and Researcher, Universidade Lúrio – Pemba Campus
Isildo Nganhane	Assistant Lecturer and Researcher, Universidade Lúrio – Pemba Campus
Niquisse Alberto	PHd STUDENT, Assistant Lecturer and Researcher, Universidade Lúrio – Pemba Campus
Edmar Uamusse	IIAM and MSc in Coffee Economy, Universidade Lúrio – Pemba Campus
Shaimin Viera	EU Trainee, MSc Student in Coffee Economy, Universidade Lúrio – Pemba Campus
Sarrok Talhada	General Director, Instituto Superior Politécnico de Manica (ISPM)
Ana Gomez	Directora Facultade de Agronomia, Instituto Superior Politécnico de Manica (ISPM)

Nascimento Nhantumbo	Project focal point, Instituto Superior Politécnico de Manica (ISPM)
José Pires	Technical staff, Instituto Superior Politécnico de Manica (ISPM)
Elisa Matola	Project Technical Team, Instituto Superior Politécnico de Manica (ISPM)
Abdala Moto	President, ICPA (Ibo Coffee Producers Association)
Ampliato Godinho	Tigre de Ouro
Pedro Paulino	Agro-Pecuária Frutas de Révue (AFR)
Zacarias Manuel	Cooperativa Frutas de Báruè (CFB)
Manuel Paidá	Associação 4 de Outubro
José Lopes	Associação Graça Machel
Thabo Mavundza	Westfalia Fruit Mozambique, Director Agriculture - Africa
Amos Ubisse and Hilénio Farjão	AAU Technical Lda
Shaimin Viera	EU Coffee Programme Task Manager
Tania Miorin	Project Manager, OIKOS
Daniele Alleva	OIKOS
Ana Rodriguez	Fundação Ibo



## Annex 4: List of documents consulted

Title	Details
PRODOC Mozambique IBO coffee rev 04.06.2018.	Project Document
UNIDO (2016). "Value Chain Diagnostics for Industrial Development: Building Blocks for a Holistic and Rapid Analytical Tool."	UNIDO report
UNIDO (2018). "Sustainable Development of the Coffee Value Chain in Mozambique: Project Report."	UNIDO report
UNIDO (2020). "Inclusive and Sustainable Industrial Development: Annual Report."	UNIDO report
Government of Mozambique (2015). "Strategic Plan for the Development of the Agricultural Sector (PEDSA)."	National Policy and Strategy Documents
Plano Nacional de Investimentos para o Sector Agrário em Moçambique (PNISA) 2013 - 2017	National Policy and Strategy Documents
<i>Plano Director de Extensão Agrária 2007-2016, Ministerio da Agricultura, direcção da Extenxsao Agraria</i>	National Policy and Strategy Documents
USAID (2017). "Mozambique Agricultural Value Chain Analysis Report."	National Policy and Strategy Documents
European Union (2019). "Evaluation of EU Development Cooperation with Mozambique."	Evaluation report
December 2021 March 2021 May 2022 January 2023 June 2023 November 2023 Project IRPF and monitoring database Project Training reports Cooperative record keeping plan Project financial report (grant delivery report) June 2024	Progress reports
Tripartite meeting, November 2020 February 2022 November 2023	Steering committee minutes
Project Technical Committee – Cabo Delgado January 2021 March 2023 April 2024	Project Technical Committee minutes

November 2021 February 2023 November 2023	Project Technical Committee – Manica
August 2020 February 2022 July 2023	Project Technical Committee – Manica
World Bank (2021). "Mozambique Economic Update: Shifting to More Inclusive Growth."	International Publications Organization
International Coffee Organization (ICO) (2019). "Coffee Development Report."	International Publications Organization
Food and Agriculture Organization (FAO) (2020). "Horticultural Value Chains in Africa."	International Publications Organization
FAO (2013). "Agribusiness Handbook: Horticulture."	International Publications Organization



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