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Independent Evaluation Report

MOZAMBIQUE

Country Evaluation



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO EVALUATION GROUP

Independent Evaluation Report

MOZAMBIQUE

Country Evaluation



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
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Mr. Octavio Damiani: International consultant and team leader
Ms. Sophie Zimm: International consultant
Ms. Eduarda Mungoi: National consultant

Responsible Evaluation Officer: Mr. Johannes Dobinger, Evaluation Group/Office of the
Director-General, UNIDO

Abbreviations and acronyms

AA	Administrative agent
AfDB	African Development Bank
AGEMO	<i>Associação dos Agentes Económicos de Mocuba</i> (Mocuba Private Sector Association)
AGRA	Alliance for a Green Revolution in Africa
BESTF	Business Environment Support and Trade Facilitation (project)
BIC	Business Information Centre
BU	<i>Balcão Unico</i> (one-stop-shop)
CADI	Centro de Aconselhamento para o Desenvolvimento Industrial
CPI	Centro de Promoção de Investimento (Investment Promotion Centre)
CTA	Chief Technical Advisor
DANIDA	Danish International Development Agency
DaO	Delivering as One
DTIS	Diagnostic trade integration study
EC	European Commission
ECP	Entrepreneurship Curriculum Programme
EIF	Enhanced Integrated Framework
EIU	Economist Intelligence Unit
EU	European Union
EUR	Euro
FAO	Food and Agriculture Organization of the United Nations
FASE	<i>Fundo de Apoio ao Sector da Educação</i> (Education Sector Support Fund)
FDC	<i>Fundação para o Desenvolvimento da Comunidade</i> (Community Development Foundation)
FDI	Foreign Direct Investment
FEMA	Business Forum for Environment
FP	Focal point
FRELIMO	Frente de Libertação de Moçambique (Mozambique Liberation Front)
GEF	Global Environmental Facility

GBS	General budget support
GDP	Gross Domestic Product
GNI	Gross National Income
GoM	Government of Mozambique
GSB	Growing sustainable business (<i>UNDP project</i>)
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HACT	Harmonized Approach to Cash Transfers
HDI	Human Development Index
HEIs	Higher education institutions
HLP-SWC	High-level Panel on UN System-wide Coherence
HQ	Headquarters
HUO	Head of UNIDO Operations
I1AM	Agricultural Research Institute
ICT	Information and communications technology
IESE	Institute of Social and Economic Studies
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
INE	Instituto Nacional de Estatística (Statistics National Institute)
IP	Integrated Programme
ITC	International Trade Centre
JP	Joint Programme
LDC	Least developed countries
MADER	<i>Ministério de Agricultura e Desenvolvimento Rural</i> (Ministry of Agriculture and Rural Development (former))
MEC	<i>Ministério da Educação e Cultura</i> (Ministry of Education and Culture)
MDG-F	Millennium Development Goals Achievement Fund
MIC	<i>Ministério da Indústria e Comércio</i> (Ministry of Industry and Commerce)
MICOA	<i>Ministério para a Coordenação da Acção Ambiental</i> (Ministry for the Coordination of Environmental Action)
MINAG	<i>Ministério da Agricultura</i> (Ministry of Agriculture)
MINEC	<i>Ministério dos Negócios Estrangeiros e Cooperação</i> (Ministry of Foreign Affairs and Cooperation)

MITUR	<i>Ministério de Turismo</i> (Ministry of Tourism)
MMAS	<i>Ministério da Mulher e da Acção Social</i> (Ministry of Women and Social Action)
MP	Montreal Protocol
MSME	Micro, small and medium enterprises
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organizations
NIP	National Implementation Plan
NRA	Non resident agencies
ODA	Official development assistance
ODI	Overseas Development Institute
OMT	Operations Management Team
OSS	One stop shop (also <i>Balcão Unico</i>)
PAP	Programme Aid Partnership
PARPA	<i>Plano de Acção para a Redução da Pobreza Absoluta</i> (Action Plan for the Reduction of Absolute Poverty)
PES	<i>Plano Económico e Social</i> (Economic and Social Plan)
PIREP	<i>Programa Integrado da Reforma da Educação Profissional</i> (Integrated Programme of Professional Education Reform)
PMT	Programme Management Team
PMU	Project Management Unit
PQG	<i>Programa Quinquenal do Governo</i> (Government Five-year Programme)
PROMER	Rural Markets Promotion Programme
PSD	Private sector development
RC	Resident Coordinator
RECP	Resource efficient and cleaner production
RENEMO	<i>Resistência Nacional de Moçambique</i> (National Resistance of Mozambique)
RO	Regional Office
SECO	Swiss State Secretariat for Economic Affairs
SME	Small and medium enterprises
SPEC	Strategic Plan for Education and Culture
Swap	Sector wide approach
TC	Technical cooperation

TDM	<i>Telecomunicações de Moçambique</i> (Telecommunications of Mozambique)
TEVT	Technical education and vocational training
TOR	Terms of reference
UK	United Kingdom
UN	United Nations
UNCT	United Nations Country Team
UNCTAD	United Nations Conference on Trade and Development
UNCG	United Nations Communications Group
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UR	UNIDO Representative
USAID	United States Agency for International Development
USD	United States Dollars
WTO	World Trade Organization

Glossary of evaluation-related terms

Term	Definition
Conclusions	Conclusions point out the factors of success and failure of the evaluated intervention, with special attention paid to the intended and unintended results and impacts, and more generally to any other strength or weakness. A conclusion draws on data collection and analyses undertaken, through a transparent chain of arguments.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
Impacts	Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
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.
Institutional development impact	The extent to which an intervention improves or weakens the ability of a country or region to make more efficient, equitable, and sustainable use of its human, financial, and natural resources, for example through: (a) better definition, stability, transparency, enforceability and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. Such impacts can include intended and unintended effects of an action.
Lessons learned	Generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact.

Logframe	Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution and evaluation of a development intervention. Related term: results based management.
Outcome	The likely or achieved short-term and medium-term effects of an intervention's outputs. Related terms: result, outputs, impacts, effect.
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.
Recommendations	Proposals aimed at enhancing the effectiveness, quality, or efficiency of a development intervention; at redesigning the objectives; and/or at the reallocation of resources. Recommendations should be linked to conclusions.
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' 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.
Results	The output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention. Related terms: outcome, effect, impacts.
Sustainability	The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.

Executive summary

Introduction and background

This Independent Evaluation report presents an assessment of UNIDO activities in Mozambique. It focuses on the projects approved under the Integrated Industrial Development Programme to Facilitate Private Sector Development in Mozambique Phase II (or IP II) and on other relevant issues, in particular the role of the UNIDO Desk in Mozambique and the participation of UNIDO in the One UN framework in the country. The main objective of the evaluation has been to assess the relevance, effectiveness, efficiency, impact and sustainability of UNIDO projects, in order to make recommendations and identify lessons to improve the design and implementation of technical cooperation in the future.

The IP II was approved in May 2004, with an estimated budget of USD 4.19 million excluding support costs. It was designed as a second phase of the IP I, which had been implemented since 1999, and was expected to be implemented during the period 2004-2007. However, its implementation experienced delays, as several projects were approved later and executed beyond the year in which the programme was supposed to be completed. A total of 12 projects were prepared under the IP II for a total of USD 5.46 million, with 11 corresponding to outputs of the IP II and one to finance expenses of the UNIDO Desk in Mozambique. Three of these projects were still ongoing at the time of the evaluation. By October 2010, the actual total expenditure of the projects under the IP II had reached USD 4.4 million, which represents a value 5 percent higher than the budget proposed for the IP II.

A total of ten projects were under implementation at the time of the evaluation, with a total budget of USD 20 million and actual expenditures so far of USD 10.5 million. Four of the ten projects were part of One UN Joint Programmes.

The methodology applied included the review of documentation and information about UNIDO activities in Mozambique and about the country economic, social and policy context, interviews with managing directors, project managers, and other staff at UNIDO Headquarters, and interviews with stakeholders in Mozambique carried out between 27 September and 8 October, 2010. Limited time for field research and lack of monitoring information from UNIDO activities represented important limitations.

Assessment of UNIDO's technical cooperation

Relevance

Individual projects implemented since the approval of the IP have been relevant to country problems, including poverty, unemployment, low capacities of human resources, low quality standards of the local industry, weak capacity of government agencies for policy development, and potential environmental problems associated with industrial development. UNIDO projects were also relevant to government policies and priorities, being aligned with the major national policy documents (Agenda 2025, Poverty Reduction Strategies - PARPA I and II, Five-year plans) and with sectoral policy document such as the Environmental Strategy for Sustainable Development and the Action Plan for the Adaptation to Climate Change. Projects were also relevant to the Millennium Development Goals and responded to priorities of donors and the UN system. The thematic areas of projects related directly with recognized areas of expertise of UNIDO, such as trade facilitation and quality standards, introduction of environmental standards at the industrial level, and private sector development through micro, small, and medium-size enterprises.

In spite of the high relevance of most projects, some of them showed a lack of coherence between the type of activities implemented and the proposed objectives and problems that they addressed. In addition, UNIDO was not present in some important issues in Mozambique, including the building of capacities to assess the potential risks of foreign investment in industrial projects and better negotiate with investors; public-private partnerships (negotiation, evaluation, lessons learned, and policy development); and value chains, especially the formulation, implementation of policies and programmes for the development of agricultural-based value chains.

Ownership

Most of the UNIDO projects showed weak ownership, with government counterparts having a low involvement in project implementation, and sometimes having little information about the progress in the activities implemented. This problem was related mainly to a low involvement of the government counterparts in the design stage and to institutional arrangements for project implementation that gave them a marginal role. Other important factors were the location of the project offices out of the premises of the government counterparts and the contracting of a CTA or international consultants who did not speak Portuguese, making it very difficult to communicate with counterparts.

Effectiveness

The results were mixed in terms of projects' effectiveness. More than half of the projects were rated as low in terms effectiveness, while the rest were rated as medium.

Efficiency

Little information was available to evaluate efficiency properly, as projects had weak or no monitoring systems and information was available neither about costs per output of the projects, nor about efficiency of similar projects from other agencies in a context similar to Mozambique. Indications were found of low operating costs, such as Project Management Units of a reasonable size in relation to the value of the projects. At the same time, there were indications of inefficiencies, such as implementation delays explained partly by slow procurement and in some projects by technical problems of implementation.

Impact

Only a few of the projects were rated as successful in either achieving their development objectives, or as having good perspectives of doing so. This related both to design and implementation problems, including among others technical problems that affected key project outputs, inadequacy between proposed outputs and key development objectives, and institutional obstacles that affected the capacity to implement important project activities.

Sustainability

Sustainability of project achievements was an important challenge in the majority of the projects mainly because of low ownership. Projects that showed high perspectives of sustainability of their achievements were characterized by a high involvement of government counterparts in project design and implementation, and by providing training to beneficiaries (small entrepreneurs, farmers) on skills useful to operate and maintain equipment and facilities financed by the projects.

UNIDO and the Delivering as One process

Before the introduction of the Joint Programmes, the UNDAF did not ensure active participation of the non resident agencies (NRA) in the programming

processes. This changed when in the course of the development of the One Programme the third generation UNDAF (2006-2009, extended to 2011) an economic development pillar was added to ensure increased participation of the non-resident agencies, including UNIDO.

UNIDO received around four percent of the total approved budget of the One UN Fund since the start of the Joint Programmes in 2007. This is similar to the amounts received by WHO and UNIFEM and slightly more than what other non-resident agencies (IFAD, UNHABITAT, UNHCHR, UNODC, and UNCDF) received.

However, a number of challenges exist for UNIDO's effective participation in the One UN:

- UNIDO centralized business model vs. One UN country level mechanisms: Since the One UN has been completely revamping the way UNIDO “does business” at the field level, there needs to be much more consideration for how to strategically address the participation in the DaO.
- Increased workload vs. capacity at country level Although the One UN gave UNIDO the unique possibility to achieve higher visibility and increase its participation, it also put a significant workload on the field level related with inter-agency coordination and planning meetings. The HJO faces a lot of administrative work on his desk as well as demands for support from HQ. As a result, he is often physically not able to represent UNIDO in the UN. At the same time, when it comes to providing (technical) inputs to programming and coordination meetings, project managers at HQ simply cannot always provide them for excess of workload.
- Dependence on disbursement of multi-donor trust funds: As opposed to other agencies, UNIDO does not contribute with its own resources to the JPs and therefore completely relies on the funds allocations from the multi-donor trust funds (One Fund and MDG-F).

Management and processes at country level

The UNIDO Desk in Mozambique showed a good performance in the contribution to UNIDO visibility (in particular the relationship with Government), the participation in UN initiatives (in particular in the context of the DaO process), the support to project managers with valuable information about the political, institutional, economic, and social context in Mozambique, and the management

of the UNIDO Desk. The weakest functions were the promotion of Global Forum activities and the monitoring of TC projects.

Factors explaining observed results

In addition to the factors already mentioned above, the observed results are related to several problems: a) centralized decision-making in project implementation, with a dominant role of UNIDO Project Managers based at Headquarters who were overburdened with a large number of projects in many different countries; b) complicated procurement procedures that contributed to slow implementation and sometimes to excluding local providers; c) low coordination and synergies between different UNIDO projects working in the same or similar issues, combined with geographic dispersion and lack of specific mechanisms for coordination and synergies; d) poor handover of projects when the original Project Manager who designed them and started their implementation retired; e) emphasis on disbursement, which sometimes affected the quality of project interventions; f) lack of project monitoring systems (due to lack of a monitoring and evaluation plans and a budgets in project documents) and a system of project supervision, which contributed to a low capacity to identify problems during implementation in a timely manner; g) functions and objectives set to UNIDO Desk that were unrealistic, considering the limited funds and human resources that it had available; and h) insufficient training and technical inputs provided to the HUU from Headquarters to perform his tasks, as well as insufficient funds for monitoring TC projects..

Recommendations

On the design of a new programme and projects in Mozambique

- a) Future activities of UNIDO in Mozambique should be guided by a country programme document that defines the major objectives of UNIDO activities in the country and the main areas in which UNIDO will operate, considering the country challenges, the government policies, and the opportunities for UNIDO contribution. This strategic document should be aligned with the One UN programming exercise in Mozambique, and the outputs defined in the context of the next UNDAF.
- b) The future country programme document should define clearly the mechanisms for an adequate involvement of Government and counterparts in project design and implementation. In addition, it should pay less attention to the detailed planning of individual interventions (which should be done through specific project documents later on) and instead concentrate on defining the country programme management mechanisms, including

coordination with the one UN system, the Government, other donors, and civil society organizations.

- c) UNIDO in Mozambique should increase the focus of its activities in fewer areas of expertise in which it is well known by Government and other donors for having good knowledge and for having done well in the country (development of entrepreneurship capacities among young students, trade and quality standards). It should also have a higher geographic concentration of its projects, in order to decrease costs of supervision and increase possibilities of coordination and synergies. All this would require providing the UNIDO Desk in Mozambique with the power and resources to design and implement such a focused strategy, as proposed in the recommendations for the UNIDO Desk offered under Scenario 1 below.
- d) Considering the small budget of most TC projects, they should focus on innovative practices, testing them and promoting their upscaling into new policies if successful.
- e) The quality of project design should be improved, including more realistic objectives and outcomes, better constructed logical frameworks, appropriate budget for monitoring systems, well defined mechanisms for coordination and synergies with other projects, and making sure that best practices from other projects are applied, in particular from the own experience of UNIDO in other countries (lessons learned).
- f) The review process of project documents should be improved in order to increase the quality of design. This could include external reviewers with an expertise on the thematic area of the project and on the country.

On project implementation

- a) Wherever feasible, the Project Management Units should be located in the premises of government counterparts, in order to increase ownership
- b) Projects should involve as much as possible government counterparts in the implementation of project activities, transferring them funds for that matter, under the condition of following specific procedures and the establishment of controls, such as external audits, supervision by UNIDO of technical and financial aspects of implementation, and UNIDO control in the process of contracting (review of TOR, participation in procurement review committees, etc.).
- c) When procurement of vehicles and equipment is made directly by UNIDO, transfer them to beneficiary agencies as soon as possible, in order to increase ownership and sustainability of the project.

- d) Take steps towards national implementation carefully, previously assessing capacities of selected national implementation partners, taking advantage of the HACT.
- e) Increase communications with the MIC, informing as much as possible about the progress in the implementation of the IP II and individual projects.
- f) UNIDO should explore the possibility of using the regular budget to prefund projects of the DaO initiative to avoid problems of delays in the disbursement of the assigned funds (as done by other participating organizations in the Joint Programmes).

On project monitoring and supervision

- a) Each project should establish a monitoring system based on its logical framework and results-based indicators. This requires including in the project document a budget for monitoring and the contracting during project implementation of a specialized person in charge of collecting the necessary information to report the expected results. If this is not possible, one person in the field office should be tasked with the monitoring of several projects.
- b) Projects would benefit greatly from a systematic project supervision carried out by UNIDO that would serve to periodically (e.g. every six months) collect and report information to UNIDO and to provide technical support to implementation, identifying problems and constraints and making recommendations to solve them. Supervision modalities could vary (UNIDO Desk could play a role, as well as a network of specialists at national and regional level).

On the UNIDO Desk

Scenario 1. Additional funds (for example from overhead costs of projects in Mozambique) are used to support the field office.

- a) Increase the role of the UNIDO Desk in project identification, project appraisal, implementation support, and supervision of project implementation.
- b) Strengthen the availability of human resources at the UNIDO Desk, incorporating at least one national officer with expertise in financial issues who could perform supervision of financial aspects of projects'

implementation, provide support in financial issues to ongoing projects and government agencies implementing project activities, and operate the Imprest account.

- c) Contract a consultant to perform the function of project coordinator, with the responsibility of project supervision, identifying needs for technical support to project implementation, and promoting measures for better coordination and synergies. This position could be paid from a contribution from ongoing projects. The respective allotment should be managed by the UNIDO Desk in order to ensure flexibility and quick action if needed.
- d) Increase the involvement of the HUU in implementation, transferring at least part of the responsibilities for recruiting consultants and purchasing equipment from the HQ based project managers. Also delegate authority to the UNIDO Desk on payments and on procurement of goods and services up to a certain amount; on participation in project steering committee meetings (under guidance of project managers); and on proposing/managing mechanisms for coordination and synergies.
- e) Ideally, taking into account the importance of the total UNIDO portfolio in Mozambique and the characteristics of the One UN process in the country, the UNIDO Desk should be upgraded to a full-fledged UNIDO Country Office with a formal UNIDO Representative.

Scenario 2. No additional funds are available

- f) Focus the role of the UNIDO Desk on the participation in the One UN processes, the identification of project opportunities, the review process of new projects, the participation in project steering committee meetings (under the guidance of project managers), and carrying out dialogue with Government and donors present in the country. For the latter, the HUU in Mozambique should be formally empowered to carrying out such tasks.
- g) Delegate authority on payments and procurement up to a certain amount.
- h) Ensure that the UR of the Regional Office in South Africa is officially accredited as soon as possible in Mozambique.

Recommendations for the following ongoing projects are contained in chapter VI of the report:

- i) Joint Programme on Youth Employment:
- j) Joint Programme on Women Employment:
- k) Renewable Energy Powered Rural Business Support Centres

Main lessons learned

- Projects that were successful in promoting policy changes at the national level were based on previous small pilot projects that tested innovations (introduction of entrepreneurship course in secondary schools, one-stop shops for small businesses) at a local level.
- UNIDO in Mozambique implemented different types of projects, with some of them testing new approaches (so that they could be considered as a pilot) and some applying a tested approach. The project design should explicitly distinguish the different natures and approach of these projects in their objectives, outputs and outcomes.
- The more successful projects have been characterized by high ownership by government counterparts, which was explained by their active participation in the design and implementation stages and in the location of PMUs and project staff in their premises.
- The experience of project implementation in Mozambique has shown that decision making about project design (including project identification) and implementation should be more decentralized, with higher involvement of UNIDO field offices and higher involvement of government counterparts, as mentioned above.
- The experience in Mozambique has shown the need for implementing results-based monitoring systems for UNIDO projects and for stopping to use funds disbursement as the main indicator for performance.
- The experience in Mozambique has shown that UNIDO procurement procedures led to delays in project implementation, which in turn created inefficiencies and affected effectiveness. It has also shown that they may exclude local providers of goods and services.

- In projects that include investments for agro processing or other industrial facilities, an appropriate feasibility study should be implemented before key decisions are made.
- While field offices may play a great role in improving UNIDO operations, they need to be strengthened appropriately in order to have the human and material resources to be able to carry out their duties.

Introduction and background

1.1 Introduction

This report presents the evidence, findings, conclusions and recommendations of the independent evaluation of UNIDO activities in Mozambique.¹ It focuses on the projects approved since the preparation of the Integrated Programme II in 2004, analyzing their operational performance, impact, and sustainability, and examining the result chains, processes, context, and causality, in order to identify the key factors explaining the observed results. The evaluation also addresses other important operational and strategic issues, in particular the presence of UNIDO in the country through a UNIDO Desk and UNIDO participation in the Delivering as One (DaO) framework, as Mozambique is one of the eight One UN pilot countries.

1.2 UNIDO in Mozambique

UNIDO started its activities in Mozambique in the early 1980s, having implemented since then close to 100 projects with total expenditures of around USD 23.5 million. During the 1980s and 1990s, UNIDO Technical Cooperation (TC) was based on individual projects that addressed several issues related with the industrial development of the country, including human resources development for the industrial sector and the promotion of small-scale industries, and provided assistance to the development of mainly new industries in a variety of activities, such as bakeries, pharmaceutical, cashew apple and cashew pear, and traditional herbal raw materials, located in several provinces (Cabo Delgado, Niasa, Tete, Nampula, Zambezia, Sofala, and Maputo).

In 1999, UNIDO changed its approach to the delivery of Technical Cooperation in Mozambique, introducing the first Integrated Programme, the *Industrial Development Programme to Facilitate Private Sector Development in*

¹ The Independent Country Evaluation in Mozambique was carried out by Octavio Damiani (International consultant, Team Leader), Sophie Zimm (International consultant), and Eduarda Mongoi (National consultant), under the coordination of Johannes Dobinger (Evaluation Officer, UNIDO). The report was prepared by Octavio Damiani and Sophie Zimm.

Mozambique (IP I). Mozambique was one of the first countries for which an Integrated Programme was developed. In contrast to the previous model of intervention, the IP was a comprehensive industrial sector programme that focused on the development of small and medium-size enterprises in several provinces.

An evaluation of the IP I in 2002 found that although it had several shortcomings, it was of high relevance to the country and to international developmental priorities. In addition, it had some achievements, including the development of the concept and establishment of One Stop Shops, the assistance in the elaboration of a national quality policy, and the creation of a National Cleaner Production Centre and of a business advisory institution (CADI) that provided management services and training to SMEs. The evaluation recommended to focus and reorient the phase II of the programme in substantive and managerial terms, based on a participatory approach that involved all programme stakeholders. Some of the main recommendations were:

- To retain only those outputs with a strong counterpart support and commitment;
- To have realistic work programmes and implementation time frames and to review sustainability and risk issues;
- To anchor strongly the programme in the UN Development Assistance Framework (UNDAF);
- To strengthen the regional decentralization dimension of the programme;
- To consider a more decentralized approach of implementation;
- To improve communication and transparency, including regularly distributing financial reports and explaining UNIDO financial reporting system to all involved;
- To establish a steering and coordination mechanism for the IP at policy and operational levels;
- That the government takes ownership of fund mobilization for the Phase II of the Programme.

In 2004, UNIDO prepared a second phase of the Integrated Programme. While the design and implementation of the IP II should have been based on the experience of the first programme and on the recommendations of the evaluation of the IP I, the findings presented in this report will show that these recommendations were not implemented, so they are still valid at present. .

The Integrated Industrial Development Programme - Phase II

The second Integrated Industrial Development Programme to Facilitate Private Sector Development in Mozambique Phase II (or IP II) was approved in May

2004, with an estimated budget of USD 4,190,280 excluding support costs. The programme aimed at providing support to the Government of Mozambique's industrial policies and facilitating private sector development, having the Ministry of Industry and Commerce (MIC) as the main counterpart. The focus of the IP II was on capacity building for policy and support institutions for private sector development, and on support to Small and Medium Enterprises.

The IP II was expected to cover the period 2004-2007. A total of 12 projects have been included in the IP II, with 11 corresponding to outputs of the IP II and one to finance expenses of the UNIDO office in Mozambique (see table 1). Three of these projects were still ongoing at the time of the evaluation, in addition to other seven projects that were prepared after 2007 and are not formally part of the IP II. Of the 11 projects of the IP II, six projects (54.5% of the total projects) fall into the thematic area of "Poverty reduction through productive activities", three projects (27.3%) into "Trade capacity building", and two projects (18.2%) into "Energy and the Environment".

Ongoing projects

A total of 10 projects were ongoing at the time of the evaluation with a total budget of USD 20,144,180 (see Table 1), making it the largest UNIDO programme in Sub-Saharan Africa at the time of the evaluation. Ongoing projects have a similar distribution among thematic areas than projects in the IP II, with five of the ten ongoing projects (50 percent of the total) corresponding to the Poverty reduction through productive activities" thematic area, two (20 percent) to "Trade capacity building", and three (30 percent) to "Energy and Environment". In terms of resources, USD 10,759,250 or 53.4 percent corresponded to projects on the "Trade capacity building" thematic area, USD 7,633,600 or 37.9 percent to the "Poverty reduction through productive activities" and USD 1,751,330 or 8.7 percent to "Energy and environment". The average project size in terms of budget is USD 2.01 million, ranging from USD 9.64 million of the largest project (the BESTF project, which represents 49.7% of the total budget) to USD 40,000 of the smallest. Without considering the largest project, the average project size falls to USD 1.17 million per project.

Another important feature of the ongoing projects is that four of them are part of Joint Programmes within the One UN framework. The activities implemented by UNIDO have a total estimated budget of USD 6,326,330 for the four JPs, which represent 31.4 percent of the total budget of ongoing projects and 40 percent of the total number of UNIDO projects in Mozambique. These figures indicate the relevance that the One UN initiative is having for UNIDO activities in Mozambique.

Regional projects

In addition to these projects, five regional projects had ongoing activities in Mozambique at the time of the evaluation. Three of these projects carry out “Investment and Technology Promotion” activities. Within the Regional Programme for Investment Promotion (in around 20 African countries), a survey is carried out among Mozambican enterprises about perceptions, performance and development impact of foreign investors. Later on, it is expected that a Subcontracting and Partnership Exchanges (SPX) Centre will be established. Additionally, a project funded by South Korea tried to identify investment opportunities for advancing Korea-Africa business partnerships.

Two of the ongoing regional projects in Mozambique relate to the “Energy and Environment” thematic area. One of them is a UNEP-funded regional project that focuses on identifying, demonstrating, and promoting the adoption of best practices and technologies for the reduction of land-sourced impacts resulting from coastal tourism, covering Mozambique and other eight African countries. The other project is a preparatory project for “Capacity strengthening and technical assistance for the implementation of NIPs for The Stockholm Convention on POPs in LDCs”. The table below gives a brief summary of the ongoing interventions at the time of the evaluation.

Table 1: Ongoing projects at the time of the evaluation

Project	Budget incl. support costs (USD)	Main outcomes (according to project document)
Poverty Reduction through Productive Activities:		
Individual projects:		
UNJP <u>FB/MOZ/08/004</u> : Processing of selected agricultural produce for employment creation and income generation with a focus on women	3,000,000	Rural populations in targeted communities including people living with HIV/AIDS are empowered through employment and integration in the productive system
UNJP <u>FB/MOZ/08/007</u> : Promotion of Youth Employment	1,200,000	Integration of Youth in mainstream economic activities Reduction of the level of poverty in the provinces Enhancement of the national economy in general
<u>TF/MOZ/07/003</u> : Entrepreneurship Development for Youth	2,327,115	Assist the MEC in introducing the entrepreneurship curriculum programme (ECP) in all the secondary schools
<u>US/MO/Z09/003</u> : Promotion of economic activities in Ilha de Mozambique and Mossuril districts	999,485	Improved institutional capacities for private sector development in the Ilha de Moçambique and Mossuril Districts with a focus on information and simplified registration and licensing environment, HR development and advisory and training services

US/MOZ/08/008: Renewable energy powered rural business support centres (ICTs) for small rural enterprises and communities in off-grid regions	107,000	Introduction of renewable energy powered ICTs and the socio-economic potential of the services they can provide in rural Mozambique. Formulation of sustainable ownership and operation models for subsequent telecentre programmes
Regional projects:		
EE/RAF/08/043: Survey of enterprises	3,334,489 (around 100,000 in MOZ)	Enhancement of the policy advocacy role of national institutions and private sector associations (on issues that range from incentives to mainstreaming of investment promotion issues in discussions of the national development agenda); Improvements in the investment climate through informed formulation of reform programmes based on survey evidence Design of targeted investment promotion strategies for efficient use of investment promotion resources Facilitation and promotion of consensus building among the multiplicity of intermediary organizations and between intermediary organizations and the private sector operators; Improvement of investment services provided to the private sector; Increased availability of sub-sector level information for investment decision-making; Stimulation of research for the analysis and interpretation of survey information
TE/RAF/08/024: Regional Supplier Benchmarking Programme (SPX)	764,731	Increase in trade volume between suppliers and buyers both in terms of product diversification and sales; Income growth due to an increase in local and regional sourcing and procurement Improved capacity of African institutions to design and implement focused developmental interventions in supplier development
US/INT/07/012: Capacity-building of African business as well as the investment promotion agencies and identification of investment opportunities as well as barriers for advancing Korea-Africa business partnerships	530,974	Expanded trade and investment between Mozambique and South Korea through awareness enhancement and interest building
Trade Capacity building		
Individual projects:		
EE/MOZ/08/001: Business Environment Support and Trade Facilitation (B.E.S.T.F.)	9,644,250	To strengthen existing institutions involved in the delivering of services in the area of metrology, standardization

		and certification (cluster area QUALITY) To enhance the availability, access and quality of information and advisory services for trade, including training (cluster area INFORMATION & ADVISORY SERVICES FOR TRADE) To reduce the time and costs associated with import and export operations (cluster area TRADE FACILITATION)
UNJP <u>FB/MOZ/08/006</u> : Increased supply capacity for agricultural and fishery products	1,115,000	Increase supply capacity with regard to production, processing and export of agricultural commodities and fishery products Improve awareness of policy makers and private sector enterprises about international product standards Enhance the competitiveness of local products
Energy and Environment		
Individual projects:		
UNJP <u>FM/MOZ/08/005</u> : Joint Programme on environmental mainstreaming and adaption to climate change in Mozambique	1,011,330	Improved early warning systems are powered by renewable energy technologies Water pumping systems are powered by renewable energy technologies Small-scale irrigation systems are powered by renewable energy technologies Biogas digesters are used as waste management measure Potential of renewable energy determined and pilot projects carried out Communities trained on energy system maintenance and management Existing cattle slaughter and butchery facilities upgraded using renewable energy technology
<u>UE/MOZ/10/002</u> : Mainstreaming resource efficient and cleaner production (RECP) in the accommodation sector of Mozambique and its supply chain	~ 700,000 (UNIDO component)	Competent network of national experts who deliver value-adding RECP services with focus on CP and CSR to tourism enterprises, in particular in the accommodation sector and its supply chain organizations established RECP methods and techniques (CP and CSR focused) implemented in national tourism enterprises in the accommodation sector and its supply chain and results documented and disseminated RECP conducive policy and institutional framework established and endorsed in Mozambique RECP management tools developed and implemented in Mozambique's

		tourism accommodation sector
MP/MOZ/10/001: Technical assistance for the elimination of controlled uses of methyl bromide in soil fumigation	40,000	No project document yet, to follow
Regional project		
GP/RAF/08/004: Demonstrating and capturing best practices and technologies for the reduction of land-sourced impacts resulting from coastal tourism	1,692,638 (600,000 for MOZ)	To capture Best Available Practices and Technologies (BAPs and BATS) for contaminant reduction & sustainable collaborative tourism investments. To develop and implement mechanisms for sustainable governance and management that measurably reduce degradation of coastal ecosystems from land-based tourism sources of pollution and contamination; To assess and deliver training and capacity support requirements emphasizing an integrated approach to sustainable reduction in coastal ecosystem and environmental degradation within the tourism sector; To develop and implement information capture, information, processing and management mechanisms to promote information dissemination, learning & sharing.

Source: Agresso and respective project documents.

Presence of UNIDO in Mozambique and participation in the Delivering as One framework

UNIDO is a non-resident agency² in Mozambique, which means that its operations fall under the responsibility of UNIDO Headquarters (HQ) and UNIDO Regional Office (RO) in South Africa. However, UNIDO has for a long time had an important presence in Mozambique, first through a Country Office (CO) with an internationally recruited UNIDO Country Director between 1991 and 1996, and later on through a JPO between 1997 and 1999 and a focal point (FP) in Maputo

²Resident agencies are duly accredited by the government with their own representative and full administrative capacity, whereas non-resident agencies are neither accredited by the government nor have a representative. However, they can have an administrative presence in the country.

until 2009. The FP was supported through a combination of regular UNIDO funds and support from projects in Mozambique that used the UNIDO office facilities, providing support in the form of partial payment of utilities and provision of equipment and vehicles. For most of the time, the FP included a full-time operations officer, a secretary, and a driver, in addition to the occasional presence of UN volunteers. At the beginning of 2009, the office was officially converted into the UNIDO Desk in Mozambique, and a Head of UNIDO Operations (HUO) was contracted at a full time basis.

As it will be explained in more detail in chapter 5, the presence of UNIDO through a UNIDO Desk in Mozambique played a key role in the dialogue with the Government, the UN and donors in the country, the provision of technical support to projects, and in fundraising.

1.3 Objectives of the evaluation

The TOR of the Mozambique Country Evaluation set the following objectives: (i) to assess the progress of TC activities towards the expected outcomes envisaged in UNIDO project and programme documents as well as in DaO Joint Programme documents; (ii) to provide an assessment of UNIDO strategic positioning in Mozambique and within the One UN framework; (iii) to assess the relevance of UNIDO interventions in response to national needs and international development priorities; (iv) to assess management and coordination processes; (v) to generate key findings, draw lessons and provide recommendations that could be useful for the design and implementation of a future country programme; and (vi) to serve as an input for future thematic evaluations focused on UNIDO contribution to the One UN mechanism, UNIDO contribution to the MDGs, and UNIDO field representation.

1.4 Methodology

The Mozambique Country Evaluation was carried out between August and November 2010. The methodology applied included the review of documentation about UNIDO activities in Mozambique and about the country economic, social and policy context, interviews with managing directors, project managers, and other staff at UNIDO Headquarters (HQ), and interviews with stakeholders in Mozambique.

The first phase of documentation review was carried out in August and September 2010, including among others the Programme Document, the project

documents of ongoing and of completed projects initiated since 2004, available evaluations of ongoing and completed projects, documents about the social, economic and policy context in Mozambique, relevant literature about the One UN mechanisms, reviews of the DaO process in Mozambique, and relevant UNIDO guidelines.

Interviews at UNIDO HQ were carried out mainly during the week of 20-24 September 2010, serving to collect additional information about the projects, and to learn about the participation of UNIDO in the One UN initiative globally and in Mozambique. Additionally, the views of two Managing Directors about relevant issues for UNIDO were obtained, based on a recent monitoring mission that they carried out to the country.

At the end of this time at UNIDO HQ, an inception report was prepared and discussed with the Evaluation Officer responsible for this independent country evaluation, which served to better define the methodological framework. At this stage, it was defined that those ongoing projects that had already been evaluated would be evaluated mainly on the basis of the available evaluation reports and mid-term review reports. In these cases, the evaluation mission might carry out interviews with members of the respective Project Management Units (PMUs), government agencies, and other relevant stakeholders, but the main objective of these interviews would be to validate, update and complete information present in those reports. Completed projects would also be evaluated on the basis of available reports. Meanwhile, those ongoing projects that started very recently would be evaluated mainly with regard to their relevance and ownership. Finally, those whose implementation had made some progress would also be evaluated considering effectiveness, efficiency, impact and sustainability.

The field mission in Mozambique was carried out between 27 September and 8 October 2010, including visits to Maputo, Matola, Nampula, Itoculo, Ribáue, Ilha de Moçambique, Chokwe, and Ndombe. The mission carried out interviews with government agencies, UN agencies and bilateral donors working in Mozambique, Non-Governmental Organizations (NGOs), local governments, and professionals working at the UNIDO Desk in Maputo and for UNIDO projects in Mozambique. In addition, the evaluation mission visited several project sites and interviewed project beneficiaries, including agricultural producers, small entrepreneurs, teachers and students at secondary schools. All perception, hypothesis and assertions obtained in interviews were validated through secondary filtering and cross checks by a triangulation of sources, data, and theories. While maintaining independence, the evaluation was based on a participatory approach, seeking the views and assessments of all stakeholders.

At the end of the field phase, a wrap-up meeting was held in Maputo on 8 October 2010, during which the mission made a presentation at the premises of the UNIDO Desk of the findings and preliminary conclusions. Another presentation and discussion of findings and preliminary conclusions was made in Vienna at UNIDO Headquarters on 12 October 2010. The preparation of the report took place between October and November, based on the information collected during the previous phases. Finally, the report was distributed for comments and a final version incorporating them was prepared in the beginning of January 2011.

1.5 Constraints of the evaluation

The limitations of the evaluation relate with two obstacles faced during the evaluation work. First, the time available for the field work phase in Mozambique (a total of 12 days) was quite limited, considering the number of projects and non-project activities, the diversity of types of projects, and the geographical dispersion of projects. The diversity of projects – of which several were Joint Programmes that were part of the One UN Programme and were implemented jointly with other UN organizations – required meetings and interviews with a large number of government agencies and UN organizations. In addition, the geographical dispersion, along with the difficulties of access due to poor roads in rural areas, made the mission spend a substantial amount of time in reaching the project sites. As a result, the number of project sites and the number of direct beneficiaries interviewed were lower than what would have been desirable.

Second, the evaluation faced significant challenges in terms of the availability and quality of information. This compromised the capacity to evaluate Global Forum activities, and made it difficult to evaluate some of the projects. Information about completed projects essential to understand what they had achieved and what problems they faced, including project documents, progress reports, and completion reports, was difficult to find, and not always was available. In the case of ongoing projects, most of them did not have a formal monitoring system, so there was little information about the progress in the implementation of project activities and the achievement of project objectives. A few projects did have a monitoring system, but the quality of information was not adequate, focusing mainly on activities. The Joint Programmes in which UNIDO participated as a part of the One Un process presented special challenges, as they were more complex, being implemented by a number of UN agencies, and the information that they had available was based on what each agency reported on the progress of their activities. In all cases, the limited information affected specially the capacity to evaluate project efficiency, as the data about project costs was not disaggregated at the level of specific activities.

II

Country context

2.1 The economy and the industrial sector

After Independence in 1975, the government of Mozambique nationalized most of the colonial properties and businesses and implemented policies characterized by a socialist vision and central planning, with inefficient state factories and farms absorbing the bulk of public investment. A violent and costly civil war started only two years after independence, leading the economy close to a total collapse. As a consequence, the government started to implement a structural adjustment programme in 1987 that moved the economy towards a more capitalist system. Civil war ended in 1992, allowing more than one million refugees to return and internally displaced people to resume normal life in rural areas. At that time, Mozambique was among the poorest countries in the world and its transport, education, and health systems were in ruins.

The end of civil war and the introduction of free market reforms that included the privatization of government-owned factories and farms led to a great economic transformation. The state went from being a direct economic agent to a facilitator of private-sector activity. The annual growth of GDP since 1992 reached an average of more than 7 percent, being disrupted only by major natural disasters (floods in 2000). Mozambique became a donors' darling and has been labeled by the international community as a success story in post-conflict recovery and economic development in Sub-Saharan Africa.

Economic growth has been particularly influenced by large investments in mineral resources, energy, industry, services, and agro-industry. Several mega-projects stand out, especially in the mining and energy sector. Large foreign investments are currently being implemented to explore oil reserves and exploit the very significant coal reserves. In addition, high rates of growth relate partly with a prudent management of the economy. Inflation has been under control, reaching an annual average of 8.2 percent between 2004 and 2009, and declining from an average of 10.7 percent in the period 2004-2006 to 5.7 percent in 2007-2009.

At present, Mozambique has a relatively diversified economy, with the most important activities being agriculture, transport, manufacturing, energy, fisheries, and tourism. By 2008, services accounted for 47 percent of GDP, agriculture contributed with 29 percent, and industry with 24 percent (World Bank 2008). The industry's share of GDP has grown sharply from 16 percent at 1992 to 24 percent in 2008, reflecting the privatization programmes and more recently the establishment of mega-projects. Large industries account for a great proportion of the industrial output; the Mozal aluminum smelter in Maputo province (created with Australian and South African investors) accounts for half of the manufacturing output according to OECD (2008). Other capital-intensive manufacturing industries – including cement, beverages and tobacco-processing – also recorded good performances. Industrial output is expected to expand further, with additional investments in an oil refinery and a large bio-ethanol fuel project under construction.

While large companies account for most of Mozambican industrial output, the industrial sector and the Mozambican private sector in general is dominated by micro, small, and medium-size enterprises (MSMEs), representing almost 99 percent in the economy as a whole.³ According to a recent report of the Ministry of Industry and Commerce (MIC, 2007), trade and manufacturing are the most important activities within the MSME sector. MSMEs in trade activities account for 57 percent of the total number of MSMEs and 23 percent of sales originate from MSMEs. The MSMEs in the manufacturing sector represent only 10 percent of the total of MSMEs, but they account for 39 percent of sales from MSMEs. Agriculture employs most of the labor force among MSME, but it accounts for only 1.2 percent of total sales in the MSME sector (MIC 2007).

2.2 Government strategies and policies

Poverty Reduction Strategies

The efforts of the Government of Mozambique to promote economic growth and reduce poverty have been guided by the Government's Five-year Plans and two Poverty Reduction Strategy Papers: PARPA I for the period 2001-2005 and PARPA II for the period 2006-2009. The PARPA is a key medium-term policy document that has been instrumental for mobilizing funds from donors and improving coordination of development partners. At the same time, the PARPA is basically the operational plan of the respective Government's Five-year plan. Every year, the Government also prepares an Economic and Social Plan that guides the implementation of the PARPA.

³ The Ministry of Industry and Commerce of Mozambique defines micro enterprises as those having less than 25 employees. Small enterprises have between 25 and 124 employees and medium enterprises between 215 and 249 employees.

According to the PARPA documents, the long-term objective on which Mozambican society has reached a consensus is the improvement of the standard of living and welfare of its citizens. Long-term objectives also include: (i) a balanced economic and social development; (ii) reduction of absolute poverty; (iii) consolidation of peace, national unity, and democracy; (iv) widespread application of the rules of justice; (v) improvements in education and health; (vi) encouragement of work, honesty, zeal, and enthusiasm; (vii) the guarantee of individual freedoms and social harmony; (viii) the imposition of laws against criminal acts; and (ix) the guarantee of sovereignty and strengthening of international cooperation.

The PARPA I (2001-2005) focused on human development and the provision of basic services, such as health (prioritization of health care for women) and education (introduction of universal education), in line with the prerequisites for obtaining debt relief. Other areas of action were the development of infrastructure, agriculture and rural development, good governance, and prudent macroeconomic policies. In the case of agriculture, it targeted an annual growth rate of 8 percent through the empowerment of producers to increase the productivity of their activities, and the transformation of the role of public institutions in order to facilitate and support producers through the provision of essential services.

The PARPA II (2006-2009) differs from the previous one in that its priorities include greater integration to the national economy and an increase in productivity. The PARPA II has the goal of reducing poverty from 54 percent to 45 percent by interventions in the following three pillars: (i) governance; (ii) human capital; and (iii) economic development. With respect to economic development, it focuses on the structural transformation of agriculture, which involves increasing productivity and integrating it into the rest of the economy and to world markets. It also aims at defining an international trade policy and a strategy for regional economic integration in Southern Africa and in the main world markets that is favorable, in aggregate terms, to Mozambican producers and consumers. Furthermore, it aims at promoting the expansion of the agro-industrial system, labor-intensive manufacturing, and export-oriented local industries, particularly small and medium-scale companies.

According to the PARPA II, growth in productivity is an element that connects the three pillars of the strategy. It stresses that the governance pillar will help achieve this objective if the quality of services, analyses, government policies, and monitoring improves, along with government's ability to make adjustments. The benefits to the economy will be felt in terms of a reduction in bureaucracy, an increase in quality, strategic investment in infrastructures, and incentives for growth of the private sector. Investments in education and health and sanitation

services should be oriented so as to mold citizens into a more effective production force that enjoys a higher standard of living.

The long-term vision: Agenda 2025 – A Country in Peace, United, Cohesive, Democratic and Prosperous

In 2003, an extensive series of nation-wide consultations led to the preparation of the Agenda 2025, a document that aims at defining a long-term vision --to make Mozambique an enterprising and continuously successful country. On the economy and development, the Agenda stresses the importance of rural development through the following actions: (i) ensuring quicker and safer transaction of land use and tenure titles; (ii) investing in a strong system of agricultural technology and seeds, with well qualified staff and emphasizing research, participatory extension, and entrepreneurial management; (iii) developing rural finance and stimulating micro-finance; (iv) promoting rural markets; (v) better spatial linkages with transport and communication infrastructure (access roads to production markets); and (vi) promoting industries and agro-processing.

Sector strategies relevant to UNIDO activities

Private sector development and SMEs

The *Strategy for the Development of Small and Medium Enterprises in Mozambique* (MIC 2007) for the period 2007-2012 provides a profile of the SME sector and focuses on the following strategies: (i) improvement of the business environment; (ii) capacity building in the field of technology and management skills, including strengthening vocational training, establishing incubators, providing employment opportunities, and promoting a cost-sharing vocational system; and (ii) development of strategic support to SMEs, including provision of credit guarantees, attraction of foreign direct investment, and provision of facilities.

In 2008, the Government of Mozambique approved a “*Strategy to Improve the Business Environment*” (MIC 2008), in line with the PARPA II. This strategy focuses on private sector development, particularly small and medium enterprises, including actions aimed at solving legal, political, and institutional constraints. The strategy includes actions related to four pillars: (i) legal reform, mainly to facilitate the formalization of informal enterprises, including start-up and registration of companies, licensing of activities, labor environment, enterprise failure, inspection of enterprises, import and export, and the informal sector; (ii) tax and finance, including the fiscal environment and the access to finance; (iii)

energy infrastructure; and (iv) governance, including performance of contracts, property registration, and protection of investors.

One of the remarkable measures to promote the development of SME has been the introduction of “one-stop shops” with the assistance of UNIDO. These one-stop-units have been established in provincial capitals and provide services regarding licensing and registration, tax and fee payment, civil registration and identification, among others. In the past, these services used to be provided by several different government agencies, so “one-stop shops” aimed at reducing administration-related time and costs for SME.

Strengthening the agricultural sector

The most important instrument for economic development during the last ten years has been the National Agricultural Development Programme (PROAGRI) that has been implemented by the Ministry of Agriculture – MINAG (formerly Ministry of Agriculture and Rural Development - MADER). It has completed its first phase (1999-2005) and at the time of the country evaluation was in its second phase (2006-2010).

PROAGRI pioneered a “sector-wide approach” (SWAp) to agricultural development, being introduced to improve the coordination of donor support in the agricultural sector and to restructure the Ministry of Agriculture, which used to play a rather marginal role in donor coordination. The first phase of the programme (PROAGRI I) had an initial budget of USD 202 million and was funded by contributions from 16 donors in the form of sector budget support. While views on PROAGRI I performance vary, there is a general agreement that it emphasized on institutional development, having a lower than expected impact at field level and rural households (NEPAD and FAO 2004 and IFAD 2010).

The second phase of PROAGRI, PROAGRI II (2006-2010) aims to “contribute to improved food security and poverty reduction by supporting the efforts of smallholders, the private sector, of governmental and non-governmental agencies to increase agricultural productivity, agro-industry and marketing within the principles of sustainable exploitation of natural resources”. To achieve this general objective, it focuses on three broad intervention areas: (i) support to smallholders to develop their agriculture and natural resource related activities to enhance their livelihoods; (ii) stimulating an increase of agricultural and natural resource based production to ensure sufficient domestic production to meet basic food needs of all Mozambicans and increase income levels in rural areas, while promoting the development of agro-industries that add value to the country’s agricultural products (both for domestic and export markets); (iii) guaranteeing sustainable natural resources management that brings economics, social and

environmental outcomes based on appropriate management (access, security of tenure and rights) and conservation actions involving communities, public sector, and private sector interests.

Improving higher education and strengthening technical and vocational training

Education is the sector programme that receives the largest amount of direct budget support in Mozambique (USD 111 million committed for 2010). Higher education used to be coordinated by the Ministry of Higher Education, Science and Technology until 2005, when it was incorporated to the Ministry of Education and Culture (MEC) as a national directorate.

Every year, about 300,000 young Mozambicans enter a labor market dominated by informal companies. Overall, the Mozambican workforce is poorly educated and lacks technical skills. More than 75 percent of the population has attended five or less years of school and only 8.5 percent have achieved secondary or tertiary education. Only 1 percent of the total school enrollment or 15 per cent of the total of secondary level students participate in formal technical and vocational education and training (TVET) courses each year.

In order to address these problems, the Government of Mozambique (GoM) is pursuing several employment generation initiatives. In 2006, it approved the “Strategic Plan for Education and Culture” (SPEC) (2006 -2011), which emphasizes the support to higher education and to technical and vocational education and training (TVET), and aims at generating an improved response to an emerging economy increasingly based on knowledge and technology. At the same time, the government created a pooled fund (Fund for the Support of the Education Sector, FASE) to support the development of education.

Environmental protection

The environment is a particular critical issue in Mozambique because most of the population is dependent on natural resources. Different parts of the country have suffered either from severe droughts or devastating cyclones and floods during the last decade. A long civil war combined with natural hazards has resulted in increased migration of the population to urban and coastal areas. This has caused adverse environmental consequences, including desertification, deforestation, and pollution of coastal waters. Inadequate farming and mining practices have also resulted in substantial deforestation and soil degradation (ODI 2008).

The GoM has underlined the importance of a sustainable management of natural resources for development by mainstreaming environmental issues in the PARPA II. For example, the reduction of deforestation related to fuel wood extraction and the promotion of sustainable energy sources are included amongst the main energy policy objectives. Sustainable natural resource management also features quite prominently in the agriculture, fisheries and mineral resources programmes (ODI 2008).

With regard to specific environmental policies, the Environmental Law of 1997 set the foundations for the policy and institutional framework for environmental management in Mozambique. The main strategy papers on broad environmental management issues are the Strategic Plan for the Environment Sector 2005-2015 and the Environment Strategy for Sustainable Development 2007-2017 (EADS).

The country has signed and ratified all major international environment conventions – the Montreal Protocol (MP), the Stockholm Convention on Persistent Organic Pollutants, the Cartagena Protocol, the UN Convention for the Climate Change (UNFCCC), the Kyoto Protocol and Convention for Biodiversity (CBD), the Basel Convention on Hazardous Wastes, the UN Convention on the Law of the Sea, and the Ramsar Convention on Wetlands, among others (UNDAF 2007-2009 and World Bank 2008).

The Ministry for the Coordination of Environmental Action (MICOA) is the government agency with responsibility for overall coordination of government activities in the environment domain. It was established in 1994 and has the two following main functions: (i) the promotion of conservation and sustainable use of the country's natural resource base, and (ii) the promotion of environmental policies and strategies to be integrated into sectoral development plans.

Tourism development

The Ministry of Tourism (MITUR) was established in 2000 in order to promote the development of tourism. In 2003, the Government approved the National Tourism Policy and Implementation Strategy, which is based on the following objectives: (i) to develop and position Mozambique as a world-class tourism destination; (ii) to contribute to employment creation, economic growth and poverty alleviation; (iii) to develop sustainable and responsible tourism; (iv) to participate in the conservation and protection of biodiversity; (v) to preserve cultural values and national pride; and (vi) to enhance the quality of life for all the people of Mozambique. The PARPA II refers to tourism as a priority sector for economic development, particularly relevant because of its potential for income generation and employment creation.

Natural resource management and protection of the environment also play a role in the national tourism strategy. In fact, the Strategic Plan for Tourism Development in Mozambique (2004-2013) highlights the symbiotic relationship between conservation and tourism, and recognizes the Community Based Natural Resources Management as a key instrument for the sustainable use of land resources.

2.3 Key challenges

Poverty and unemployment

Despite the impressive growth of GDP, exports, and foreign direct investment, Mozambique is still among the poorest countries in the world, ranking 172 out of 182 on UNDP's Human Development Index (HDI). Although poverty fell significantly after the war, it is estimated that around 70 percent of the population still live below the poverty line of USD 2 (UNDP HDR 2009). According to a recent evaluation carried out by the Ministry of Planning (2010), 56 percent of the population was poor in terms of consumption in 2008/2009, and this proportion has not changed when compared with 2002/2003. This means that about 11.8 million of the 21.5 million total population of Mozambique lived under the poverty line in 2008/2009. For the country as a whole, the incidence of poverty fell by 15.3 percent when compared to the levels of 1996/97, but it remained stagnant when compared with 2002/03.

There are significant variations between urban and rural areas and between provinces. Rural poverty was higher, reaching 56.9 percent, compared with 49.6 percent in urban areas. The provinces of Zambezia and Maputo had the highest levels of poverty (70.5 percent and 67.5 percent), while Niasa and Maputo City had the lowest (31.9 percent and 36.2 percent respectively). When compared with 2002/2003, several provinces experienced dramatic changes. Poverty fell from 80.7 percent to 57.9 percent in Inhambane, from 63.2 percent in 2002/03 to 37.4 percent in 2008/09 in Cabo Delgado, from 52.1 percent to 31.9 percent in Niasa, and from 53.6 to 36.2 in Maputo City. In contrast, poverty increased from 40.6 percent to 70.5 percent in Zambezia and from 36.1 percent to 58 percent in Sofala.

Life expectancy was recently estimated at 47.6 years, but it is expected to drop below 40 in the near future due to rising HIV/AIDS prevalence. Less than 10 percent of the population is above the age of 50. Life expectancy shows significant variations across provinces, with Maputo City having a high of 59 years and Cabo Delgado a low of 42 years.

The Mozambican economy is defined by two very different realities: on the one hand, a vast amount of small farmers (around three million families) who work for their subsistence, and on the other hand, state-of-the-art massive mining and energy projects financed by multinational companies. These projects are viewed as having brought limited benefits in terms of employment creation and having only limited impact on the rest of the economy and a few linkages with the SME sector (USAID 2004). For example, aluminum accounts for close to 60 percent of exports, while only a few thousand jobs have been created, indicating that economic growth has not been inclusive enough (IFAD 2010). According to the Economist Intelligence Unit (EIU), “there is still concern that the economy is growing at two speeds. Although the dynamic, capital-intensive export sectors – dominated by the Mozal and Sasol mega-projects – are growing strongly, with the help of large inflows of FDI, economic activity in the rest of the private sector is well below potential” (EIU 2007). As will be explained in chapter 3, the assessment of foreign investment projects with respect to their contribution to the country’s strategic goals is one of the areas in which UNIDO is expected to be working on in Mozambique.

The high incidence of HIV/AIDS

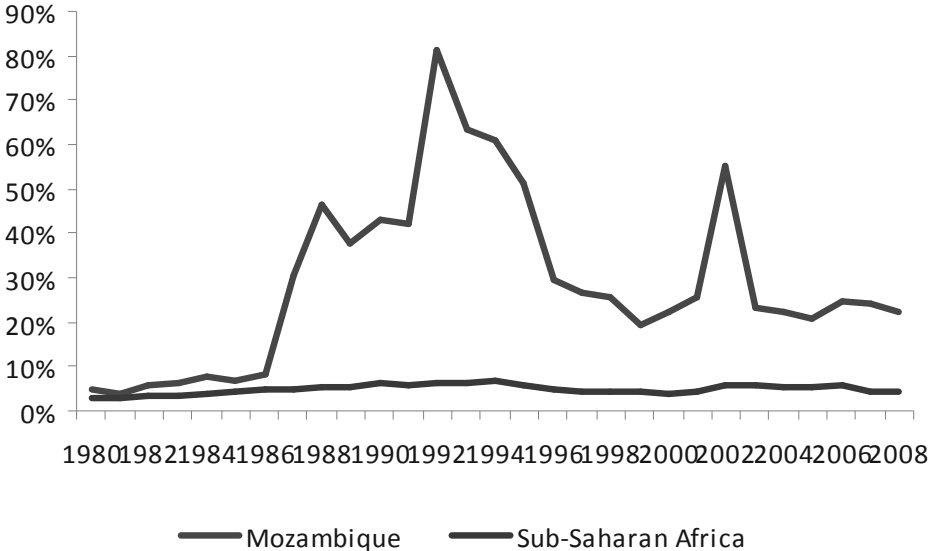
HIV/AIDS has been spreading dramatically since the late 1980s, when the first cases were registered. The latest estimates indicate a prevalence of around 16 percent, meaning that around two million people will be infected soon, reducing the life expectancy drastically. It is not only a health issue, but a severe constraint to economic development, as experienced staff in sectors such as education and health are dying. In addition, it is creating a generation of AIDS orphans who do not receive the necessary support to develop their capacities.

Dependency on donors

Since its independence from Portugal, Mozambique has been highly dependent on the interventions of foreign donors. During its socialist and central planning era (1975 to 1985), Mozambique was supported by the socialist bloc (Russia and China) and by the Nordic states and Italy in Europe. Afterwards, when the GoM approached a more Western ideology and entered into structural adjustment programmes with the IMF, it started to receive vast amounts of aid that kept Mozambique alive during the war and that afterwards enabled a relatively speedy recovery. By 1992, official development assistance (ODA) accounted for around 80 percent of the gross national income – GNI (see graph below). Although the share of ODA in GNI declined, Mozambique remains one of the most aid dependent developing countries, receiving ODA far above average Sub-Saharan

levels. Due to peace, stability and growth, Mozambique has become a testing ground for new aid modalities and donors and the international community have initiated several progressive initiatives, like general budget support, the integrated framework and the One UN.

Figure 1: Net ODA received as % of GNI



Source: World Development Indicators.

A poor business environment

Although Mozambique has been able to attract substantial foreign investments, several assessments have found significant obstacles for doing business. In fact, Mozambique is ranked 135 out of 183 countries according to the latest World Bank’s “Doing Business 2010” report. Issues like registering property, employing workers and trading across borders are particularly difficult. Mozambique has not developed a dynamic private sector yet, which can be also explained by the rapid shift to a market economy and the resulting privatization from which mostly those in Government and the elite profited (de Renzio and Hanlon 2007 and EIU 2008).

In 2004, a study by the World Bank identified several constraints to the SME sector, including the following: (i) low skills at both the management and staff level; (ii) although the country has plenty of energy sources (including hydroelectric power plants and natural gas), infrastructure is still poor, with the most serious problem being the access to electricity; (iii) SMEs face a severe lack of access to capital, with only 5 percent of all registered firms having access to bank finance and most firms using their own funds for both working capital and investments.

A survey by the Africa Competitiveness Report (2007) identified the most problematic factors for businesses as follows: access to financing, inefficient government bureaucracy, corruption, inadequate infrastructure, inadequately educated workforce, and restrictive labor regulations. These problems are also highlighted by other sources, such as the EIU (Country Profile 2008), which points out that the SME sector still suffers from high borrowing costs, bureaucracy, difficulty of doing business, a still underdeveloped small domestic market, rent-seeking in the commercial-property sector (which has created a scarcity of available industrial land), and the poor quality and high cost of goods and services, particularly those provided by public monopolies.

A limited contribution of micro, small and medium enterprises (MSMEs) to employment and foreign trade

In the sector analysis conducted by the MIC (2007), the following issues with regard to the MSME sector were identified: (i) growth in the number of MSMEs was not satisfactory; (ii) the MSME offered very limited employment opportunities, contributing with less than half the employment in the formal sector); (iii) very low labor productivity; (iv) low performance of MSMEs in the traditional industries, especially agriculture; (v) only a limited number of MSMEs are prepared to go to the rigid process of formally establishing a business. According to the World Bank (2009), another problematic issue is the limited linkages between the SME sector and the mega projects.

Fisheries and agricultural products – notably cashew nuts and prawns – used to account for the large bulk of exports until the end of the 1990s, when manufacturing exports overtook them. However, most of the growth in manufacturing exports can be linked to the three export goods: electricity from Cahora Bassa, aluminum from the Mozal smelter, and gas from the SASOL pipeline. The mega-projects loom large in Mozambique's foreign trade: for the first quarter 2007, for example, mega-projects accounted for 81 per cent of exports (OECD, 2008). In spite of higher export volumes of minerals and the country's first titanium exports, the trade balance is expected to deteriorate over 2008 and 2009, given the expected downturn of metal prices (notably for aluminum), the lack of manufacturing or other high-value exports, and the rising oil import bill. New foreign direct investments hold the promise of generating substantial exports in the medium term, notably in coal.



Assessment of UNIDO Technical Cooperation

This chapter evaluates UNIDO Technical Cooperation projects in Mozambique. One of the key features of the IP II is that it defined the strategy of UNIDO in the country and presented objectives and outputs, but not specific projects. Full project documents were prepared for each of the outputs when the funding opportunities arose. The experience shows that the different projects varied in their quality of design, operational performance, impacts and sustainability. Thus, a general evaluation of TC activities in the country requires assessing the individual projects, as well as the relationship between them and the functioning of the programme as a whole.

The chapter is organized as follows. The first section evaluates the relevance of the design of the IP II to problems, national government policies, and the international development agenda. Second, a description is presented of the progress in the implementation of the IP II and of the projects that have been formulated and implemented afterwards. The third section presents a general assessment of UNIDO TC activities, based on the quality of design of the IP II and of the individual projects, their relevance and ownership, the operational performance of different projects, their impacts and sustainability. Finally, the fourth section focuses on Global Forum activities. A detailed assessment of individual TC projects is presented in Annex A.

3.1 The design of the IP II

According to the information presented by the programme document, the IP II was elaborated based on extensive consultations with government and donors in Mozambique by field staff and backstopping officers during several months.

The overall goal of the Government of Mozambique has been to reduce poverty through initiatives that promote private sector led growth, ensuring that the benefits of this growth are widely distributed and reach the poor. The document of the IP II identified two sets of problems that affected the capacity to achieve

this goal. First, although the private sector was the main agent for the economic transformation of the country, it was relatively small, inexperienced, weak, and did not have the capacity to participate fully in the industrialization process. Second, it was recognized that the government had made policy changes to improve the enabling environment for private sector development, address regional imbalances, facilitate investment and technology development, promote SME development, and improve the capabilities for environmental and quality management. However, the existing capacities were inadequate, including: (i) inadequate capacity for policy analysis, development and implementation; (ii) lack of appropriate institutional support services for private sector development, including upgrading competitiveness, compliance with environmentally sustaining international norms and standards; (iii) adverse effects of HIV/AIDS on the private sector; (iv) inadequate technologies for agro-processing; (v) weak entrepreneurship and support services to promote the development of food processing among SMEs; (vi) inadequate environmental and waste management; and (vii) insufficient income generating opportunities in rural communities, specifically for those affected by HIV/AIDS.

As explained in chapter 2, the GoM had implemented important market reforms in the late 1980s. At the time of the preparation of the IP II, the development of the private sector was in fact a major priority of government policies. The industries that were developing at the time faced an increasingly competitive environment, in which the quality of their products had to meet international standards, norms, and measurements. At the same time, it was widely accepted that the capacities of government agencies to design and implement industrial policies were also very weak. In this regard, the Ministry of Industry and Commerce (MIC) had plans to strengthen its organizational structures and improve the capacities of its staff.

In order to deal with these problems, the IP II proposed to intervene at the policy, institutional, and sectoral levels. At the policy level, it would assist the Government and the private sector in the implementation of the industrial policy and in achieving its objectives. At the institutional level, it would support SME support institutions, technology institutions, environmental institutions, and quality management/standard institutions. At the sectoral level, the focus would be mainly on food processing, through the introduction of pilot demonstration plants and the provision of training and entrepreneurship development programmes.

The activities of the IP II would be organized into two components:

- (i) Capacity building for policy and support institutions for private sector development. This component had the objective of strengthening the capabilities of the public sector and the organized private sector for effective policy development and implementation to support private sector development, including the mitigation of adverse effects of

HIV/AIDS. Quality and standardization and the preservation of the environment would be key areas of action, so UNIDO services would contribute to build capacities in cleaner production technologies, solid waste management, and quality assurance management.

- (ii) Small and Medium Enterprise sector support, which had the immediate objective of reducing the regional imbalance of adequate institutional support for SME, including agro-industries.

The review of the Programme Document and of government policy documents, and the interviews carried out with government agencies and donors working in Mozambique indicate that the programme was relevant to the country problems, government policies, and the international agenda. The proposed objectives were aligned with the major policy documents at that time. In particular, they were coherent with the Poverty Reduction Strategy 2001-2005 (PARPA I) that was under implementation at the time of the design of the IP II. They were also relevant for bilateral donors and UN agencies. At the time of preparation of the IP II document, Mozambique was already receiving substantial amounts of foreign assistance, with good governance, institutional capacity building for economic management, infrastructure, and human resource development being the major focus areas. Several countries (Norway, Italy, Japan, Sweden, UK, Austria, Switzerland, Ireland, and the United States) supported private sector development.

The UN system had also worked actively in Mozambique on the issues of the IP II. In fact, Mozambique was one of the pilot countries for the establishment of the United Nations Development Assistance Framework (UNDAF). One of the results of the UNDAF was the formulation of a joint UNDP/UNIDO Programme for Private Sector Development and Sustainable Livelihoods that was integrated into the IP II (expected funding of USD 1 million from UNDP eventually did not materialize).

The IP II document defined that the main government implementing agency and main counterpart for the IP II would be the Ministry of Industry and Commerce (MIC), as the body responsible for industrial sector development in Mozambique. However, the evaluation team was told that the MIC had not been actively involved in the design of the IP II and was more or less presented with a final programming document to sign.

Based on recommendations from the evaluation of the IP I, the IP II Programme Document proposed that MIC would appoint an Integrated Programme Coordinator who would act as a link between UNIDO and the Government of Mozambique, and a technical assistant to aid her/him. Meanwhile, counterpart institutions would indicate focal points responsible for facilitating the

implementation of the proposed outputs. In addition, an Integrated Programme Committee would be established to coordinate programme implementation, review and assess the effectiveness of programme activities, and make recommendations for adjustments if necessary. Finally, a National Advisory Committee would be created consisting of representatives from all implementing agencies and donors involved, with the objective of ensuring a proper monitoring of the programme, holding annual meetings for such purpose under the guidance of the MIC. Finally, it was expected that the UNIDO field representation would be in constant contact with the persons responsible for the implementation of each project and report back to UNIDO Headquarters.

Finally, the IP II document proposed that UNIDO inter-divisional team would monitor the implementation of the programme, meeting once every 2-3 months. For each of the components, it was expected that a quarterly report would be prepared by the project technical staff.

In terms of funds mobilization, the IP II mentioned that the MIC would take the lead in the funds mobilization exercise. A funds mobilization strategy would be identified, and the MIC would be responsible for presenting the IP II to the donor community in individual or joint meetings, with UNIDO assisting in the identification of donors and the in presentation of the programme. It was also expected that the funds mobilization would be based on the IP II as a complete package, from which donors might select certain outputs to which they wanted to contribute.

It was expected that once funds were identified, UNIDO would prepare –jointly with counterparts and donors, in order to increase participation and ownership--detailed project documents for the respective outputs. These project documents would include details about project strategy, activities, inputs, and measurable indicators. Changes and additions to the programme based on donor's requests would be incorporated as long as they fit within the overall strategy.

The evaluation found that the design of the IP had several important shortcomings:

- a) Although the general objectives of the IP II were relevant to country problems, government policies, the international agenda, and UNIDO expertise, not all the proposed projects were coherent with the proposed objectives. In particular, the output on technology for the production of low-cost building materials and construction design was not coherent with the two major objectives of the IP II
- b) The IP II focused on a too large variety of issues, some of which were very specific, including strengthening service capabilities of private sector associations to support enterprise creation and upgrading, product quality improvement, food safety and hygiene, environmental management and

cleaner production, impacts of HIV/AIDS on the industrial sector, consolidating the model of one-stop shop, assessing the potential of hydro-energy, promoting food processing industries (cashew apple and nut), salt industry upgrading, solid waste management support, improving livelihoods of HIV/affected groups, and technology for the production of low-cost building materials. These definitions gave the basis for the formulation of quite a number of relatively small and dispersed projects that dealt with a relatively large number of problems and involved a large number of counterparts. This complicated the possibilities of coordination, monitoring and supervision.

- c) Although they addressed relevant issues, some specific objectives and outputs (e.g. related with HIV/AIDS) did not seem to have a strong connection with UNIDO main areas of expertise, or at least the connection was unclear.
- d) The programme document proposed detailed arrangements for coordination, but these arrangements were not put into practice during the implementation of the IP II.
- e) Finally, the IP II missed to identify some key development problems of Mozambique relevant to UNIDO areas of expertise, and for which UNIDO intervention would have been highly appreciated by Government and donors. One of these problems is the concern about the weak impacts of large foreign investment projects on employment generation and poverty reduction. UNIDO could have provided relevant assistance in ensuring that foreign direct investment contributes to strategic goals in the country, for example by training officials in holistic appraisal and cost-benefit analysis of investment projects, using UNIDO COMFAR methodology)

3.2 Implementation of the IP II

The IP II was expected to be implemented during the period 2004-2007. However, the implementation of the programme experienced delays, as several projects were approved later (some towards the end of the proposed period). Consequently, their implementation went beyond the year in which the programme was supposed to be completed, including among others the three projects that are still under implementation.

As expected at the design of the IP II, the different outputs were incorporated in detailed project documents prepared during the implementation period. Twelve projects were prepared under the IP II for a total of USD 5.46 million.⁴ Of this total, 11 projects with a total funding of USD 5.418 million were directly related with the outputs in the IP II, and one of the projects involved the support of the UNIDO Office in Maputo. Three of the projects of the IP II are still ongoing: the

⁴ Three different projects on Renewable Energy Powered Business Support Centres were considered as one project, as well as the other three on food safety capacity and quality assurance.

Entrepreneurship Development for the Youth (TF/MOZ/07/003), Renewable Energy Powered Business Support Centres (ICTs) for Small Rural Enterprises and Communities in Off-grid regions (US/MOZ/08/008), and Promotion of Economic Activities in the Ilha de Mozambique and Mossuril Districts (US/MOZ/09/003). By the time of the evaluation, the actual total expenditure of the projects under the IP II was USD 4,437,183. This value is higher than the budget proposed for the IP II, though the value is spread over a longer period than expected.

Table 2: Projects (ongoing and closed) within the Integrated Programme II

Number	Project Title	Status	Date from	Date to	Donor	Allotments	Total Exp
TFMOZ05003	Development of Micro and Small Industries in Zambezia and Tet Provinces IP Mozambique, Phase II - Food processing technology for Output 2.1.	G	7/21/2005	4/30/2010	Japan	24,206	24,206
TFMOZ07001	Entrepreneurship Development for Youth	G	3/27/2007	12/31/2008	Ireland	12,345	12,345
TFMOZ07003	USMOZ98037-Project for Establishment of a NCPC in Mozambique	O	6/11/2007	6/30/2011	Norway	1,283,835	1,235,823
USMOZ05037	UNIDO P.A. to define in MOZ a cooperation programme with public institutions (food safety)	G	12/30/2004	10/6/2009	Italy	118,312	118,312
USMOZ04105	Enhancing the capacity of the food safety and quality assurance system	G	10/12/2004	7/5/2006	SECO	34,933	34,933
USMOZ05001	Renewable energy powered rural business support centres (ICTs) for small rural enterprises and communities in off-grid regions	C	12/20/2005	5/28/2010	SECO	906,269	906,269
USMOZ05A01	Promotion of economic activities in Ilha de Mozambique and Mossuril districts	O	12/20/2005	12/31/2010	SECO	853,711	853,711
USMOZ06001	IP for Mozambique	C	8/22/2006	2/28/2009	Danida-Sub-Sahara	62,920	62,920
USMOZ06A01	IP MOZAMBIQUE - Additional resources for UNIDO office personnel	C	8/22/2006	12/31/2009	Danida-Sub-Sahara	85,502	85,502
USMOZ08008	EEMOZ08001 - Business Environment Support and Trade Facilitation (B.E.S.T.F.)	O	9/9/2008	10/31/2010	Danida-Sub-Sahara	107,000	74,600
USMOZ09003	Support Programme for PSD and sustainable livelihood	O	7/20/2009	7/31/2012	Portugal	884,500	2,991
XPMOZ04028	YAMOZ04426	F	7/9/2004	12/30/2007	Regular TC	111,248	111,681
YAMOZ04426	YAMOZ06002	G	7/9/2004	12/31/2006	Regular Budget	104,087	104,186
YAMOZ06002	EEMOZ08001	G	10/9/2006	6/27/2009	Regular Budget	47,032	47,115
EEMOZ08001	YAMOZ09002	C	5/19/2009	12/31/2010	Regular Budget	325,144	324,841
YAMOZ09002	DPMOZ02010	C	11/4/2004	12/31/2008	UNDP	375,972	375,972
DPMOZ02010	TOTAL					5,337,016	4,375,407

O: ongoing, F: financially completed, C: operationally completed, G: completed all stages

Source: Agresso (Sep 2010).

Of the 11 projects within the IP II, six projects (54.5 percent of the total projects) fall into the thematic area of “Poverty reduction through productive activities”, three projects (27.3 percent) into “Trade capacity building”, and two projects (18.2 percent) into “Energy and the Environment”. Meanwhile, the ongoing projects have a similar distribution among thematic areas, with five of the ten ongoing projects (50 percent of the total) corresponding to the “Poverty reduction through productive activities” thematic area, two (20 percent) to “Trade capacity building”, and three (30 percent) to “Energy and Environment”. In terms of resources, USD 10,759,250 or 53.4 percent corresponded to projects on the “Trade capacity building” thematic area, USD 7,633,600 or 37.9 percent to the “Poverty reduction through productive activities” and USD 1,751,330 or 8.7 percent to “Energy and environment”. The average project size in terms of budget is USD 2.01 million,

ranging from USD 9.64 million of the largest project (the BESTF, which represents 49.7 percent of the total budget) and USD 40,000 for the smallest one. Without considering the BESTF project, the average project size falls to USD 1.17 million per project.

The implementation of the IP II involved a number of individual projects that were each formulated separately and were heterogeneous in their basic features (objectives, value, institutional arrangements for implementation, etc.). Additionally, the evaluation did not find evidence of any systematic coordination and steering mechanisms. The last IP II Progress Report is dated April 2006. In the course of time, team leadership was moved from a project manager to an area officer to finally the UNIDO Representative (South Africa). However, this appears to have been only a formality, as team leadership did not refer to assuming responsibility for coordination and joint monitoring and steering in practice.

In light of the limited integration and coordination of the IP II, evaluating the IP II requires in a great deal assessing the individual projects. Main findings of such assessments are presented in the next section and detailed assessments are presented in Annex A. In addition, the implementation of the IP II can be evaluated in terms of the functioning of the projects as a whole, the relationship between different projects, their coherence with each other, and their coordination and synergies. In this regards, the evaluation found that:

- The IP II was quite successful in terms of fundraising, as the value of the projects that were implemented under the IP II ended up being slightly higher than what was proposed by the Programme Document. It must be recognized, however, that the projects were implemented in a time period longer than expected.
- The individual projects under the IP II lacked mechanisms to promote coordination and synergies. Specific mechanisms (a Programme Coordinator, focal points from national counterparts, a National Advisory Committee) were proposed by the Programme Document, as explained in section 3.1, but they were not put into practice during implementation.
- The Integrated Programme was basically replaced by the One UN, which since 2007 has placed UN coordination in front of internal UNIDO coordination.
- The monitoring and supervision of the programme was also weak. As explained in section 3.1, the Programme Document proposed that several actors would play a role in project monitoring (a National Advisory Committee, the Ministry of Industry and Commerce, UNIDO field representation, a UNIDO inter-divisional team). Monitoring also did not work as expected, which affected the possibilities of identifying and solving problems timely.

- As will be explained in the next section, the programme did well in terms of relevance, but showed weak ownership and mixed results in terms of effectiveness, efficiency, impacts, and sustainability.

3.3 Assessment of TC projects

This section presents an assessment of TC projects in Mozambique. The following two tables provide a summary of the assessment of individual TC projects carried out by the evaluation mission and provide a global assessment of how these projects have been doing in terms of relevance, ownership, effectiveness, efficiency, impact, and sustainability. The assessment of individual projects is presented in more detail in Annex A.

Table 3: Main findings of the evaluation of individual TC projects

Project	Relevance, Ownership, Effectiveness, Efficiency, Impact, Sustainability
BESTF	The project was found to be highly relevant to country problems and government policies, being aligned with the PARPA II and trade policy (improvement of business environment and of quality of products for export). However, ownership is low because of the low involvement of the government counterpart in project design and implementation, in particular in the selection of project staff and in the access of information about project implementation (e.g. financial issues), with the PMU being located out of the premises of the government counterpart. In spite of implementation delays in some activities, the project evaluation found good chances of achieving the expected outcomes. There were indications of efficiency (small and efficient PMU), but implementation delays created inefficiencies, especially regarding procurement and other decisions centralized in UNIDO Headquarters. The project is likely to achieve its goal of alleviating trade constraints and promoting export growth. While there are perspectives of sustainability, there are risks for the sustainability of some project outputs, such as the maintenance of laboratory accreditation or the provision of English training were found to be unsustainable,
Entrepreneurs hip Development for the Youth	The project is very relevant to Mozambique's national priorities, both in terms of education (Strategic Plan for Education 2000-2005) and economic development (the PARPA II gives priority to the education sector). Ownership was high because local and national governments participated actively in project formulation and implementation, with project staff located in government counterparts and government agencies contributing with important resources. The project was successful in introducing a new course in the curriculum of secondary schools, but it is unlikely that it meets the expected targets, mainly because they were overambitious. Efficiency was high because of a small project unit and the important contributions (personnel, office space, and teaching materials) of government counterparts. Likelihood of impact is high due to the great change in the mindset of students, but it will be necessary to provide higher support to the startup of new small businesses by students. Perspectives of sustainability are high because the ECP has become a policy of the national government.
JP on Environmental Mainstreaming and Adaptation to Climate Change	The JP is aligned with the PARPA II (which prioritizes the introduction of renewable energy) and the National Strategy for Sustainable Development. Ownership is low, as the main counterpart (MICOA) had a low involvement in project design and low participation and little information about project implementation. The likelihood of achieving the expected outputs was evaluated as high. Efficiency has been considered as medium, as there are indications of efficiency (low expenditures in project personnel), but also of inefficiency (mainly implementation delays due to centralization and difficulties of coordination with other UN implementing agencies).

	<p>The JP is likely to achieve its objective of reducing poverty, and the perspectives of sustainability were considered as medium, as there is a need to improve the training of farmers to maintain equipment.</p>
<p>JP on Women's Empowerment and Gender Equality (Processing of Agricultural Produce)</p>	<p>The JP is highly relevant to country problems and government policies related with gender equality and women empowerment. Ownership is low due to an insufficient participation of government counterparts in design and implementation and low involvement of local women associations and other rural community organizations. Technical problems of the agroprocessing facilities and inadequate relationship between those processing facilities and the local context create difficulties for the project to achieve its expected outputs. Efficiency is considered low due to implementation delays and the likelihood that outputs are not achieved as expected. The likelihood of UNIDO activities achieving the proposed long-term objective of promoting gender equality and women socioeconomic empowerment was rated as low, due to the problems with the institutional setup to manage the agro-processing facilities build by the JP. The likelihood of sustainability is low due to low ownership of the different stakeholders, lack of experience in business management of the institutions responsible for managing the agro processing facilities, insufficient information about product markets, and lack of agricultural extension and organizational activities for farmers to ensure adequate and timely supply of raw materials.</p>
<p>JP on Promotion of Youth Employment</p>	<p>The JP is highly relevant to policies in the Five Year Plan 2005-2009 and the PARPA II, which stress the importance of ensuring employment for recently graduated youth, providing quality vocational training, and linking formal education, professional training and employment. The establishment of MSME is in line with the Government's Employment and Vocational Training Strategy. The activities implemented by UNIDO have been suspended for approximately one year due to a decision to cancel the collaboration with CADI, the main counterpart in charge of implementing programme activities. No alternative arrangements for implementation were in place at the time of the evaluation. Based on the little progress made so far, and the problems mentioned before, the evaluation found unlikely that the programme reaches the proposed outputs until the end of the JP in 2011. Efficiency was found to be low, based on the few activities and outputs achieved and on the substantial amounts spent in operating costs, if compared to other UNIDO projects in Mozambique. The likelihood of achieving the proposed long-term programme objectives is low, as well as the perspectives of sustainability.</p>
<p>Renewable Energy Powered Business Support Centres</p>	<p>While the project is of high relevance to government policies, the Business Information Centre (BIC) that was set up has a low relevance to the problems of the region (Mocuba) where it was built because of the low presence of local businesses that could take advantage of its services. Project ownership can also be considered as low. Although an MOU was signed in August 2007 identifying the roles and responsibilities of different stakeholders (among them the Mozambique Information and Communication Technology Institute MICTI that is part of the Ministry of Science and Technology), the project faced great difficulties to obtain the expected contributions from national counterparts. Project effectiveness has been rated as medium, as the proposed immediate objective of setting up of a BIC was reached, but the BIC is only partially serving the purpose for which it was created of providing ICT to small enterprises. Efficiency of the project was rated as low, based on substantial implementation delays and on high costs incurred to set up the BIC and make it operational. The likelihood of achieving the proposed long-term objective of establishing a network of sustainable ICT support centres providing support services to small enterprises in rural areas in Mozambique was rated as low. However, the likelihood of sustainability of the BIC has been estimated as high because a local organization (AGEMO) has been operating it without any external support, charging customers for their services.</p>
<p>Enhancing Capacities of Food Safety and Quality</p>	<p>The project was well aligned to the top priorities of its direct counterpart, the MIC, while the evaluation found only limited relevance to the Ministries of Health and Agriculture which are both more concerned with domestic food safety rather than trade-related issues. The project is relevant to Mozambique's Trade Policy (1998)</p>

Assurance System for Trade	and the “Quality Policy and Strategy for Implementation” (2003), but had limited relevance to the Ministries of Health and Agriculture. Ownership is low because the private sector was not involved in project design, which resulted in wrong prioritization of target sectors. The evaluation found that in general, the project had failed to achieve its outcomes and was not going to achieve them within the remaining timeframe. In addition, efficiency was rated as low due to a number of problems, including the fact that part of purchased costly equipment had not been used at the time of the evaluation. Because the project did not achieve several of its more relevant outcomes, it is unlikely that it achieves its long-term development objective. Due to the very low involvement of the private sector at the design stage, the project has not focused sufficiently on the development of sustainable SMTQ services.
Resource efficient and cleaner production in the accommodation sector	The project was found to be very relevant to Mozambique’s national priorities, UNIDO core competences, and the cooperation of UNIDO with UNEP. The perspectives of ownership are high, as the project resulted from a Government request due to the high priority given to the tourism sector. In addition, the private sector has been involved through initial consultations with relevant associations. Effectiveness, efficiency, impact and sustainability issues cannot be evaluated yet because the project has just started.
Establishment of Cleaner Production Center	Evidence that Cleaner Production (CP) is relevant in Mozambican industry remains weak, since the size of the industrial sector is small and industrial environmental management is not yet a national priority. Relevance is somewhat higher for CP as a concept to both government and academia, rather than for CP services to the private sector. Therefore, small firms are quite reluctant to pay for them. Effectiveness has been low with regard to programme management, the Centre as such, and networking. Ownership has also been low, both by government and private sector. Shortly after the start of the project, the initial staffing with one director and two deputy directors was reduced dramatically due to the non-realization of commitments by FEMA and MICOA. Efficiency was found to be quite low, mainly because of implementation delays. Impact is low because of the project not achieving the expected outputs. In addition, sustainability is also low, with the Centre not having yet a legal status and being the Director (paid as a national expert by different projects) the only staff. The counterpart (FEMA) still does not have the capacity to support the NCPC and has yet to achieve its own sustainability.
Development of MSE in Zambezia and Tete provinces	Insufficient information for evaluation
Promotion of economic activities in Ilha de Moçambique and Mossuril	Insufficient information for evaluation
Waste management	Insufficient information for evaluation
Salt association	Insufficient information for evaluation
Support Programme for PSD and sustainable livelihood	Insufficient information for evaluation

Table 4: Assessment of individual TC projects in Mozambique

Project	Relevance	Ownership	Effectiveness	Efficiency	Impact	Sustainability
BESTF	High	High	Medium	Medium	High	High
Entrepreneurship Development for the Youth	High	High	High	High	High	High
JP on Environmental Mainstreaming and Adaptation to Climate Change	High	High	High	High	High	Medium
JP on Women's Empowerment and Gender Equality (Agricultural Produce)	High	High	High	High	High	High
JP on Promotion of Youth Employment	High	High	High	High	High	High
Renewable Powered BSC	High	Medium	High	High	High	High
Enhancing Capacities of Food Safety and Quality Assurance System for Trade	High	High	Medium	Medium	High	Medium
Resource efficient and cleaner production in the accommodation sector	High	Insufficient information	Insufficient information	Insufficient information	Insufficient information	Medium
Establishment of Cleaner Production Center	Medium	High	High	High	High	High

Symbols

High	High
Medium	Medium
Low	Low
Insufficient information	Insufficient information

Relevance

The assessment of individual projects shows that they have been mostly relevant to country problems, including poverty, unemployment, low capacities of human resources, weakness of local industries in terms of quality standards, weak capacity of government agencies for policy development, and potential environmental problems associated with the development of tourism and other economic activities. In brief, UNIDO projects in Mozambique related to poverty reduction and employment creation through: a) development of small and medium enterprises; b) strengthening the capacities of the private sector to compete in national and foreign markets with products of higher quality standards; c) promoting sustainable development by dealing with potential

negative environmental impacts of tourism and other economic activities; and d) strengthening the public sector to deal with all these issues.

UNIDO projects were aligned with government policies, including the Poverty Reduction Strategies (PARPA I and II), the Five-year plans, and other relevant sectoral policy documents, such as the Environmental Strategy for Sustainable Development and the Action Plan for the Adaptation to Climate Change.

Finally, the thematic areas of projects related directly to recognized areas of expertise of UNIDO, such as trade facilitation and quality standards, introduction of environmental standards at the industrial level, and private sector development through micro, small, and medium-size enterprises. At the same time, not all projects were relevant to the private sector. In particular, the Business Information Centres promoted by the Renewable Energy BSC project was not relevant to the private sector of Mocuba (the region where it was located). The services provided by the National Cleaner Production Centre were also not relevant to the majority of the small industry in Mozambique.

In spite of the high relevance of most projects, the context analysis shows and some of the actors interviewed stressed that UNIDO was not present in some important issues in Mozambique, including the building of capacities to assess the potential risks of foreign investment in industrial projects and better negotiate with investors; public-private partnerships (negotiation, evaluation, lessons learned, and policy development); and value chains, especially the formulation, implementation of policies and programmes for the development of agricultural-based value chains.

In addition, some of projects showed a lack of coherence between the type of activities implemented, the proposed objectives, and the problems that they addressed. This was the case of UNIDO activities in the One UN Joint Programme on Women's Empowerment and the One UN Joint Programme on Youth Employment. The Youth Employment Programme focused on promoting employment opportunities among young people. UNIDO activities included training to potential young entrepreneurs, but one of the main proposed activities involved the promotion of technologies for low cost building materials. While this may have created employment, it mainly related to a different objective of increasing the access of poor families to housing by reducing the costs of construction materials. Meanwhile, in the case of the Women's Empowerment Joint Programme, its main objective was to contribute to women empowerment by creating employment and income generation opportunities among women in rural communities, through the agro-processing of local products. Women could benefit from the production of raw materials for the industries and the direct

participation in the associative management of processing facilities. However, the project chose a large scale of production and an institutional arrangement for the management of the processing facilities that excluded poor rural women. In other words, the project is not promoting a model of agro-processing industries that is adequate for the characteristics of rural women and their associations.

Ownership

Most of the projects showed a weak ownership, with government counterparts having a low involvement in project implementation, and sometimes having little information about the progress in the activities implemented. In most of these cases, the government counterpart contributed little or nothing with its own resources, and the perspectives of sustainability of goods and services generated by the projects were not promising. This problem related mainly to a low involvement of the government counterparts in the design stage and to institutional arrangements for project implementation that gave them a marginal role. In fact, projects were managed directly by UNIDO, and in most cases the PMU, Project Coordinator, or international CTAs were not based on the offices of the government counterparts. In some cases, the PMUs were located in UNIDO office in Maputo.⁵

The most important exception was the “Entrepreneurship Development for the Youth” project (TF/MOZ/07/003), which has shown high ownership in many ways, such as the active participation of the National Institute for the Development of Education (INDE) in the review of the curriculum and introduction of changes in it. Provincial governments participated very actively in the design and implementation phases. A previous project in the Cabo Delgado Province had introduced a pilot experience of a course on entrepreneurship to students in secondary school that became the basis of the design of the Entrepreneurship Curriculum Programme by the Ministry of Education. The expansion of the pilot experience from a small pilot experience in one province to the national level is a great demonstration of ownership. This relates to the great participation of the education agencies at the Provincial and National levels both at the design and implementation stages. In addition, the PMU of the Entrepreneurship Development for the Youth Project is located at the INDE’s offices in Nampula, Beira, and Maputo. Lastly, the project applied an important institutional arrangement, which consists of establishing 12 Technical Working Groups (one in each of the 11 provinces covered by the project and one at national level). The Provincial Technical Group is a body in charge of monitoring the programme and

⁵ This was the case of the “Business Environment Support & Trade Facilitation in Mozambique” (EEMOZ08001) and the project on “Enhancing the capacities of the Mozambican Food Safety and Quality Assurance System for Trade” (UE/MOZ/05/001)

dealing with the application of the methodologies of the course on Entrepreneurship. The Technical Working Groups have played a key role in the implementation of the project, and it has been instrumental in ensuring the participation of the national counterpart, thus contributing to the high ownership.

At the same time that most projects made few efforts to involve government counterparts in project design and implementation, it must be recognized that those counterparts in Mozambique were in general quite weak, and sometimes showed little interest to participate, being attracted to projects mainly when they could receive equipment and other “hardware”, instead of training and technical assistance. In addition, several partners had low budgets and limited staff, so they had limited capacities to follow up activities once the projects were completed. Thus, projects should carefully select counterparts, considering if they would have the adequate budgetary resources to follow up.

Effectiveness

The assessment of individual projects showed that their results in terms of effectiveness have been mixed. More than half of the projects were rated as low in terms effectiveness, while the rest was considered having had medium effectiveness. Most of the projects showed significant delays in their implementation, which affected the likelihood of achieving the expected objectives. The main reason for the implementation delays were the complicated and slow procurement procedures, but in some projects (the JP on Women’s Empowerment and the Business Information Centres projects) they related to technical problems faced during implementation. In the case of the JP on Environmental Mainstreaming, there were also problems due to procurement in interrelated programme activities being the responsibility of different agencies, so the activities suffered a lot when there was a delay in one of the involved agencies. In the case of one project (“Entrepreneurship Development for the Youth”, TF/MOZ/07/003), its evaluation found that the project approach to focus on technical assistance was very effective, but the targets that were defined by the design were too ambitious. It must be noted that INDE – the government counterpart— played an active role in project design and in the definition of the targets.

Efficiency

Evaluating project efficiency is usually difficult, as it requires not only having available precise information about the costs of different outputs and of the progress in their implementation, but also comparable data from similar projects and context. As said earlier, most projects of UNIDO in Mozambique had weak monitoring systems or did not have them at all. As a result, there was little

information available to be able to evaluate efficiency properly. For several projects, the absence or weakness of monitoring systems even affected the capacity to know precisely about the implementation of project activities. Most important, projects in UNIDO have a budget based on types of expenditures (budget lines) and do not show the cost of outputs. Therefore, evaluating efficiency would not be possible, even if better monitoring figures were available.

The mission found some indications of low operating costs, such as PMUs of a reasonable size in relation to the value of the projects. At the same time, there were indications of inefficiencies, in particular implementation delays (see table below) related partly with slow procurement, and in some projects with technical problems of implementation. It must be noted that the One UN Joint Programmes are doing well in terms of disbursement, but some have other important problems, as explained in their detailed assessment.

Table 5: Implementation delays of individual projects

Project	Start date	Planned compl.	Estimated end date	Delay	Budget extension (USD)
Rural business support centres	Sep 2006	Dec 2007	Dec 2010	3 years	107,000 (new funding)
ECP	Jun 2007	Jun 2011	Dec 2012	1 ½ years	no cost extension
BESTF	Jul 2008	Dec 2010	Jun 2011	½ year	no cost extension
Closed projects			End date		
Food Safety	Dec 2005	Dec 2008	Mar 2009	¼ year	no cost extension
NCPC (2nd phase)	Jan 2005	Dec 2008	Oct 2009	¾ year	no cost extension
Joint Programmes			UNIDO Delivery rate	Average delivery rate	
JP on Gender Equality	Sep 2008	Dec 2010	38.2%	25.3%	
JP on Youth	Aug 2008	Dec 2010	56.6%	43.1%	
JP on Environment	Jan 2008	Dec 2011	37.5%	37.6%	
JP on TCB	Dec 2009	Dec 2011	0%	5.2%	
<i>Source: Project Documents, Agresso, MDTF Office, interviews.</i>					

Impact

The assessment of individual projects showed that while they achieved several of the proposed outputs, only a few were successful in achieving their development objectives, and with regard to the ongoing projects, only a few had the perspective of doing so. The poor results in terms of impact relate both to design and implementation problems, including overambitious objectives, technical problems that affected key project outputs, inadequacy between proposed outputs and key development objectives, and institutional obstacles that affected the capacity to implement important project activities.

Sustainability

Although some projects performed well in terms of sustainability, sustainability of project achievements was an important challenge mainly because of low ownership.

The Entrepreneurship Development for the Youth project (TF/MOZ/07/003) has been the best one in terms of likelihood of achieving sustainability. This can be explained by the high ownership, which arose from the very active involvement of the Government both at the project design and implementation stages. The Government requested the project to support an existing programme that aimed at introducing changes in the curriculum programme at secondary education schools. During implementation, the Government contributed with several important inputs.

The Joint Programme on Environmental Mainstreaming and Adaptation to Climate Change in Mozambique (FB/MOZ/08/005) was also found to have reasonably good perspectives of sustainability because its efforts to train families that will remain in charge of the agricultural and industrial facilities. Meanwhile, the likelihood of sustainability of the Business Information Center generated by the Project on Renewable Energy Powered Rural Business Support Centers for Small Rural Enterprises and Communities in Off-Grid Regions (US/MOZ/06/A01, US/MOZ/06/001, and US/MOZ/08/008) has been estimated as high.

3.4 Global Forum activities

UNIDO defines Global Forum activities as *“those which are initiated by UNIDO (or the United Nations system) to exchange and disseminate knowledge and information, as well as facilitate partnerships producing an “output”, without a pre-identified client, which increases understanding of sustainable industrial development and solutions”*. They include regional forum and conferences, working groups, active participation in the UN activities, publications, presentations at external meetings, statistics and data collection, and conventions, norms and standards, among others.

The mission was unable to evaluate the contribution of Global Forum activities to solving development problems in Mozambique, as no records were found of Global Forum activities that could have benefit Mozambique, as well as their participants.

IV

UNIDO and the ‘Delivering as One’ process in Mozambique

4.1 The One UN process in Mozambique

The UN in Mozambique had already undertaken steps for a more coherent and harmonized delivery before the general UN reform took place. The first UNDAF was initiated in 1998 and the current (third generation) UNDAF, which covers the period from 2007 to 2009, has been extended to 2011, in line with Government requests. The UNDAF provides a strategic framework for the work of the UN in Mozambique, which is fully aligned in terms of cycle and content with Mozambique’s poverty reduction strategy (PARPA).

The Delivering as One (DaO) initiative constitutes one of the recommendations from the report of the High-level Panel on UN System-wide Coherence (HLP-SWC), which was published in November 2006. The Government of Mozambique submitted a request to participate and was officially designated as a “Delivery-as-One” (DaO) pilot country in January 2007. One of the key principles of the One UN in Mozambique was “strategic inclusiveness”, which means that all UN organizations, funds, and agencies should get the chance to actively participate in the DaO process, including the One Programme. UNIDO is one of the 19 participating agencies (9 resident, 9 non-resident, and the UN Capital Development Fund) in the DaO pilot. In Mozambique, the DaO initiative is implemented in the four different areas which were proposed by the HLP-SWC (2006): One Leader, One Programme, One Budgetary Framework, and One Office. Additionally, One Voice was included as a fifth area in Mozambique, in order to reflect the important role of a joint communication strategy.

One Leader

Under the One Leader concept, the empowered Resident Coordinator (RC) is expected to provide strategic leadership throughout the development programming process. He should work together with an empowered UN Country

Team (UNCT), developing synergies between various UN “assets”, and linkages between the UN entities with their respective mandates and other partners.

Before the launch of DaO, each UN agency operated through a vertical chain of command and UNDP was the dominant force in (informally) representing the UN towards the Government. With DaO, a cabinet model was adopted in which the RC acts as the “Prime Minister” and the UNCT members act as “ministers”. The RC does not need to be posted by UNDP and the One UN is based on the principle of a “firewall” that is supposed to separate the RC Office from the UNDP. However, UNDP is managing the RC system, is acting as an administrative agent (AA) in the One UN Joint Programmes, and the non-resident agencies still rely on UNDP for several administrative issues and for the provision of operational services. These factors lead to a continued “de-facto” leading role of UNDP in the One UN process in Mozambique.

One Programme

One Programme brings all members of the UNCT together under one nationally-owned strategy that draws on the full range of UN expertise. Since the DaO process in Mozambique was initiated after the third UNDAF (2007-2009) had been finalized, the One Programme was integrated into the UNDAF. Its eleven Joint Programmes in Mozambique are a sub-set of the UNDAF, covering around 25 percent of the total UNDAF resources. This is different to other pilot countries (e.g. Cape Verde and Tanzania), where all UNDAF activities had been taken over into the One Programme.

With regard to UNIDO, it is important to note that the launch of DaO also led to the inclusion of a fourth pillar – economic development - in the UNDAF. This was supposed to make the participation of specialized and non-resident agencies easier, and opened up many opportunities for UNIDO to contribute in its key expertise areas to the joint UN. UNIDO currently participates in four out of the eleven JPs, out of which three programmes address the UNDAF pillar of economic development and one of them (the JP on Gender Equality) is more active in the Governance pillar.

In order to be able to align the next One Programme again with national priorities, the UNCT decided to extend the current Programme until the end of 2011 (initially planned for 2010). The new Programme will start in 2012 when the next PARPA (III) is finalized. Since JPs ended up being the dominant UN framework, while UNDAF has been neglected since 2007, the plan for the future is to have a new set-up with the following three levels:

Table 6: UN frameworks

UNDAF	United Nations Development Assistance Framework	Outcome level
UNDAP	United Nations Development Action Plan (former One Programme)	Output level
Annual Work Plans and Budgets		Activity level

A *Programme Management Team* (PMT) composed of Deputy Representatives and Senior Programme Officers from all agencies has been established to support the development, implementation, monitoring, and evaluation of the One UN Programme within the Operational Plan of the UN in Mozambique 2007-2009, develop the Delivering as One UN Budgetary Framework, and provide inputs into the management of the One Fund.

One Budgetary Framework

One Budgetary Framework is supposed to bring together all contributions and to support the coherent resource mobilization, allocation and disbursement of donor resources to the DaO, under the direction of the RC. Within the One Budgetary Framework, One Fund was established and received the first funds in 2008. The One Fund had received more than USD 56 million by the time of the country evaluation:

Table 7: One Fund

Year	Amount (USD)	
2008	19,664,091	
2009	16,032,402	
	received	committed
2010	20,779,000	23,791,048
2011	0	2,560,241
total	56,475,493	62,047,782

Source: Multi Donor Trust Fund Office (as of 31 October 2010).

In total, six donors (Canada, Netherlands, Norway, Spain, Sweden, and United Kingdom) contributed around 50 percent to the One Fund, while the rest was funded through a special Expanded DaO Funding Window by the United Nations. It is important to note that in all programmes, agencies contributed also with their own resources. The JP on Environment is an exception since it is funded exclusively by the Millennium Development Goal Achievement Fund (MDGF), with more than USD 7 million.

One Office

The One Office concept in Mozambique is more symbolic in nature and does not refer to the sharing of common premises, as UN agencies are using their separate offices like before the DaO initiative. It means instead the use of common services and the harmonization of business processes. For that purpose, an *Operations Management Team* (OMT) was revived (it had existed prior to DaO). In addition, three working groups have been established under the OMT to address the issues of information and communications technology (ICT), human resources, and procurement/administration.

As a result, a common procurement platform under the lead of UNICEF and a common ICT platform were established. Other achievements in the area of common service include the establishment of a staff association and the use of a common travel agency, banking system, roster of translators and interpreters, standardized rates for consultants, synchronized pay periods, common vehicle plates, and common medical and security services outsourced to one sole provider.

An important issue, also for UNIDO, has been the introduction of the Harmonized Approach to Cash Transfer (HACT). When it was launched in the beginning of 2007, only four agencies participated, namely UNDP, UNICEF, UNFPA and WFP. UNIDO started shortly afterwards (in 2008) to test the HACT in Mozambique as a pilot.

The HACT is a new approach of transferring cash to implementing partners that aims at reducing the transaction costs of partners, implying a shift in financial management from control-based to managed risk, and increased ownership of partners (among which the GoM). The HACT approach uses macro and micro assessments to determine risk, as well as assurance activities (audits and spot checks). It also introduces a new harmonized format for implementing partners to request funds and report on how they have been used - FACE: Funding Authorisation and Certificate of Expenditures.

The macro assessment is a desk review of the existing assessments of the national public financial management system that takes place once per programming cycle. The micro assessment looks at the soundness of the implementing partner's financial management system and it is also carried out once per programming cycle. Since some partners may handle only small amounts of cash, there is a threshold of USD 100,000 below which they are not generally assessed.

Communicating as One

The overall goal of Communicating as One is “to provide a framework for speaking in a unified voice on how the United Nations in Mozambique contributed to poverty reduction by supporting national development goals”. The UN Communications Group (UNCG) and its joint annual Communication Work Plan (CWP) form the basis of the “Communicating as One” structure in Mozambique. The UNCWG brings together communication staff (or equivalent) from all the participating UN organizations.

4.2 One UN mechanisms at country level

The introduction of the DaO initiative in Mozambique opened up opportunities for UNIDO to participate increasingly in UN mechanisms at country level. However, UNIDO is listed as a non-resident agency and does not have a fully-fledged country office in Mozambique. This means that when it comes to an official representation toward the Government of Mozambique (GoM), the responsible officer is the RC. Therefore, although UNIDO is actively participating in the One UN, it officially does not have a formal representation.

The UN Country Team (UNCT) and other bodies

Before the introduction of the DaO, the UNCT used to be exclusively reserved for representatives of the UN funds and programmes, specialized agencies, and other UN entities accredited to a given country. At present, NRAs with letters of authorization are granted full participation at the UNCT, which is also the case for UNIDO. Shortly after the Head of UNIDO Operations (HUO) was appointed (November 2009), the UNIDO Representative (UR) forwarded a letter of appointment to the RC, permitting the HUO to represent UNIDO. This was an important step since the UR is located in South Africa and could not ensure consistent and systematic representation within the One UN at country level. The following table summarizes the most important governing and coordination bodies within the One UN, membership arrangements, and how far UNIDO participates:

Table 8: Governing and coordination bodies in the UN One in Mozambique and participation of UNIDO

Body	Function	Membership	UNIDO participation
UNCT	Interagency coordination and decision making body at the country level	Includes UN agencies with accredited international staff based in-country and those representing non-resident agencies with a decision-making role	HUO is fully flagged member of the UNCT as appointed by the UR to participate on behalf of UNIDO (letter of appointment 2009), UR attends UNCT events occasionally
PMT	Support development, implementation, monitoring and evaluation of the One UN Programme; development of the DaO UN Budgetary Framework; provide inputs into the management of One Fund.	Deputy Representatives and Senior Programme Officers from all agencies	HUO is member of PMT, used to be chair (until February 2010)
OMT	Identify options for more cost-effective operations of the UN activities in Mozambique	Senior Operational Managers	UNIDO does not participate, represented by UNDP
DaO UN Steering Committee	Policy guidance, programme design and delivery, monitoring and evaluation, resource mobilization, communication	Limited to ten representatives, five each from the Government and the UN (rotated once a year)	UNIDO does not participate

Source: Interviews and One UN 2010.

Joint programming – UNDAF

Before the introduction of the Joint Programmes, the UNDAF did not ensure active participation of the NRAs in the programming processes. This changed when in the course of the development of the One Programme the third generation UNDAF (2006-2009, extended to 2011) an economic development pillar was added to ensure increased participation of the non-resident agencies, including UNIDO. At the time of the country evaluation, the preparation of the next UNDAF had already started. As mentioned above, the idea is to merge the

One Programme and the UNDAF in order not to avoid having two parallel frameworks.

The HUU is taking part actively in workshops, meetings and seminars, especially with regard to the economic development pillar. The economic development pillar is being led jointly by FAO and WFP. Although UNIDO could have played an important leadership role, its limited capacity at the field level became an obstacle to play such role. In contrast, FAO and WFP have four-five experts each just for that purpose, thus dominating the leadership of the economic development pillar. Due to its limited technical capacity in Mozambique, where the whole programming process takes place, UNIDO cannot adequately respond to the challenges and is not able to provide all necessary and relevant inputs to the discussions. At one point, national and international UNIDO experts were invited, but they worked on project-specific issues and could not properly represent UNIDO and its thematic priorities. Another problem is that the UNDAF preparation is such a rapid process that inputs and feedbacks have to be provided in real time. There is no possibility to wait for HQ response, which in many cases takes far too long to arrive in Mozambique.

Participation in joint common services

UNIDO joined the HACT in 2008, but not much progress has been made so far. Six institutions (CADI, NCPC, IPEME, INNOQ, IPEX, and ATM) were appointed as UNIDO national partners and proposed for micro assessments. These assessments require a payment of around USD 2,000 per institution, and the evaluation team was told that they were not done due to the absence of an adequate budget line.

Another DaO initiative was the introduction of the common ICT infrastructure, which provides access to local intranet, database, backup systems, and privilege ICT technical support. UNIDO never signed the agreement, which was finalized in the beginning of 2001, since the ICT unit in Vienna preferred continuing using the UNDP infrastructure. The current fee is USD 1,500 annually, while the common ICT infrastructure would cost USD 16,04 per user per month (excluding other costs like equipment).

With regard to the joint communications strategy, it was noted that it is relatively difficult for UNIDO to participate effectively in the joint communications process because it lacks the technical capacities to do so. Other UN agencies have (sometimes several) Public Relations (PR) officers at the field level and can therefore better campaign for themselves and a prominent position in the communications strategy. The communications strategy is largely dominated by the agencies with strong field representations, so UNIDO attempts to include

industrial development issues (like the Africa Industrialization Day) have not received much support from the UNCWG. Furthermore, the UNCWG expects UNIDO to deliver articles that are more or less ready for press and the HUU cannot easily provide them due to other priorities.

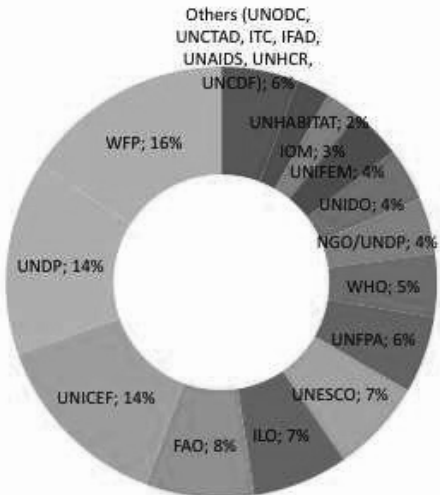
Financial contributions

The DaO also has financial implications for UNIDO. The One UN contributions have to be paid with the regular funds allocated to the UNIDO Desk (close to USD 37,000 in 2010). In 2010, UNIDO received an invoice by UNDP for USD 13,502, which was to cover for an emergency reaction unit, HACT micro assessments, UN Cares (workplace programme on HIV), UNDAF evaluation, and security. UNIDO was only able to pay around USD 9,000 and thus was unable to pay its HACT contribution. In addition, expenses for the UNDAF evaluation had to come from a different source. Although the evaluation team was told that all the agencies complain about expenses, UNIDO was always the only one that did not pay, which caused discontent among UN partners.

4.3 UNIDO participation in the Joint Programmes

Within the One UN, UNIDO is one of the nineteen participating agencies, out of which eight are non-resident agencies⁶. UNIDO received around 4 percent of the total approved budget of the One UN Fund since the start of the Joint Programmes in 2007. This is similar to the amounts received by WHO and UNIFEM and slightly more than what other non-resident agencies (IFAD, UN-HABITAT, UNHCR, UNODC, and UNCDF) received.

Figure 2: Share of approved budget (One UN Fund) per agency



Source: Multi Donor Trust Fund Office (UNDG) as of 31 October 2010 and Agresso.

⁶IFAD, ILO, UNIFEM, UN-HABITAT, UNHCHR, UNIDO, UNODC, UNCDF

Out of a total of eleven One UN Joint Programmes, UNIDO participates in four. Three of them are to a large extent funded by the One UN Fund (please see the table below).

Table 7: Joint Programmes in which UNIDO participates

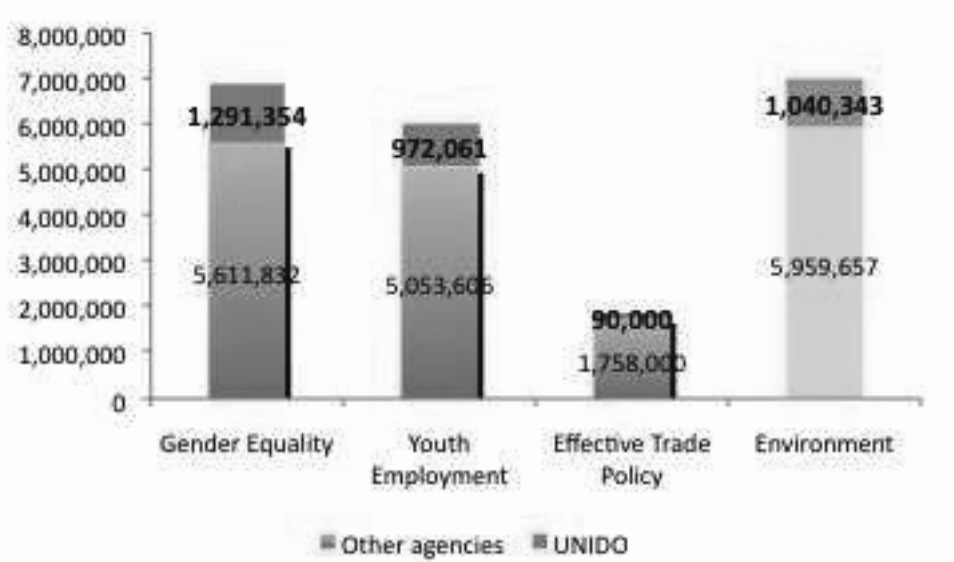
	Joint Programmes			
	Gender Equality	Youth Employment	Effective Trade Policy	Environment
UNIDO project title	Processing of selected agricultural produce for employment creation and income generation with a focus on women	Promotion of Youth Employment	Increased supply capacity for agricultural and fishery products	Joint Programme on environmental mainstreaming and adaption to climate change in Mozambique
Source of funding	One UN	One UN	One UN	MDGF Fund (Spain)
Coordinating counterpart	MMAS	MINEC	MIC	MICOA
Lead agency	UNFPA	UNDP/UNCDF	UNDP	FAO
Other UN participating agencies	FAO, ILO, UNDP, UNESCO, UNICEF, UNIDO, UNIFEM, WHO	ILO, FAO, UNESCO, UNHCR, UNIDO	FAO, ITC, UNCTAD, UNIDO	UNDP, UNEP, UN-HABITAT, UNIDO, WFP
Approved budget (USD) from the One Fund/MDG-F	6,903,186	6,025,667	1,848,000	7,554,200
UNIDO share (USD)	1,291,354	972,061	90,000	1,011,330
% UNIDO	18.71%	16.13%	4.87%	14.86%
Starting date	May 2007	Dec 2008	Nov 2009	Sep 2008

Source: Joint Programme Documents, Multi Donor Trust Fund Office (UNDG) as of 31 October 2010.

So far, the approved funding for UNIDO activities in the three One Fund projects in which it participates is USD 2.3 million, whereas its planned budget for these projects amounts to USD 5.3 million, leaving a significant funding gap (budget not covered by the One Fund). Generally, UN agencies are expected to contribute with their own resources or raise funds individually in order to cover for the funding gap. So far UNIDO has not provided any own funding, in contrast to other UN partners. This makes UNIDO completely dependent on the One Fund and its specific disbursement modalities. In addition, UNIDO participates in the “JP on Environmental Mainstreaming and Adaption to Climate Change”, which is funded

by the Spanish MDGF. The figure below provides an overview of the approved budgets and UNIDO share thereof for the four Joint Programmes in which UNIDO participates.

Figure 3: Approved budget for Joint Programmes in USD



Source: Multi Donor Trust Fund Office (UNDG) as of 31 October 2010.

The next section gives a brief overview on the four different JPs in which UNIDO participates.

JP on Women’s Empowerment and Gender Equality

The Joint Programme on Gender Equality is among the largest programmes in Mozambique, with a total budget of more than USD 6 million. Since it is a cross cutting issue, a total of nine different agencies (FAO, ILO, UNDP, UNESCO, UNFPA, UNICEF, UNIDO, UNIFEM, WHO) are participating, making it the JP with the highest number of different agencies. UNFPA acts as the convening agency. An assessment of this JP is presented in Annex A.

The UNIDO project emerged from an agro-processing project designed in 2003 in response to a request from the MIC, which was concerned about large amounts of post-harvest losses. The project had a focus on supporting people infected with HIV/AIDS and was supposed to be funded by the Government of Spain. This never materialized and the project was only revived when the funding opportunity from the One UN arose. The HIV/AIDS component was simply replaced by a gender component, and the project in turn managed to obtain the largest share of funding within the Joint Programme. The JP has gotten three different components – gender governance, economic development (access to business and financial services) and gender-based violence – out of which UNIDO is active

in the economic development component. The substantive role for UNIDO (as defined in the programme document) is to “implement and provide technical support in the area of income and employment generation through the establishment of sustainable pilot demonstration and productive units”.

Although initially planned, a UNFPA programme coordinator was only assigned in August 2010. In terms of coordination, there are frequent (but not regular) meetings of the focal points of the participating agencies. Before the HUO was assigned, the UNIDO Programme Coordinator had been involved in these meetings. However, the evaluation team was told that UNIDO was absent for a long time (about five months) before the national expert of the UNIDO project “Processing of selected agricultural produce for employment creation and income generation with a focus on women” was assigned as focal point (in August 2010). Since the programme encountered difficulties in terms of cooperation, it was also decided to create smaller subgroups for each component in March 2010.

The evaluation team noted that apart from the relatively weak coordination among agencies at field office level (Maputo), there is not much cooperation in the field either. At the two project sites where UNIDO operates (Ribaué and Chokwe), no evidence was found of the presence of other UN agencies. Chokwe District was not even selected as a focus district of the JP, and the selection of that location was not clear to others. Although FAO also provides technical support to women groups and associations in the area of agricultural production, no initiative has been taken so far to discuss the potential for cooperation with UNIDO.

UNIDO is viewed as working in isolation from the other agencies, and other programme partners do not seem to be well informed about its activities. Additionally, there is some ambiguity as to how far UNIDO project will be able to contribute to the JP’s objectives. It was criticized that the gender aspect in UNIDO project was not very strong and that the JP should not be merely seen as a way to include a gender dimension into one’s project.

The assessment of the JP by the evaluation team found that the main strength of the programme and UNIDO activities has been its relevance to national policies, beneficiary problems, and the international development agenda. However, low ownership by the different stakeholders and technical problems partly related with the lack of feasibility studies for the proposed agro processing industries have led to implementation delays that have affected negatively effectiveness, and they are likely to cause low efficiency, low impact, and low perspectives of sustainability (see more details in Annex A).

JP on Promotion of Youth Employment

The JP on the Promotion of Youth Employment started implementation at the end of 2008. It involves six different agencies (UNDP, ILO, FAO, UNESCO, UNHCR, UNIDO) and the United Nations Capital Development Fund (UNCDF), and is led by UNDP/UNCDF. Each agency is supposed to have its own role within the programme: ILO works on policy formulation and training, UNDP together with UNCDF focuses on micro credit, UNESCO is active in cultural and artisanal education, FAO supports youth farmers, UNHCR supports young people in a refugee camp located in Nampula, and UNIDO part is to support young entrepreneurs.

Although the programme was designed in 2007, it was only approved in 2008 and this was followed by one more year of further specification. Initially, UNDP and ILO were defined as coordinators, and a programme coordinator paid by ILO and located at UNDP was hired. However, after only one year his contract terminated in the beginning of 2009 and since then coordination has been very weak. Only in 2010 the Steering Committee and the Technical Committee were revived, after having been inactive for around one year. Since then the HUU participates in the meetings, but it was mentioned that being a “one man show” there are also other priorities. The evaluation team was told that although the idea was to complement each other and to join forces, this did not materialize. “Each agency still does its own thing”, and no joint monitoring or field visits have taken place. Although results have been achieved, this did not happen in a joint manner.

Annex A provides details about the activities carried out by UNIDO under this JP. The evaluation team found that these activities have been suspended since October 2009, when UNIDO decided to cancel the participation of CADI - which was the main implementing partner - as a result of administrative problems, namely the absence of a clear contractual relationship with UNIDO. The evaluation mission found no clear indications of what alternative arrangements would be made for the rest of the implementation, and if changes would be introduced to the original design of UNIDO activities. Based on this situation, it is likely that UNIDO will not receive at the moment additional One UN funds for this JP.

JP on Building Capacities for Effective Trade Policy Formulation and Management

This JP was approved in August 2009 and the first disbursement was only made in November 2009. The JP involves five different agencies (UNDP, FAO, ITC, UNCTAD and UNIDO). UNIDO role is to provide support to strengthen industry to

increase production and meet international product standards. Although the initial budget for UNIDO intervention was planned to be around USD 1.6 million (out of which around USD 150,000 would be allocated to activities by FAO and ITC), only USD 90,000 had been approved and transferred to UNIDO at the time of the evaluation.

In 2009, neither the planned Steering Committee nor the Technical Committee were established and were therefore not operational. The Steering Committee only met once in 2010 and it had an informal character and only limited participation. The reasons for the non-realization of management and coordination arrangements were the late approval of the Programme, the late assignment of coordination responsibilities within the lead agency, and the pressure to quickly spend the resources that were disbursed late.

JP on Environmental Mainstreaming and Adaptation to Climate Change

The experience in the JP on Environment is very different from the experience in other Joint Programmes in which UNIDO participates, starting with the formulation through to the management. The JP on Environment is one of the two JPs in Mozambique funded by the MDG Achievement Fund created by the Government of Spain. With a total value of USD 7 million, the JP is implemented by six agencies with FAO acting as the joint programme coordinator. The JP originated from a call for proposals in 2007 in which all the agencies participated and worked together with the main counterpart, MICOA. The project was approved in January 2008 and started implementation in September 2008. Initially the programme considered more populated areas in the Limpopo River Basin.

Out of the four Joint Programmes in which UNIDO participates, this is by far the best coordinated one. The JP immediately hired a Programme Coordinator who organizes meetings, monitors (as far as the limited funds for monitoring allow), and acts as a focal point for the Government. The most important coordinating body is the Programme Management Committee (PMC), which includes members of each agency, counterparts, and sometimes local and provincial authorities. UNIDO is represented by the HUO and the UNIDO national project manager. The PMC decides on all technical matters and meets about every three months (the seventh meeting was being planned during the country evaluation). Since there is no Steering Committee in place, the PMC also deals with strategic issues made possible because it includes several GoM counterparts. The evaluation team was also informed that in order to make the involvement of Government at the local level easier, PMC meetings would take place in the future in Xai-Xai (closer to Chicualacuala District).

Although coordination is generally going well, the programme is behind schedule mainly due to the different and complicated procurement procedures of the different agencies. Since several activities are done by more than one agency, delays on the part of one agency (mainly for reasons linked to procurement) have a knock-on effect on the work of other agencies. For example, FAO's drip system can only be constructed once UNIDO solar panels are ready, which in turn require an assessment of water supply that can only be done once a hole is dug by a UN-HABITAT subcontractor. In light of the complications arising from joint implementation, the idea for the next programmes is to do joint planning and monitoring but to only have one agency implement one activity.

4.4 Challenges for UNIDO in the One UN

The One UN is an “unstoppable train”, as one of the UN officers interviewed by the evaluation team put it. As a new reality for UNIDO, the pilot initiative in Mozambique should be seen as an opportunity to learn and to further improve UNIDO participation in the One UN. The following section provides a number of issues that are affecting UNIDO work within the UN system in Mozambique:

UNIDO's centralized business model vs. One UN country level mechanisms

The biggest problem of UNIDO participation in the One UN coordination mechanisms is that the One UN basically takes place at the field level. UNIDO business model, in which managers at HQ concentrate all decision-making authority, makes it difficult to participate fully in the One UN framework. It would be really costly for project managers to travel from Vienna to be present in Steering Committees, technical committees, and programming meetings. In addition, although they have great technical knowledge, several of the project managers are not familiar with the national problems and would not be able to productively participate in discussions at the country level. The presence of a UNIDO Desk helps solve the problem partly, but the HUC would need to have more decision making power when participating in the JPs and other coordination bodies and to receive more inputs from the project managers.

Increased workload vs. capacity at country level

The One UN gave UNIDO the opportunity to actively participate in the policy dialogue process and in programme planning and implementation. The recent report on non-resident agencies in the DaO in Mozambique notes that there is increased demand from the Government on specialized agencies to provide technical inputs. Although the One UN gave UNIDO the unique possibility to

achieve higher visibility and increase its participation, it also put a significant workload on the field level related with inter-agency coordination and planning meetings.

The UNIDO Representative in the Regional Office covers around ten different countries and does not have the time and capacity to engage in the One UN discussions at country level. The UNIDO Desk in Maputo consists of the HUU, a secretary and a driver, and was therefore described by several people of other UN agencies as a “one man show”. Although the HUU is being perceived unanimously as a very competent and active member of the UNCT, he cannot devote himself solely to the One UN and often does not have the authority to make decisions. As it will be explained in chapter 5, the HUU faces a lot of administrative work on his desk as well as demands for support (monitoring and implementation) from HQ. As a result, he is often physically not able to represent UNIDO in the UN, having to spread himself very thinly on important functions like the UNCT, the Programme Management Team, Joint Programme meetings and at the time of the evaluation also the preparation of the UNDAF.

Thus, there is a risk that the limited capacity will lead to a failure to meet the Government’s and other stakeholders’ expectations. UNIDO would need to commit enough human and financial capacity to the field level in order to be able to participate in the discussions and decisions in important issues. However, in light of a zero growth budget, the UNIDO Desk may not be endowed with more resources soon. An option could be to more clearly define the responsibilities of international/national project experts with regard to their participation in technical and informal JP meetings. With the exception of the JP on Environment, UNIDO has had a relatively low profile in JPs. In the JP on Gender Equality, only recently a national expert started participating in meetings. In the JP on Youth Employment, the implementing arm of UNIDO (CADI) suddenly disappeared from the scene when UNIDO decided to terminate its participation at the end of 2009. Meanwhile, UNIDO has not touched base yet with the other implementing partners in the JP on Trade Policy.

Disbursement of multi-donor trust funds

All of the project managers have mentioned the difficulties arising from the specific modality of funds disbursements for the Joint Programmes. As opposed to other agencies, UNIDO does not contribute with its own resources to the JPs and therefore completely relies on the funds allocations from the multi-donor trust funds (One Fund and MDG-F).

Funds for the JPs are allocated two times a year (1 January and 1 July) but only if the JP seems satisfactory, meaning that it has reached 70 percent of delivery against the Annual Work Plans. JPs that have a delivery rate of between 50 to 70 % are cautioned to increase the speed of implementation and delivery of results and are then closely scrutinized for subsequent allocations. If progress is deemed “unsatisfactory”, i.e. under 50 %, the JP is advised that subsequent allocations of funds may be restricted should implementation not improve in all components of the Joint Programme.

Due to the dependence on other JP partners, funds are not always being allocated as foreseen. This may lead to delays in the procurement process, as no purchase can be initiated without the guarantee that there are sufficient funds. Agencies like FAO do not face these problems, since they can obtain pre-funding from their regular budgets and don't have to wait for the One UN funds.

Weak coordination

Within the JP on Environment, agencies already cooperated at a very early stage to submit a joint programme proposal. However, the other JPs in which UNIDO participates were designed in a rush and the focus was not on joint planning, but rather each agency tried to obtain as much funds as possible. Individual pipeline projects were simply being taken on as components of One UN joint projects with no regards for what other agencies were doing. Since the exploitation of synergies, the specific value-added of each agency, and coordination and cooperation mechanisms have not been considered at a design stage, many JPs have struggled at a later stage. Only two JPs have had a programme coordinator, out of which one was only hired three years after the start of the JP. In most cases, the Steering Committees and Technical Committees foreseen only meet occasionally and in some cases have never met.

However, this not only can be explained by a weak design of the programmes. Many people interviewed (UN employees, donors, counterparts) also referred to a still existing resistance of the UN agencies to work together. It was mentioned that the UN agencies “are fighting for the same money”, that “it depends on how good you are at grabbing”, and that no clarification with regard to the distribution of responsibilities has been done within the One UN. Therefore, although in theory there should not be much overlap (except maybe with UNDP which has

got a broad mandate), in practice the UN agencies frequently behave as competitors.

UNIDO's positioning/relevance

UNIDO as a non-resident, specialized agency profited a lot in terms of visibility and inclusion into UN mechanisms at field level. The addition of a fourth pillar – economic development – to the UNDAF opened up a lot of opportunities for UNIDO. Whereas the average UNIDO project would have a budget of around USD 500,000, all JP projects have been bigger than USD 1 million.

UNIDO is able to contribute a lot with its expertise to the One UN. Specific JPs, such as "Building capacities for Effective Trade Policy Formulation and Management", combine the efforts and expertise of NRAs like ITC, UNCTAD and UNIDO, thus clearly demonstrating a leadership role. However, due to the fact that UNIDO has very scarce resources and is a fund-driven agency, its contribution is not always as relevant as it could be. In particular, with regard to the JP on Gender Quality, questions have been raised about UNIDO presence, while its absence in the JP on value-chains is surprising. UNIDO's participation in policy dialogue and programming does not happen in a very systematic manner, but in a fund-driven manner. This – together with the fact that UNIDO does not contribute with its own resources - negatively reflects on UNIDO image and makes other partners feel that UNIDO is using the JPs as a funding vehicle only, which is strictly against the principles of the One UN.

Since the One UN has been completely revamping the way UNIDO “does business” at the field level, there needs to be much more consideration for how to strategically address the participation in the DaO. At the time of the country evaluation, it seemed that UNIDO had been thrown into this new modality and does not have a systematic approach to One UN mechanisms, like the planning of the UNDAF or participation in the JPs.

Low involvement from HQ

Another issue that was noted by the evaluation team is the relatively low involvement and a lack of inputs from project managers at HQ. It is true that the One UN is mostly “happening” in the field, but project staff at the field level and the HUU need to receive more inputs from project managers in order to be able

to constructively contribute within certain mechanisms. The evaluation team had the impression that the HUU and formerly the Programme Coordinator are being seen as quite instrumental for “getting the big chunks of funding”. However, when it comes to providing (technical) inputs to programming and coordination meetings, project managers simply cannot always provide them timely. This has to do with their heavy workload (they sometimes manage around ten projects in different countries) and the fact that they cannot devote themselves to inter-agency coordination issues but have to focus on implementing. As one project manager rightly puts it: “I simply don’t have time for coordination”.

V

Management processes at the country level

This chapter focuses on the management processes at the country level, analyzing the main features of project management, including the institutional arrangements for project implementation, the characteristics and responsibilities of different actors in the monitoring and provision of technical support to project implementation, issues of procurement, the relationship between UNIDO and the Government, and the role of the UNIDO Desk in Mozambique.

5.1 Project management

The management of UNIDO projects in Mozambique has been characterized by the dominant role of project managers, who are based at UNIDO Headquarters in Vienna. Project managers have played an important role in the identification of potential project opportunities, the conceptualization of new projects, the preparation of project documents, and the negotiation of the new projects with donors. During the implementation phase, project managers also play a key role in the procurement of goods and services, being responsible for signing the obligation document (MOD) that initiates the contracting of consultants and procurement of goods. Project managers are also responsible for the relations with the government counterparts, for monitoring project implementation, and for providing technical support to the PMUs (when they exist), to the Head of UNIDO Operations (HUO) in Mozambique, and to the international and national consultants who are contracted for the implementation of projects.

At the field level, some projects have formalized PMUs whose composition varied, but usually included an international CTA or a national consultant who acted as Project Coordinator, and national consultants who had specific responsibilities, such as the implementation of project components.⁷ UN Joint

⁷ The ongoing projects that have a formalized PMU are the “Entrepreneurship Development for the Youth” project (TF/MOZ/07/003) and the “Business Environment Support & Trade Facilitation in Mozambique” project

Programmes have Steering Committees or Technical Committees, with the latter usually including a Programme Coordinator appointed by the lead agency, “focal points” or technical representatives of the other UN participating agencies, and representatives of the government counterparts. Project Steering Committees have representatives of the various stakeholders, meeting once or twice a year and having responsibility for more strategic decisions and promoting coordination between government counterparts, UNIDO, and other UN agencies (in the case of Joint Programmes), including the analysis of Annual Progress Reports and Annual Work Plans. The participation of UNIDO in the PMC and the PSC has been done by the HUCO, a National Project Coordinator (in the case of the MDG-F), and a national consultant (in the JP on Women Empowerment).

Several projects do not have a formalized PMU but a National Project Coordinator (as in the MDG-F project), but national and international consultants contracted by the respective project manager in order to carry out specific tasks during a short period of time (e.g. the JP on Women Empowerment) . One of the projects (“Renewable Power Business Support Centers”) has an international CTA living outside of Mozambique who visits the project area periodically and has contacts with the different project stakeholders.

To sum up, the management of UNIDO projects is very centralized—probably one of the most centralized in the whole UN system. As shown in chapters 3 and 4, this centralized decision making contributed to implementation delays, and it affected negatively the capacity to identify problems and put into practice solutions timely during implementation. The interviews carried out by the evaluation mission also showed that the centralized decision making made it more difficult the dialogue with government counterparts and other UN agencies in Mozambique in the context of the DaO process, which both involves almost daily contacts and meetings, as well as communicating in Portuguese language (most managers of projects in Mozambique did not speak the language).

(EEMOZ08001). The project on “Promotion of Economic activities in the Ilha de Mozambique and Mossuril districts” (US/MOZ/09/003) is also expected to have a PMU. The main completed projects that have had a formalized PMU were the project on “Enhancing the capacities of the Mozambican Food Safety and Quality Assurance System for Trade” (UE/MOZ/05/001) and the project on “Development of Micro and Small Industries in Zambezia and Tete Provinces” (TF/MOZ/05/003).

5.2 Procurement

This section focuses on general features of procurement in UNIDO projects in Mozambique, identifying some problems that affected the implementation of projects. These problems do not relate to the rules defined in the existing manuals, but on the actual experience of procurement of goods and services observed by the Mission in Mozambique.

- a) It was observed that the goods purchased by the projects, such as vehicles, computers, and equipment, often remained for too long the property of UNIDO, usually until the end of the project, when it was decided if they would be transferred to a specific government or non-government agency. This practice is different to what other agencies do, which transfer as soon as possible the goods to the counterparts, if not transferring the funds to them so that they do the procurement themselves. As it is shown in the assessment of projects in chapter 3 and Annex A, not transferring vehicles and equipment to counterparts had a negative effect on ownership and frequently kept UNIDO responsible for maintenance, even if counterparts have been using the vehicles or equipment for a long time.
- b) The procurement process was too long compared to what can be expected, becoming one of the reasons for the frequent delays that took place in the implementation of all UNIDO projects.
- c) Procurement practices made it difficult the access of local providers. Regardless of the clarity of existing UNIDO procurement rules, the mission found that the criteria applied in different projects to make their procurement locally or internationally were not clear. In addition, invitations for bidding were written in English, and interested suppliers had to present their offers in English. This excluded many Mozambican firms that use Portuguese as their main language, and increased the costs of those that would anyway present their offers. This led to the international purchase of equipment, while it could have been purchase nationally, reducing maintenance costs and helping generate positive project externalities.
- d) Government and the UN system argued that UNIDO contracting of human resources for project implementation was not always transparent, meaning that they found the selection process unclear. This related mainly with the process followed in the contracting of consultants, in which the mission found that project managers frequently contracted the consultants that they knew and trusted, so the selection did not follow a real competitive process. The difference between the rates paid to national and international consultants was also noted as a factor that excluded good national candidates, many of whom were not attracted by the rates paid to national consultants.

5.3 Payments and the creation of an Imprest account

UNIDO has recently implemented new procedures for paying goods in Mozambique, creating an Imprest Account that made it possible to make payments directly, without the participation of UNDP. The Imprest Account has already been established in about 20 UNIDO offices in order to save time and costs. When making a payment through the Imprest Account, a MOD is sent by a Project Manager directly to the UNIDO Desk, where the UNIDO Head of Operations enters the payment in the system. The second and final stage includes the online authorization of the payment by the Regional Representative of UNIDO in South Africa.

Payments through the Imprest Account are made only to providers of goods with a banking account in Mozambique, independently of the local or international nature of the procurement process. It must be noted that payments to human resources are not made through the Imprest Account but by UNDP. This is due to the fact that if any of the two officers who have to authorize payments is unable to do so, for example for being on annual leave, the payment cannot be made. Thus, it was decided to continue using the UNDP system in order to avoid potential delays in monthly payments made to consultants. The Imprest Account has been working with a maximum value of USD 40,000 per month.

The Imprest Account includes an account in Mozambican currency and in USD at the *Standard Bank Moçambique*, and an internet application that makes possible online payments. Creating the Imprest Account involved negotiations between the UNIDO Desk and the Bank, which developed an internet application that met the characteristics and security requirements of UNIDO.

The Imprest Account has made possible to reduce the time of processing payments when compared with payments made through UNDP. It also saves the costs of making the payments through UNDP. However, the mission found that it imposed additional responsibilities and workload on the UNIDO Representative and the HUIO, in a situation of an already heavy workload and limited human resources at both the UNIDO Regional Office and UNIDO Desk in Maputo. . In addition, there have been some minor problems during the first few months, including problems of the software (which the Bank was quick to resolve) and duplicate payments (which were also resolved). As said above, payments through the Imprest Account occasionally experienced delays because only two persons were authorized to sign the account and both of them were required to sign. Thus, there were some periods (e.g. when one of the two persons authorized to sign took his annual leave), when payments could not be processed.

To conclude, the implementation of the Imprest Account has been a positive development that should continue in the future. However, it requires some adjustments, in particular avoiding the type of delays in payments explained above, and alleviating the workload that it represents to the UNIDO Representative and to the HUU. This could be done by transferring the responsibility solely to the UNIDO Head of Operations of authorizing payments up to certain amount, and training the existing Administrative Assistant working at the UNIDO Desk in Maputo on the use of the Imprest Account.

5.4 Project monitoring and supervision

A monitoring system can be defined as a system that collects information about the implementation of a project, serving to report the progress in activities and results to different stakeholders, to verify if activities are taking place according to planned and having the intended results, and to identify timely problems that need to be corrected. Monitoring is usually carried out at the level of a project and of an organization. Meanwhile, supervision can be defined as the oversight by the agency (e.g. UNIDO) of the project implementation through periodic missions that verify if implementation is going according to planned, interact with government in the search for solutions to problems, and make recommendations to PMUs, thus having also an implementation support nature. Monitoring is usually the responsibility of project staff, while supervision is mostly done by the Organization (in the case of UNIDO, HQ based project managers).

In the case of UNIDO projects in Mozambique, only some of the projects have a monitoring system, with the great majority of them not having it. As a result, the availability of information about the progress of project implementation and about indicators that could serve to assess the progress towards the achievement of the project objectives is very scarce, to say the least. In general, the information found by the evaluation mission was limited and of low quality, not serving as an adequate management tool to identify implementation problems in a timely manner. It also constrained the possibilities of evaluating project impacts. One of the reasons for these problems is that project documents usually included neither a Monitoring and Evaluation Plan nor a budget for Monitoring and Evaluation.

With respect to supervision, the function is not formally used at UNIDO, though project managers and the HUU in Mozambique do carry out some of the functions defined here as supervision, such as periodic visits to verify the state of project implementation, the provision of technical support, and the dialogue with government counterparts. However, there are no specific definitions about the frequency of this type of missions and of the formats for reporting problems and recommendations to different stakeholders. Finally, it must be noted that the

HUO in Mozambique has neither the authority nor the funds to carry out a supervision function adequately.

5.5 The UNIDO Desk in Mozambique

At the beginning of 2009, UNIDO formally established a UNIDO Desk in Mozambique located in Maputo, created the position of a Head of UNIDO Operations (HUO) in Mozambique based at the UNIDO Desk, and selected and appointed a professional for this position. It must be noted that UNIDO had maintained an important presence in Mozambique for a long time, first through a Country Office (CO) with an internationally recruited UNIDO Country Director between 1991 and 1996, and later on through a JPO between 1997 and 1999 and a focal point (FP) in Maputo until 2009.

The UNIDO Desk functions in its own facilities, i.e. separated from other UN agencies. The evaluation mission found that these facilities, as well as the equipment (computers, communications, etc.) available to the office meet the necessary conditions for the office to carry out its tasks and responsibilities. Part of the building is occupied by the BESTF Project, which in turn has financed communications equipment and contributes partly with office expenditure. The human resources of the UNIDO Desk include the HUO, an Administrative Assistant, and a driver. The salary of the Administrative Assistant is covered partly by UNDP, while that of the driver is currently paid by one of the UNIDO projects in Mozambique.

The costs of the UNIDO Desk are covered by funds specifically directed to that matter (regular budget funds). In 2010, it had an approved allotment of USD 36,850 that represented about the same budget that the UNIDO office in Mozambique had before the formal creation of the UNIDO Desk. An important part of the budget (a total of USD 9,000 equivalent to 24 percent of the total) is allocated to UN Joint activities, while most of the rest involves basically the expenditures of office rental, utilities, and maintenance of equipment and vehicles. Besides these expenditures, only USD 2,750 is allocated to local travel, which is a very small amount considering the characteristics (number and location) of UNIDO projects in Mozambique.

The main functions of the UNIDO Desk include the following: a) contribute to UNIDO visibility, for example by participating effectively in local and regional industrial development events and short-term technical and strategic advisory services to government and private sector; b) contribute to TC project development and fundraising; c) participate effectively in UN initiatives at country level (UNDAF, One UN, etc.); d) promote Global Forum activities with direct link

to UNIDO priorities and to the potential increase of UNIDO portfolio in the region and worldwide; and e) effective management of technical cooperation activities and UNIDO office, including monitoring of TC implementation at the field level and participation in steering group meetings, management of the Imprest account, and local procurement and contracting, among others.

The Mission evaluated positively the work of the UNIDO Desk in Mozambique, considering the limited human resources and funds that it had available. The tasks that it performed better were the contribution to UNIDO visibility (in particular the relationship with Government), the participation in UN initiatives (in particular in the context of the DaO process), the support to project managers with valuable information about the political, institutional, economic, and social context in Mozambique, and the management of the UNIDO Desk, which included among other things the administration of the Imprest account. In contrast, the weakest functions were the promotion of Global Forum activities and the monitoring of TC projects. This was related to the following problems: a) insufficient funds for monitoring (USD 2,750 for local travel is a too low amount given the features of TC projects in Mozambique); b) insufficient human resources at the level of the UNIDO Desk, as it would not be reasonable to expect that one person can carry out all the expected tasks adequately; and c) insufficient training and technical inputs from Headquarters to the HUU to perform his tasks, as he did not go through an initial appropriate training and does not receive sufficient and timely inputs to participate in activities such as project steering committees. The two first problems suggest that UNIDO has set unrealistic objectives and functions for the UNIDO Desk, considering the human resources available.

At the time of preparation of this report, in the beginning of November 2010, UNIDO Director-General approved the integration of field operations and offices into the Programme Development and Technical Cooperation Division (PTC). Field operations and offices used to be located in the Regional Strategies and Field Operations Division (RSF). Thus, UNIDO Representatives and HUOs and their staff will now report to PTC. This measure, which is effective starting on 15 November 2010, aims at facilitating cooperation between UNIDO Headquarters and the field. In the particular case of the UNIDO Desk in Mozambique, it may create conditions for a higher decentralization of decision making, which this evaluation identifies as one of the measures that may help resolve some of the problems verified in UNIDO operations, such as the HUU's lack of authority over projects. Becoming part of the same Division, it should be less difficult to provide the HUU with such an authority and to decentralize other decisions and processes that are currently made at UNIDO Headquarters.

5.6 The UNIDO Regional Office

The UNIDO Regional Office in South Africa oversees the operations of ten countries including Mozambique. The main responsibilities over activities in Mozambique include the following: a) the Regional Representative was formally appointed as the leader of the Integrated Programme II; b) preparation of approved contracts; c) operation of the Imprest Account, jointly with the HUO in Mozambique; and d) dialogue with Government, UN agencies, and donors.

The mission found that the Regional Office faces as serious constraints as the UNIDO Desk (or even more serious) to carry out the expected tasks in Mozambique. First, the leadership over the IP II has faded under the emergence of One UN Joint Programmes that are part of the One UN process and of other ongoing projects that are not part of the IP II. Second, the provision of technical support to projects and the dialogue with government, UN agencies, and donors in Mozambique require a substantial amount of time and resources that are not available by the UNIDO Regional Office and its representative, especially considering that they have responsibilities over other nine countries that also demand time, efforts, and resources for travel. Third, the dialogue with Government in Mozambique requires not only time, but also adequate information about different developments in the country that is difficult to have being based outside the country. Fourth, the participation in the One UN process demands a substantial dedication, as it involves very frequent coordination meetings of Joint Programmes and the preparation and monitoring of the UNDAF, among other tasks. Fifth, the participation of the Regional Office in contracting and processing of payments represents an improvement when compared to carrying out those tasks at Headquarters. However, such tasks should be quicker if done at the country level, as demonstrated by the experience of other agencies.

To sum up, UNIDO Regional Office has formally played a role in the oversight of activities in Mozambique, but such role has been decreasing over time. This was as a consequence of the changes that have taken place as a result of the One UN Process and within UNIDO itself. The deepening of the One UN process in the next few years and the probably increasing demands for improving the performance of field operations is likely to further reduce the role of the Regional Office, while putting pressure for a strengthening of country offices and UNIDO Desks such as the one in Mozambique.

VI

Conclusions, recommendations and lessons learned

The recommendations presented in this chapter are made taking into account a future context that is dramatically different to the one under which the IP II was designed, in particular in relation with the increasing relevance of the One UN framework. This future context limits greatly the possibility of a programme of the characteristics of the IP II and poses challenges of coordination.

6.1 Conclusions

1. UNIDO projects in Mozambique have focused on important development problems in the country, including poverty, unemployment, low capacities of human resources, low quality standards of the local industry, weak capacity of government agencies for policy development, and potential environmental problems associated with industrial development. UNIDO projects were also relevant to government policies and priorities, being aligned with the major national policy documents (Agenda 2025, Poverty Reduction Strategies -PARPA I and PARPA II, Five-year Plans), as well as with sectoral policy documents (such as the Environmental Strategy for Sustainable Development and the Action Plan for the Adaptation to Climate Change). Projects were also relevant to the Millennium Development Goals, and to donors and the UN system. Finally, the thematic areas of projects related directly with recognized areas of expertise of UNIDO, such as trade facilitation and quality standards, introduction of environmental standards at the industrial level, and private sector development through micro, small, and medium-size enterprises.
2. In spite of the high relevance of most projects, UNIDO was not present in some important issues in Mozambique, including the building of capacities to assess the potential risks of foreign investment in industrial projects and better negotiate with investors; public-private partnerships (negotiation, evaluation, lessons learned, and policy development); and

value chains, especially the formulation, implementation of policies and programmes for the development of agricultural-based value chains.

3. In addition, some of projects showed a lack of coherence between the type of activities implemented and the proposed objectives and problems that they addressed. This was the case of UNIDO activities in two of the One UN Joint Programmes (the one on Women's Empowerment and the one on Youth Employment).
4. Most of the UNIDO projects showed weak ownership, with government counterparts having a low involvement in project implementation, and sometimes having little information about the progress in the activities implemented. This problem was related mainly to a low involvement of the government counterparts in the design stage and to institutional arrangements for project implementation that gave them a marginal role. Project management was centralized at UNIDO Headquarters, with a dominant role of Project Managers and an extremely limited role of national counterparts (with the exception of the Entrepreneurship Development for the Youth Project). Other important factors were the location of the project offices out of the premises of the government counterparts and the contracting of a CTA or international consultants who did not speak Portuguese, making it very difficult to communicate with counterparts.
5. Results were mixed in terms of projects' effectiveness, with some projects having important achievements, but a very high proportion falling behind expectations, being rated as low in their effectiveness.
6. The evaluation of efficiency faced problems related with the lack of adequate information, in particular about costs per output and about efficiency of similar projects from other agencies in a context similar to Mozambique. For several projects, the absence or weakness of monitoring systems even affected the capacity to have adequate information about the implementation of project activities. The mission found some indications of low operating costs, such as the fact that PMUs were of a reasonable size in relation with the value of the projects. At the same time, there were indications of inefficiencies, in particular implementation delays related partly to slow procurement, and in some projects to technical problems of implementation (e.g. buildings available that could not fit purchased agro-processing machinery due to the lack of an appropriate feasibility study).

7. The assessment of individual projects showed that while projects achieved several of the proposed outputs, only a few were successful in achieving their development objectives, and most ongoing projects had limited perspectives of doing so. This related both to design and implementation problems, including among others technical problems that affected key project outputs, inadequacy between proposed outputs and key development objectives, and institutional obstacles that affected the capacity to implement important project activities. In addition, sustainability of project achievements was in general an important challenge mainly because of low ownership.
8. Some projects can be considered as problematic and require urgent measures: the JP on Youth Employment and the JP on Women's Empowerment (see Annex A for details). The Business Information Centre project also has some problems demanding attention.
9. The problems and decisions regarding the participation of CADI in the Youth Employment Programme suggest coordination problems within UNIDO regarding the role of specific partners at the country level, as well as lack of coherence with key definitions made by the design of the Integrated Programme II. Private sector development was defined as one of the key areas of intervention at the design of the IP II, and AIMO and CADI were pointed out as private sector institutions that UNIDO would support and work with during the implementation of the IP II. CADI had been created with support from UNIDO IP I. Based on those definitions, CADI worked for several of the projects implemented under the IP II. In 2009, it was decided that CADI was not an adequate partner anymore for the JP on Youth Employment. At the same time, CADI continued to work for another UNIDO project in Mozambique (the Renewable Energy Powered Business Support Centres project) and was selected as one of the possible institutions in the country to be evaluated under the HACT mechanism. This suggests contradicting views from different UNIDO project managers on an institution that was once defined as a key partner.
10. The UNIDO Desk in Mozambique showed a good performance in relation to the contribution to UNIDO visibility (in particular the relationship with Government), the participation in UN initiatives (in particular in the context of the DaO process), the support to project managers with valuable information about the political, institutional, economic, and social context in Mozambique and the management of the UNIDO Desk (including among other things the administration of the Imprest account). The weakest functions were the promotion of Global Forum activities and the monitoring of TC projects.

11. Through the UNIDO Desk in Maputo, UNIDO participated in the One UN pilot initiative. In addition to being part of four One UN Joint Programmes, the Head of UNIDO Operations was part of the UN Country Team and was actively involved in the preparation of the next UNDAF. The participation of UNIDO is highly appreciated by other UN agencies. It is expected that the programming of the next UNDAF will integrate all the activities of the participating UN agencies, instead of the current 25 to 30 percent. Thus, the participation of UNIDO is very important, as the preparation of the UNDAF will define the problems and priorities that will be the focus of UNIDO work, as well as the type of projects and activities that will become UNIDO niche. This participation in the DaO mechanisms will require substantial efforts from the UNIDO Desk to ensure adequate representation of UNIDO competences in the UNDAF and the One UN Programme.
12. UNIDO was successful in participating in four of the eleven One UN Joint Programmes, and it was able to obtain a substantial amount of funding in some of them. However, JPs have posed more challenges and faced more severe implementation problems than typical UNIDO projects. An increased involvement in joint UN activities is likely to require additional efforts from those responsible for project implementation (be it HQ or field staff).
13. The observed results are related to several problems:
 - a) The design of several projects included objectives that were overambitious, considering the limited time span (usually three years) and difficult conditions related among other things to weak institutions and poor infrastructure in rural areas where some projects operate.
 - b) Government counterparts had a low participation at both the design and implementation stage, which helps to explain limited ownership. At the same time, it must be noted that in some specific cases, key decisions on the selection of project sites were left entirely to government and ended up compromising results.
 - c) With a few exceptions, PMUs and project staff were based outside government counterparts' premises. This contributed to the low participation of government counterparts in implementation and to low ownership.

- d) Projects were characterized by a centralized decision-making, with a dominant role of UNIDO Project Managers based at Headquarters. These managers were overburdened with a substantial number of projects in several countries, which contributed to making it difficult to respond in a timely manner to project implementation problems.
- e) Procurement procedures contributed to slow implementation, and made participation of local providers difficult. The rules applied in different projects to make their procurement locally or internationally were not clear. In some projects, equipment had been purchased internationally, while it could have probably been procured locally at a lower price and with a local technical service easier to access. In addition, invitations for bidding made by UNIDO were written in English, and interested suppliers also had to present their offers in English. This excluded many Mozambican firms that use Portuguese as their main language, and increased the costs for those that presented their offers.
- f) UNIDO contracting of human resources for project implementation was not always transparent, meaning that the selection process was found to be unclear. In addition, the difference between the rates paid to national and international consultants was also noted as a factor that excluded good national candidates, many of whom were not attracted by the rates paid to national consultants.
- g) Projects did not take advantage of the possibilities of coordination and synergies between different UNIDO projects working in the same or similar issues. This is related to the great geographic dispersion of project sites and the lack of specific mechanisms for coordination and synergies. Potential coordination and synergies with projects from other agencies were also not promoted.
- h) Some of the projects faced technical problems during implementation that could have been prevented, such as the inappropriate selection of equipment or of project site location. Some of the problems should not be expected from an organization specialized in industrial development issues like UNIDO.
- i) Two of the problematic projects have been inherited by their current Project Managers after the original manager who had designed them and had started their implementation retired. This suggests that the handover of projects in such cases was not very well done.

- j) The emphasis on disbursement sometimes affected the quality of project interventions. This affected in particular the One UN Joint Programmes, as the allocation of funds for a particular period depended on the performance of disbursement in the previous period. The JP did not have monitoring systems that served to adequately verify the progress of implementation in terms of (quality of) results. As a result, implementation performance ended up being measured mainly in terms of financial execution and disbursement.
- k) The lack of project monitoring systems and a systematic of project supervision contributed to a low capacity to identify problems during implementation in a timely manner. Project documents usually included neither a Monitoring and Evaluation Plan nor a budget for Monitoring and Evaluation. The UNIDO Head of Operations was expected to do monitoring and supervision, but had an extremely low budget for traveling and little time for the job.
- l) The functions and objectives set to UNIDO Desk were unrealistic, considering the limited funds and human resources that it had available. In addition, insufficient training and technical inputs were provided to the HUU from Headquarters to perform his tasks.

6.2 Recommendations

This section presents a set of recommendations to improve the operations of UNIDO in Mozambique, taking into account the problems identified by the evaluation and the factors explaining them, as well as the lessons from cases that worked well and led to positive results. In the particular case of the UNIDO Desk, recommendations are based upon two scenarios that consider basically the possibilities of providing or not additional funding to the UNIDO Desk.

On the design of a new programme and projects in Mozambique

- a) Future activities of UNIDO in Mozambique should be guided by a country programme document that defines the major objectives of UNIDO activities in the country and the main areas in which UNIDO will operate, considering the country challenges, the government policies, and the opportunities for UNIDO contribution. This strategic document should be aligned with the One UN programming exercise in Mozambique, and the outputs defined in the context of the next UNDAF.

- b) The future country programme document should define clearly the mechanisms for an adequate involvement of Government and counterparts in project design and implementation. In addition, it should pay less attention to the detailed planning of individual interventions (which should be done through specific project documents later on) and instead concentrate on defining the country programme management mechanisms, including coordination with the one UN system, the Government, other donors, and civil society organizations.
- c) UNIDO in Mozambique should increase the focus of its activities in fewer areas of expertise in which it is well known by Government and other donors for having a good expertise and for having done well in the country (development of entrepreneurship capacities among young students, trade and quality standards). It should also have a higher geographic concentration of its projects, in order to decrease costs of supervision and increase possibilities of coordination and synergies. All this would require providing the UNIDO Desk in Mozambique with the power and resources to design and implement such a focused strategy, as proposed in the recommendations for the UNIDO Desk offered under Scenario 1 below.
- d) Considering the small budget of most TC projects, they should focus on innovative practices, testing them and promoting their upscaling into new policies if successful.
- e) The quality of project design should be improved. Issues that deserve attention include having more realistic objectives and outcomes, better constructed logical frameworks, appropriate budgets for monitoring systems, well defined mechanisms for coordination and synergies with other projects, and making sure that best practices from other projects are applied, in particular from the own experience of UNIDO in other countries (lessons learned).
- f) The review process of project documents should be improved in order to increase the quality of design. This could include external reviewers with an expertise on the thematic area of the project and on the country.

On project implementation

- a) Wherever feasible, the Project Management Units should be located in the premises of government counterparts, in order to increase ownership.

- b) Projects should involve as much as possible government counterparts in the implementation of project activities, transferring them funds for that matter, under the condition of following specific procedures and the establishment of controls, such as external audits, supervision by UNIDO of technical and financial aspects of implementation, and UNIDO control in the process of contracting (review of TOR, participation in procurement review committees, etc.).
- c) When procurement of vehicles and equipment is made directly by UNIDO, transfer them to beneficiary agencies as soon as possible, in order to increase ownership and sustainability of the project.
- d) Take steps towards national implementation carefully, previously assessing capacities of selected national counterparts, taking advantage of the HACT.
- e) Increase communications with the MIC, informing as much as possible about the progress in the implementation of the IP II and individual projects.
- f) UNIDO should explore the possibility of using regular funds to prefund projects of the DaO initiative to avoid problems of delays in the disbursement of the assigned funds (as done by other participating organizations in the Joint Programmes).

On project monitoring and supervision

- a) Each project should establish a monitoring system based on its logical framework and results-based indicators. This requires including in the project document a budget for monitoring and the contracting during project implementation of a specialized person in charge of collecting the necessary information to report the expected results. If this is not possible, one person in the field office should be tasked with the monitoring of several projects.
- b) Projects would benefit greatly from a systematic project supervision carried out by UNIDO, which serves to periodically (e.g. every six months) collect and report information to UNIDO and provide technical support to implementation, identifying problems and constrains and making recommendations to solve them. Supervision modalities could vary

(UNIDO Desk could play a role, network of specialists at national and regional level).

On the UNIDO Desk

Scenario 1: Additional funds (for example from overhead costs of projects in Mozambique) are used back to support the field office

- a) Increase the role of the UNIDO Desk in project identification, project appraisal, implementation support, and supervision of project implementation.
- b) Strengthen its availability of human resources, incorporating at least one national officer with expertise in financial issues who could perform supervision of financial aspects of projects' implementation, provide support in financial issues to ongoing projects and government agencies implementing project activities, and operate the Imprest account.
- c) Contract a consultant to perform the function of project coordinator, with the responsibility of project supervision, identifying needs for technical support to project implementation, and promoting measures for better coordination and synergies. This position could be paid from a contribution from ongoing projects. The respective allotment should be managed by the UNIDO Desk in order to ensure flexibility and quick action if needed.
- d) Increase the involvement of the HUU in implementation, transferring at least part of the responsibilities for recruiting consultants and purchasing equipment from the HQ based project managers. Also delegate authority to the UNIDO Desk on payments and on procurement of goods and services up to a certain amount; on participation in project steering committee meetings (under guidance of project managers); and on proposing/managing mechanisms for coordination and synergies .
- e) Ideally, taking into account the importance of the total UNIDO portfolio in Mozambique and the characteristics of the One UN process in the country, the UNIDO Desk should be upgraded to a full-fledged UNIDO Country Office with a formal UNIDO Representative.

Scenario 2: No additional funds are available

- a) Focus the role of the UNIDO Desk on the participation in the One UN processes the identification of project opportunities, the review process of

new projects, the participation in project steering committee meetings, under guidance of project managers, and carrying out dialogue with Government and donors present in the country. For the latter, the Head of UNIDO Operations in Mozambique should be formally empowered to carrying out such tasks.

- b) Delegate authority on payments as well as on procurement of goods and services up to a certain amount.
- c) Ensure that the UR of the Regional Office in South Africa is officially accredited as soon as possible in Mozambique.

On specific ongoing projects

Joint Programme on Youth Employment:

- a) This project requires urgent attention, defining and putting into practice as soon as possible an alternative strategy for its reorientation. This strategy should include especially the review of the original objectives and outputs, the selection of those that are considered as still valid and realistic to be accomplished (eventually redefining some of them), the selection of new partners, and the coordination of activities with other UN agencies participating in the JP.
- b) Ideally, the responsibilities for the management of this project should be transferred to the same manager in charge of the Entrepreneurship Development for the Youth Project. The activities carried out under the JP in Youth Employment could be added as an employment creation component to that project, focusing on helping students who graduate from the course on Entrepreneurship to start up their own business. This would facilitate the creation of complementarities and synergies between the two projects.

Joint Programme on Women's Empowerment and Gender Equality

- a) Efforts should be made to ensure that the fruit processing industry in Chokwe and the cassava industry in Ribaué are managed in a professional manner that ensures their sustainability and that they have positive impacts on local women. The following specific measures are recommended: (i) to hire experienced managers for both industries; (ii) to allocate funds for working capital for the purchase of raw materials used by the industries; (iii) to coordinate actions with FAO (which is part of the

same JP) to support agricultural producers of fruits and cassava in the respective areas where the industries are located; (iv) to promote the participation of women associations in the respective regions as providers of raw materials to the industries, including activities to strengthen their organization and their agricultural production; (v) to privilege women in the selection process of workers for both industries; (vi) in the case of eventually promoting additional agro processing industries, work with a model that is based on the transfer of the agro processing facilities to local women associations; select small-scale equipment that is appropriate for its management by those women associations and other small-scale producers, less costly and easier to repair; coordinate with FAO or other institutions the provision of technical support to producers of the industry's raw materials; and carry out detailed feasibility studies of the projected industries, including especially the local availability of raw materials, the market perspectives of the products to be produced, the analysis of appropriate institutional arrangements for the operation of the industry, and the assessment of potential impacts on women.

Renewable Powered Business Information Centres

- a) The Business Information Centre (infrastructure and equipment) should be transferred formally to AGEMO as soon as possible.
- b) A project document that would be presented to GEF for applying for funding for additional Business Information Centres and the eventual implementation of such project should take into account the experience of the project in Mocuba. In particular, it should select the location of the BIC carefully, focusing on sites where there is a substantial potential demand from small entrepreneurs. In addition, its construction should be based on local materials, and the institutional set up should involve a local organization to which the property, operation and maintenance of the centre can be transferred as soon as possible.

6.3 Lessons learned

- a) Projects that were successful in promoting policy changes at the national level were based on previous small pilot projects that tested innovations (introduction of entrepreneurship course in secondary schools, one-stop shops for small businesses) at a local level. This experience shows the great impact potential on policy of small projects that test innovative

solutions to relevant development problems at a small, local scale. UNIDO should focus more on this type of projects with great impact potential.

- b) UNIDO in Mozambique implemented different types of projects, with some of them testing new approaches (so that they could be considered as a pilot) and some applying a tested approach. The project design should explicitly distinguish the different natures and approach of these projects in their objectives, outputs and outcomes. Pilot projects as the ones mentioned in the previous point should include monitoring and evaluation activities that help identify positive results, challenges, and lessons from the experience, as well as workshops to discuss results and other policy dialogue activities based on the project experience.
- c) Local (provincial) governments were key partners of the most successful projects during their pilot stages, being initially more interested and open to work with the testing of innovations that could contribute with the development of their provinces than the national government, which tends to be more concerned with national policies. This suggests that local governments may become interesting partners for small pilot projects focused on testing institutional and other types of innovations. Counterparts at the level of the national government should be incorporated in joint monitoring and evaluation activities and in policy dialogue for the potential scaling up of the tested experiences.
- d) The more successful projects have been characterized by high ownership by government counterparts, which was explained by their active participation in the design and implementation stages and in the location of PMUs and project staff in their premises. All this facilitated the participation and learning by the counterparts and their staff. This confirms the need to make substantial efforts to increase the involvement of government counterparts in project design, to establish mechanisms for their participation during implementation, and to avoid the location of PMUs and project staff out of their premises. Higher participation of government counterparts in implementation would also involve a higher involvement in key decisions, including the selection of project staff and procurement.
- e) The quality of project staff at the field level is essential for project performance and results. Although this may seem obvious, the evaluation found that projects in Mozambique not always made a good selection of capable international CTAs and of international or national consultants,

and government counterparts found the selection process not to be transparent enough. This confirms the need to emphasize the selection of adequate professionals for the positions, involving as much as possible government counterparts in the selection process.

- f) The great differences in daily fees paid to local and international consultants of similar background has shown to reduce the possibilities of attracting local capable and experienced professionals in the selection process of project staff. These differences should be reviewed, in order to increase the pool of capable candidates for the different positions sought.
- g) The experience of projects in Mozambique has shown that decision making about project design (including project identification) and implementation should be more decentralized, with higher involvement of UNIDO field offices and higher involvement of government counterparts, as mentioned above. Decentralized decision making should have positive effects on the quality of project design, the speed of implementation, and the capacity to identify and solve implementation problems timely. It should also help maintain a better dialogue with government counterparts and participate adequately in the One UN process.
- h) The experience in Mozambique has shown that UNIDO procurement procedures play a relevant role in the delays in project implementation, which in turn create inefficiencies and may affect effectiveness. It has also shown that they may exclude local providers of goods and services. Local suppliers would have higher chances of presenting their offers if invitations for bidding were made both in English and in the official language of the concerned country (Portuguese in the case of Mozambique), and if they were allowed to make their offers in such language. A higher participation of local suppliers is likely to improve the technical services available to the purchased goods, and it would generate additional positive project impacts.
- i) The experience in Mozambique has shown the need for implementing results-based monitoring systems for UNIDO projects and to prevent the use of disbursement as the main indicator to monitor the progress in implementation. In the absence of such systems, it becomes difficult to monitor and evaluate results and to identify problems timely.
- j) The emphasis on evaluating the progress of implementation based mainly on financial execution and disbursement should be discouraged, as it sometimes affected the quality of project interventions. The lack of

monitoring systems that incorporate other appropriate indicators to verify the progress of implementation and its quality is likely to make the use of financial execution and disbursement as the main indicators to evaluate the pace of implementation. This jeopardizes the possibilities of identifying important problems that may be affecting the projects.

- k) In projects that include investments for agro processing or other industrial facilities, an appropriate feasibility study should be implemented before making key decisions are made, such as the selection of products and project sites. This may seem obvious, but it should be emphasized, given the findings of this evaluation.
- l) While field offices may play a great role in improving UNIDO operations through a better dialogue with government and donors present in the country, monitoring of project activities, participation in the procurement process, and participation in the One UN process, among others tasks, they need to be strengthened appropriately in order to have the human and material resources to be able to carry out their duties. They should also receive good feedback from Headquarters concerning various technical issues, for which recently approved integration of field operations and offices in the Programme Development and Technical Cooperation Division (PTC) seem to be a positive development.
- m) The experience in Mozambique suggests that improvements should be made in the procedures used when a project manager who retires or leaves the organization hands over his/her projects. This should include, among other things, a clearer transition period during which a more transparent process of transfer of information is made from the retiring manager, based on a template prepared to ensure an adequate project transfer.

Annex A: Assessment of TC projects

This annex presents an assessment of individual projects. The ones for which assessments have been done include both completed projects that were part of the IP II and ongoing projects. They were selected because there was information available that made it possible to evaluate them. Some of them had gone through evaluations, so there were evaluation reports available. As mentioned in the methodology section in chapter 1, the mission was unable to find appropriate information for several projects, which made it impossible to assess them properly.

A. Business Environment Support and Trade Facilitation in Mozambique (EE/MOZ/08/001)⁸

Project description

This project is funded by the European Union (86 percent) and UNIDO (14 percent) and has a total budget of EUR 6,262,500 (around USD 8.5 million) for three years, making it by far the largest UNIDO project in Mozambique. The project emerged from the Diagnostic Trade Integration Study (USAID 2004), a multi-donor review conducted in 2004. This study recommended the following: i) to mainstream trade policy, incorporating trade into the PARPA II; (ii) to tap the country's export potential; (iii) to dismantle existing barriers to trade and investment; (iv) to facilitate trade, focusing on customs and transport; (v) to improve access to foreign markets; (vi) to strengthen trade institutions and processes; (vii) to adopt more liberal trade and investment policies; and (viii) to increase labor-intensive exports.

The implementation of the project started in June 2008 and is expected to be completed by July 2011. The BESTF project has as its main counterpart the Ministry of Industry and Commerce (MIC) and is mainly a trade capacity building (TCB) project that aims to "*promote export-led growth and to improve the existing investment climate by alleviating trade-related constraints affecting the business environment in Mozambique*". It has the following three immediate objectives (and clusters of activities), supporting three government service institutions:

⁸ Based on the Independent Evaluation of Business Environment Support and Trade Facilitation in Mozambique (Latest version of Draft Report from September 2010)

Immediate objective	Cluster area	Government counterpart
To strengthen existing institutions involved in the delivering of services in the area of metrology, standardization, and certification	Quality	Instituto Nacional de Normalização e Qualidade (INNOQ)
To enhance the availability, access and quality of information and advisory services for trade, including training	Information & Advisory Services for Trade	Instituto para a Promoção de Exportações (IPEX)
To reduce the time and costs associated with import and export operations	Trade Facilitation	Autoridade Tributária de Moçambique (ATM)

Source: Based on the project document (2008).

In order to draw from other organizations' expertise, a joint approach was chosen. While UNIDO as a leading agency was going to be responsible for the quality cluster, the International Trade Centre (ITC) and the United Nations Conference on Trade and Development (UNCTAD) were to be subcontracted to deliver outputs relating to the information and trade facilitation clusters respectively.

The BESTF project is an institutional capacity building project which provides a mix of support to its counterparts, including the provision of key equipment, full-time and short-term technical assistance, training, and study tours. It continued some elements of support of the previous UNIDO project "Enhancing the capacities of the Mozambican Food Safety and Quality Assurance System for Trade" (UE/MOZ/05/001, which was initiated in 2005 and funded by SECO.

The project was subject to a mid-term evaluation (April 2010) funded by the EU and implemented by UNIDO, which provides the basis for the underlying assessment in the country evaluation.

Implementation

The project is managed by a project manager located in the UNIDO HQ Division on TCB and overall management responsibility is held by UNIDO, the lead agency. At the country-level, UNIDO employs a CTA, two international technical experts acting as Head of Clusters (HoC), and locally hired national consultants. The project office is located in the UNIDO office in Maputo, while the HoCs are based partly at the counterpart institutions (INNOQ and IPEX).

The project document proposed that the responsibility for the main project outputs was divided between UNIDO, ITC and UNCTAD. The information and

trade facilitation results would be delivered through a subcontract to ITC and UNCTAD. However, UNCTAD never started its work because of disagreement with the Government on which customs technology to adopt. Additionally, it took a very long time to agree with ITC on a contract and to commence work with IPEX.

Since UNIDO does not have a fully-fledged field office with a resident UNIDO Representative (UR) in Mozambique, the regional UR based in South Africa would have a certain degree of responsibility over the project according to UNIDO TC guidelines. However, almost all decisions are made at HQ level by the project manager in consultation with the CTA. The authority over project funds disbursements lies exclusively with the project allotment holder (project manager at HQ). The processing of payments in the field used to be done via UNDP and now is being done via a local Imprest Account.

The project is governed by a Steering Committee (SC) with a wide representation (including also representatives from the private sector) that had met five times until the time of the mid-term evaluation. The SC is responsible for the approval of cluster-specific implementation plans, the consolidated detailed project budget, and the progress reports (before they were sent to the EC Delegation and UNIDO). Additionally, a Project Management Committee was envisaged to oversee the day-to-day activities of the project, but has not been active.

The following outputs have been produced:

Quality cluster:

- English training for INNOQ staff
- Awareness raising activities on INNOQ and standards (participation in committees, information dissemination, seminars, meetings in the provinces)
- Pre-assessment of ten labs, three labs accredited
- Procurement of one vehicle and computers, metrology equipment
- Training on legal and industrial metrology, certification, and one study tour to Portugal

Information cluster:

- Four vehicles, computers and office equipment
- Skills assessment of IPEX staff (by Dutch company)
- Value-chain analysis for seven products (by Dutch company)
- Training done with two pilot enterprises and business plans developed

Trade facilitation cluster:

- Dissemination of customs law in eight provinces
- Legislation training for provincial chambers of commerce
- Training on fiscal auditing

- Equipment for ATM library (books, furniture, and computers)
- Equipment for English language training facility

Relevance

The project is highly relevant to the national policies, the country problems, the international agenda, and UNIDO thematic priorities. The increase of trade is one of the priorities of the Government of Mozambique. The third pillar of the PARPA II (2006-2009) – Economic Development – includes as main objectives the improvement of the business environment and of the integration into the regional and international economy. With regard to the latter, PARPA II refers to the improvement of institutional capacity and also trade facilitation.

With regard to Mozambique's Trade Policy (1998), the BESTF project is relevant to the following objectives for the external trade sector: a) promoting the increase and the diversification of exports, and b) improving marketing by increasing supply in terms of quantity, quality, diversity, delivery and price conditions. With regard to trade policy priorities, the BESTF project is of high relevance to the envisaged "support to exporters in the areas of marketing, development, and quality of products". The Trade Policy also acknowledges the role of the State in "supporting the creation and development of a national laboratory network, which is duly equipped to undertake recognized quality tests, and the establishment of a national system of standards", another area in which the BESTF project is active.

The overall objective of the project would indirectly contribute to the achievement of MDG 1 (Eradicate extreme poverty and hunger) by creating employment and generating income. By enabling Mozambique to get access to foreign markets, it is also relevant to MDG 8 (Develop a global partnership for development). The project is also in line with the European Community's National Indicative Programme (2008-2013) for Mozambique, which includes trade and regional integration as one of the nine key areas of intervention.

The project is also relevant to UNIDO thematic priority of trade capacity building, although the trade facilitation component that UNIDO came to implement as a result of UNCTAD's absence is not exactly its core competence.

Effectiveness

Most activities so far have been implemented with regard to the quality cluster and the strengthening of INNOQ, but much still needs to be done with regard to supporting the laboratories in starting to work appropriately to international standards. The evaluation noted that progress in the quality cluster also depends to a large extent on the commitment shown by MIC to the development of

INNOQ, including the start of the building of a new HQ, investment in a temporary metrology laboratory, and progress toward passing the new quality law.

The project has been much less effective in the information and trade facilitation clusters until the time of the country evaluation for the very simple reason that not much activity could be reported in those two clusters.

Despite the delays in the information and trade facilitation clusters, the mid-term evaluation stated that the BESTF project had a good chance of achieving its outcomes. Therefore, effectiveness has been rated as medium.

Efficiency

The project has disbursed funds in a very asymmetrical manner due to the above-mentioned delays in the information and trade facilitation clusters. With regard to IPEX, it had taken 18 months to reach an agreement on the contract. With regard to the Revenue Authority, problems occurred due to a sudden request by ATM to terminate the procurement of an Electronic Tracking System (ETS) and the subsequent unforeseen withdrawal of UNCTAD from the project.

The project management unit in Mozambique and the system set up in the country were considered efficient by the project evaluation report, but the coordination between UN technical bodies was assessed as very weak. Although UNIDO managed to deliver much of the activities and resources in the quality cluster, the complex procurement processes of UNIDO have been provoking a lot of frustration. With regard to the day-to-day management of the project, the stakeholders have the perception that all (even minor) decisions are made at HQ level and that this caused communication problems and delays.

Impact

Since the project is only at its mid-stage of implementation and there are no means to measure impact, the evaluation could not find evidence in that regard. However, if the project manages to implement all the activities foreseen (also within IPEX and ATM), it is likely to alleviate trade-related constraints and have an impact on export growth.

Sustainability

The mid-term evaluation found that project ownership was very weak and this was repeatedly confirmed during the interviews with stakeholders carried out by this evaluation. It was found that although there is a potential for sustainability of the partner institutions through the provision of high-value services to businesses, many activities are unsustainable. These include, for example, the provision of

English training, as there is no plan for continued support to maintain the skills provided. Another issue regards the maintenance of laboratory accreditation, as there is no intention of government bodies involved to pay the recurrent costs once accreditation is achieved. The Government representatives participating in the standards technical committee were paid by the project and there is a risk that after the project's horizon the committee will just stop functioning. Also in relation to legislation training, costs for equipment calibration, and business plan financing, the evaluation noted that there was a dearth of ideas to maintain these activities.

Factors explaining programme results

The main strengths of the project have been the high relevance to Mozambique's development priorities and the good management structure at country level. One of the major challenges of the project has been the collaboration with other agencies (ITC and UNCTAD), which delayed the implementation significantly due to a lack of a formal agreement before the start of the project. Another weakness - and contradiction to the Paris Declaration - was the weak involvement of the main counterpart institution in implementation, and more specifically the location of the project management unit within the UNIDO premises instead of at those of the counterpart. This also negatively affected project ownership.

B. Entrepreneurship Development for the Youth (TF/MOZ/07/003)⁹

Project description

This project evolved from being an unforeseen pilot activity within a MSME project in Cabo Delgado Province (in the North of Mozambique) to becoming a national policy. The project concept originated in Uganda, where UNIDO assisted the Government in introducing an Entrepreneurship Curriculum Programme (ECP) in secondary and vocational schools. After a workshop held in Uganda in 2005, the Governor of Cabo Delgado decided to launch a similar initiative in his province. As a consequence of the success of the project and the then ongoing educational reform at the national level (including the secondary education curriculum), the Ministry of Education and Culture (MEC) decided to continue this initiative at a national level. A project to provide technical assistance to the MEC for the introduction of the ECP was financed by Norway with USD 2.3 million. The

⁹ Based on the Review of UNIDO TA to Entrepreneurship Education in Mozambique (June 2010), field visits, and interviews at HQ

last Steering Committee in July 2010 decided to extend the project to 2012 (as opposed to the initially planned end in 2010).

The coordinating agency of the project is the MEC and technical assistance is provided directly to the counterparts of the project: Instituto de Desenvolvimento de Educação (INDE) and Universidade Pedagógica (UP). INDE is implementing the ECP and has taken responsibility for selecting the initial target schools, organizing and funding the in-service teacher training courses, and producing and distributing the teaching and learning materials.

The project strategy is to “create the self-sustaining national capacity that will be able to continue operating and evolving the ECP on their own”. The initial phase focused on training the teacher trainers and developing the teaching materials. Later on, the emphasis shifted to training the “teachers-to-be” and to building national capacity to run and monitor the programme.

Implementation

The project started implementation a little later than expected, in mid-2007. The ECP project is managed by a project manager (PM) in UNIDO Rural Entrepreneurship and Human Security Unit. The project management structure in the field includes the following bodies:

- UNIDO project management:
 - main project office located in Nampula and staffed with an International Project Coordinator, a Mozambican pedagogical advisor, and two administrative/monitoring assistants,
 - three regional project offices in Maputo (located at INDE), Beira, and Nampula, which each have a regional coordinator and an administrative/monitoring assistant
- Counterpart project management:
 - a national Technical Working Group comprised of INDE’s staff and representatives of MEC’s Departments for Teacher Training and Technical and General Education
 - eleven equivalent Provincial Technical Working Groups (PTWGs) based at the Pedagogical Departments of the Provincial Directorates of Education and Culture (DPECs)
- the Comunidade Académica de Práticas Empreendedoras (CAPE) within the Pedagogical University, which is responsible for training students.
- a Steering Committee (UNIDO, INDE, Norway), which did not meet regularly

INDE has a leading role in policy and institutional coordination and in guiding and coordinating the scaling-up process. The PTWGs are supposed to lead the same process in each province and monitor the programme. At present, one teacher –

the subject delegate – heads the team of entrepreneurship teachers in each school. However, the country evaluation mission was informed that this system might be changed by a Cabinet of Notion of Entrepreneurship in each school.

Relevance

The project was found to be very relevant to Mozambique's national priorities, both in terms of education and economic development. The PARPA II gives priority to the education sector and reaffirms "education as a basic human right, a key instrument to the improvement of life conditions and for poverty reduction". The ECP Project supports the Government in its educational reform and the implementation of the Strategic Plan for Education (2000-2005), which aims at preparing young people for self-employment and creating entrepreneurial capacities within the general education system.

The current secondary school system consists of two consecutive cycles. While the first cycle is obligatory, not all students make it to the second cycle. Since the ECP has already been introduced in the first cycle, after which prospects for employment are quite weak, it is very relevant also for the indirect beneficiaries of the project (the students). By developing a notion of entrepreneurship, students learn about a concept new for most of them: the possibility to be self-employed and to have success on their own.

Effectiveness

The project's approach to focus on technical assistance has been very effective. Within three years, a completely new subject has been included in the secondary curriculum programme and has even been established by law. By the end of 2010, 160 schools will have implemented the ECP and 65,379 students will have participated in the course. In addition, the project has trained more than one thousand in-service teachers and recently started the training of professors at the University. All this has contributed to building national capacity to pursue and finalize the implementation of the ECP.

In spite of these achievements, the targets –which were defined by INDE-- proved to be overambitious and are not going to be achieved within the proposed timeframe of four years. The immediate objective set by the project document refers to the introduction of the ECP in all secondary schools, which would currently account for about 450 schools. This is a substantially higher number than the 160 schools in which the Programme has been implemented so far. The extension of the project until 2012 and the new target of 312 schools still seem ambitious but more realistic.

Efficiency

The relatively small project team (considering the scale of the project) has implemented a large number of activities, and a strong multiplier effect is being achieved through the work with TWGs and the close cooperation with Government partners. The national counterpart contributed with several inputs to the project, including personnel, office space, budget for monitoring, and production of teaching materials. All these contributions helped increase efficiency. Difficulties have arisen with regard to the availability of Government funds for the in-service training programme, resulting in a reduction in the intended duration of training from three to one week, affecting teachers' command of the subject and leading to fewer courses. However, the evaluation team learned that there are plans to conduct in-service training of teachers at school level through other teachers, and this appears to be an efficient solution to the problem.

Although the project management setup is quite efficient, the centralization of authority and decision power at HQ in Vienna and the resulting delays and administrative work have negatively affected efficiency.

Impact

The project does not have a proper monitoring and evaluation system, so it does not have information necessary to evaluate impacts, such as a follow up of students who went through the courses and their ability to start their own businesses. However, the evaluation team had the opportunity to speak in person with several ECP graduates and got the impression that the course gave them a completely new perspective and a new conception of themselves and their abilities. For several of the students interviewed, the entrepreneurship course played a key role in their decision to start their own business. Despite the fact that it is still very early to assess impact, the mission has evaluated that the likelihood of the project achieving its long-term objective is high.

Sustainability

Since the project arose from a concrete Government need/request and the Government provided several important inputs, ownership of the project is very high. The fact that the project approach is now embedded in the curriculum and has established capacities at the national level to implement and monitor the ECP makes it very likely that the project will be sustainable in the long-term. Future secondary school teachers are trained in entrepreneurship at the UP by default, so the capacity to teach students will also be maintained. Finally, it needs

to be stressed that this programme became institutionalized through a policy, showing the commitment and persistence of the Government of Mozambique to include the concept of entrepreneurship in general education.

Factors explaining programme results

There are several factors that contributed to an effective and efficient project implementation and to the likely sustainability of the project:

- testing the approach at provincial level and later extending it to the national level with a tried and tested programme avoided many of the problems that often cause delays and undermine the achievement of results;
- the approach to use several inputs (resources) from the counterpart institution and to build capacity at the national level allowed for a multiplier effect and increased significantly the efficiency of the project;
- the involvement of the Government in project design and implementation resulted in a very strong ownership and ultimately even in the development of a policy, which are aspects that will increase sustainability;
- the decentralized management structure and involvement of Government at provincial level through PTWGs increased efficiency due to better communications and easier monitoring at the local level.

C. Joint Programme on Environmental Mainstreaming and Adaptation to Climate Change in Mozambique (FB/MOZ/08/005)

Project description

This is a Joint Programme (JP) financed by the Spanish Millennium Development Goals Fund (MDG-F) and implemented jointly by UNIDO, FAO, UNDP, UNEP, UN-HABITAT, and WFP. It was approved in January 2008, with a total cost of USD 7,554,200 and an expected duration of three years. UNIDO is responsible for specific activities with an expected budget for the three-year period of USD 1,020,200, which represents about 15 percent of the JP's total budget. FAO was the convening/coordinating agency, acting as secretariat to the Project Management Committee, which also includes representatives of the other UN participating agencies, the Ministry for Coordination of Environmental Affairs (MICOA), the Ministry of Agriculture (MINAG), the National Disaster Management Institute (INGC), the National Meteorology Institute (INAM), and the Governments of the Chicualacuala District and of the Gaza Province.

The JP focuses on the relationship between poverty reduction efforts and sustainable development. According to the Project Document, poverty reduction efforts in Mozambique, especially in rural areas, are threatened by climate related events because rural communities are highly dependent on subsistence farming. Thus, there is a need for strengthening the preventive and adaptive capacity of rural communities to improve their resilience and future survival. In the above context, the JP aimed at supporting innovative actions with the potential for wide replication and high impact.

The area of the JP is the Limpopo River Basin and the District of Chicualacuala. Whereas the general policy and environmental planning proposals are intended to cover a vast area of the river basin area, pilot initiatives and specific community interventions take place at the Chicualacuala District - the poorest and most marginalized area situated in the northern part of the Gaza Province. The district covers an area of 18.243 km², about 24 percent of the total province area, and it has a population of 39,358 inhabitants (55.7 percent of them women) that accounts for 3 percent of the total population of the province. The proposed target areas are characterized by a population living in precarious conditions, with the most pressing need being the access to water for human consumption and productive uses, as well as the quality of available water. Thus, the Joint Programme (JP) aims at addressing the problem through dissemination of technical knowledge for more efficient water collection, consumption and use, propagation of mechanisms for adaptation to climate change, and the mainstreaming of environmental concerns into existing government policies through substantive capacity building. At the community level, the JP proposed to evaluate the potential and sustainability of existing and future boreholes and the rehabilitation of small, selected dams and irrigation schemes. In addition, it aimed at identifying, designing and implementing rain water harvesting techniques that would enable the most vulnerable areas and population to have greater access to water. This would subsequently result in the increase of more sustainable and productive livelihoods.

The JP has two components:

a) Environment and Climate Change Mainstreaming, with the following outputs: (i) government, civil society, and other stakeholders informed, sensitized and empowered regarding environment and climate change issues; (ii) government capacity at central and decentralized levels to implement existing environment policies strengthened; and (iii) climate proofing methodology into government development plans, UN/donors programming, and local stakeholders' activities and investments.

b) Adaptation to Climate Change, with the following outputs: (i) community coping mechanisms to climate change enhanced; and (ii) community livelihoods options diversified. UNIDO is participating of objective (ii) of component a) and of both objectives (i) and (ii) of component b), being responsible for the development of renewable energy systems for irrigation, small agro-processing industries, and non-agricultural enterprises.

According to the JP Document, it was expected that UNIDO would provide technical expertise and leadership on alternative energies for productive purposes, solid waste management, small-scale agricultural and industrial processing, and implementing demonstration sites and pilot projects, most notably in the areas of alternative energies for productive purposes and solid waste management. The programme beneficiaries would be rural communities located in the Chicualacuala District that would benefit from renewable energy systems to be installed by UNIDO and would receive training for the operation and maintenance of the equipment. A second target group would be policy makers at provincial, district and national levels, civil society and entrepreneurs who receive training in renewable energy systems. Policy makers would receive training on how to mainstream lessons learned from the programme into overall planning and implementation.

Implementation

The implementation of the JP started in August 2008, with an expected completion by August 2011. As proposed at project design, UNIDO is taking part in the development of renewable energy systems in several rural communities of Chicualacuala. UNIDO work started with the collection of socioeconomic and hydrological data in the communities of Muzamane, Chissapa, Ndombe, Madulo, 16 de Junho, Mahatlane, Mpunza, Bragansa, and Mapai, in order to define the possible interventions that could enhance the livelihoods of the communities through the use of renewable energy. This initial stage, which was carried out jointly with FAO, led to the definition of the specific productive activities that would be promoted, which include mainly irrigated agriculture, fish farming, raising of small livestock (pigs, ducks, and chickens) and bee and honey production. The initial studies also led to the definition of the type of investments that would be made (e.g. irrigation systems, agro-processing facilities, small livestock) and the type of renewable energy systems that would be established by UNIDO, which were basically solar systems to pump water for irrigation and biogas systems to provide energy to small agro-processing facilities.

By the time of the evaluation, UNIDO had completed the installation of a solar water pumping system in Ndombe. In addition, it had signed contracts with

private contractors to install similar solar pumping systems in the communities of Mpunsa and Madulo, and to build a biogas system in Mpunsa. Finally, it had initiated the procurement process (not having signed the contract yet) for the installation of solar water pumping systems in the communities of Mahathlane, Mapai, Bragansa, and Chicualacuala B. An additional biogas system is planned to be developed in the community of Mapai to provide energy to a slaughterhouse. The total number of direct beneficiaries will be close to 1,000 families, with an estimated similar number of indirect beneficiaries who will benefit from access to an increased amount of food products sold in the Chicualacuala district and from access of meat of higher quality.

Relevance and ownership

According to the information collected by the evaluation mission, the JP is highly relevant to national policies, beneficiaries' problems, and the global agenda. In fact, the JP is in line with the Government of Mozambique's Five-year Programme 2005-2009 and the PARPA II (2006-2009). The JP targets rural poor families in rural communities, providing them with investments, technical assistance and training to diversify and increase the productivity of their agricultural activities. The renewable systems established by UNIDO will make possible the introduction of low-cost irrigation in several rural communities, the reduction of the costs of pumping water for irrigation and fish farming in communities that are currently using pumping systems based on other sources of energy (mainly fuel), and the introduction of agro-processing and other non-agricultural small businesses in places without access to electricity. In this way, the activities of UNIDO and other UN agencies in the JP are directly related with the main objective of the Five-year Programme 2005-2009 of "reducing absolute poverty through the promotion of sustainable social and economic development, the strengthening of human capital, of socio-economic infrastructures, of institutional development, and the provision of basic services that create a conducive environment that induces a wider initiative, and greater individual and institutional private investment".

The JP is also aligned with the PARPA II, which has the main objective of reducing the incidence of poverty in Mozambique from 54 percent in 2003 to 45 percent in 2009. The introduction of renewable energy sources is also addressed by the PARPA II, which proposes the "gradual introduction and dissemination of alternative technologies for construction, cultivation and fertilization of soils, improved sanitation, and renewable sources of energy may also make a significant contribution to the goal of a sustainable environment.

The JP is also in line with the National Strategy for Sustainable Development approved in 2007, which aims at reducing poverty and has as one of its

objectives to “*promote the use of renewable sources of energy*” among poor families, and establishes as one of the strategies the “*improvement of access to alternative sources of energy economically and environmentally sustainable, taking into account the specific national features and circumstances, through rural electrification, decentralized energy systems...., reinforcing the energy efficiency.*” Authorities of MICOA who were interviewed stressed that the area of the JP is characterized by a dry climate and is subject to the negative effects of climate change, in particular higher frequency of periodic and serious droughts. For this reason, they argued that it was very important to promote in rural communities of the Chicualacuala District practices to better cope with the dry climate and periodic droughts.

The interventions of UNIDO and the JP in general are also relevant to the problems, views, and characteristics of the beneficiary population. The visits of the evaluation mission made possible to verify that the solar systems used for irrigation are of small-scale, easy to operate and maintain, and reduce costs compared to existing systems for water pumping. In addition, they make possible to diversify and increase the productivity of the agricultural activities that are the main source of food and cash income of the beneficiary families. The biogas systems are also an adequate solution for providing energy to small processing facilities where there is no access to the grid.

Effectiveness

Having started in August 2008, the programme was in its third and last year at the time of the evaluation. Thus, the JP had spent more than two thirds of its life span. During that period, it had disbursed only 37 percent of the total budget approved. This is an indication that the programme is behind schedule, with many of the planned activities at the communities not having been implemented. The second disbursement, which was planned to be made at the end of the first year of the programme, i.e. in August 2009, was done only in March 2010.

The main reason for the implementation delays in programme activities has been the complicated and slow procurement procedures of the different participating agencies. In addition, the procurement in some interrelated programme activities was the responsibility of different agencies, so the activities slowed down when there was a delay in one of the involved agencies. For example, the installation of irrigation systems was affected by the time spent by UNEP to make holes for irrigation. In the case of UNIDO, it should be noted that it was the agency with the highest proportion of funds used (86.2 percent) out of the funds transferred.

To sum up, the effectiveness of the programme has so far fallen below expectations, but it is reasonable to assume that effectiveness will be high at the end of the implementation period.

Efficiency

The evaluation mission was unable to assess the efficiency for two reasons. First, data necessary to assess efficiency was not readily available at UNIDO. Second, there is no comparable data of similar programmes that could be used as a basis for comparison.

The mission identified indications of both efficiencies and inefficiencies. The small staff of UNIDO and other agencies involved in the programme implementation suggest that programme expenditures are quite low, which would be an indication of efficiency. At the same time, the slow implementation and delays are indications of inefficiency.

Impact

Although the programme is behind schedule, the activities developed by the project so far are likely to have an enduring impact on poverty. The introduction of low-cost renewable energy pumping will make possible that poor families diversify their agricultural production into other crops of higher value and increase the productivity of their agriculture. Thus, the programme is likely to have an impact on poverty reduction by generating higher amounts of food products available for the direct beneficiary families, and by helping them have available for sale larger amounts of products to buyers in the programme area.

Sustainability

Based on the visits to the programme area and the interviews carried out to beneficiaries, it can be concluded that the benefits (infrastructure, equipment, etc) generated by the JP have reasonably good perspectives of sustainability. This is because the JP is spending important amounts of funds to train families that will remain in charge of the agricultural and industrial facilities. With respect to the activities carried out by UNIDO, it must be noticed that the equipment used for generating renewable energy is small scale and simple, so it can be operated and maintained more or less simply. In addition, it is important that the equipment is reducing the costs of energy of irrigation, so beneficiaries will not have to pay for the fuel that they normally use to make the pumps work. However, it must be noticed that beneficiaries had little participation in the design of the programme, and that additional efforts are needed in order to involve them in implementation and ensure the sustainability of the changes promoted by the programme. In particular, beneficiaries need to be trained in the maintenance of the equipment.

Finally, the mission found that ownership was low at government level, with the interviews with MICOA showing that authorities had limited information about the programme, in spite of MICOA being represented at the Programme Management Committee. The Deputy-Minister of MICOA argued that the Ministry would prefer the PMC to be based at MICOA, rather than having their own premises out of the Ministry. She stressed that such arrangement would make possible for MICOA to have more and better information about the programme and learn from the experience of implementation. The Deputy-Minister noted that MICOA is implementing a similar project using a different organizational model, with MICOA being in charge of the project implementation and having organized a PMU within MICOA.

Factors explaining programme results

The main strength of the programme has been its relevance to national policies, problems of the communities and beneficiary families, and the development agenda. The main problem faced by the JP has been the implementation delays caused by complicated procurement procedures of the UN participating agencies. These delays have negatively affected programme efficiency, and they are likely to reduce effectiveness, compromising the possibilities of several programme outcomes being completed.

Difficulties of coordination have also been a problem that affected negatively implementation, as it led to implementation delays. The difficulties of coordination relate with the large number of agencies in the Project Committee (UN and government). Finally, ownership was low both at the government and beneficiary level. However, the evaluation mission found that the perspectives of sustainability were high if communities become more actively involved in implementation, mainly because the programme interventions were adequate to the conditions and characteristics of beneficiaries. In the case of UNIDO interventions, the equipment provided was small-scale and relatively easy to operate and maintain.

D. Joint Programme on Women's Empowerment and Gender Equality - Processing of Selected Agricultural Produce for Employment and Income Generation with a Special Focus on Women (FB/MOZ/08/004)

Project description

This is a Joint Programme (JP) financed by the One UN Fund and implemented jointly by UNIDO, UNDP, UNFPA, ILO, FAO, UNIFEM, UNICEF, UNESCO, and WHO. It was approved in 2007, with an estimated cost of USD 12.3 million and an expected lifetime of three years (the same period as the UNDAF). The JP is now expected to be completed by 2011.

UNIDO is responsible for specific activities focused on the processing of agricultural produce, with an expected budget at project design of USD 3 million for the three year period. UNIDO is the largest budget of all participating agencies, representing 24 percent of the JP's proposed total budget. UNDP was appointed as the Administrative Agency, and UNFPA would support UNDP with the overall coordination of the Programme, including calling for and chairing coordination meetings. The national implementation partners would be the Ministries of Women and Social Action, Justice, Interior, Agriculture, Labour, and Education; the Forum Mulher (Women Forum); the National Council on Advancement of Women; academia; Government Provincial Directorates; and community based organizations at provincial level. The Ministry of Women and Social Action would be the leader government partner and would coordinate other implementing partners in their specific interventions.

According to the Project Document, the JP focuses on the problems of the slow progress in gender equality in Mozambique, the limited progress in human rights of women, and the combination of high illiteracy rates, economic dependence, and unequal gender and power relations affecting women. The programme aims at: (i) contributing towards building the capacity of government and partners from civil society to advocate for gender sensitive legislation and to disseminate information on women's rights; (ii) supporting national efforts to fulfill commitments made to women on the international agenda; (iii) enhancing economic empowerment of women through enterprise development and access to credit; (iv) increasing women and girls' access to basic education; and (v) contributing to the elimination of gender-based violence.

According to the Project Document, it was expected that *"UNIDO would implement and provide technical support in the area of employment and income generation through the establishment of sustainable pilot demonstration and productive units."* UNIDO would contribute to result 2.1. of the programme, which

consisted of “*community access to business and financial services, disaggregated by district, area and beneficiaries (in particular women and other marginalized groups) increased*”, by carrying out the activity of providing “*support to the economic empowerment of women, including women with disabilities, through institutional capacity building, enterprise development and self-employment; training on skills and entrepreneurship; access to micro credit and promotion of small businesses and micro-industries; and production units through the Farmer Field Schools methodology.*”

The programme targets selected provinces in the north (Nampula), centre (Zambezia and Sofala) and south (Gaza), as well as the Central Level in Maputo, and is supposed to be implemented in direct collaboration with government and civil society organizations, in order to strengthen their capacity to develop, plan and implement government’s gender policies.

Implementation

The implementation of the JP started in 2008, with an expected completion by 2011. UNIDO is taking part in the development of agro processing facilities and provision of training in the use of the equipment. UNIDO would pay for the equipment, while the Institute for the Promotion of Small and Medium Sized Companies (IPEME) –a recently created institute to provide training and technical assistance to small and medium-size enterprises that is part of the Ministry of Industry and Commerce— would be responsible for providing the buildings where the processing facilities would be established. The central idea is that these processing facilities would serve to test technologies and serve as a business model for individual entrepreneurs in the surrounding areas interested in establishing similar industries.

By the time of the evaluation, a rapid assessment of possible sites had been made by a national consultant, taking into account the availability of agricultural production. This led to the decision of establishing three agro processing facilities, including one for fruits and vegetables in Chokwe (Gaza Province), one for cassava in Ribaue (Nampula Province), and one for honey in Gorongosa (Sofala Province). The latter was being re-assessed, as a Non-Governmental Organization had recently invested in large scale facilities that are likely to jeopardize the success of a new processing facility.

In the case of the fruit and vegetable processing facilities in Chokwe, the Community Development Foundation (FDC) would support the costs of the infrastructure where the processing facilities would be established, also covering part of necessary training costs. It was agreed between UNIDO, IPEME, and the Gaza Polytechnic Institute (GPI) that the processing facilities would be

established in lands of the GPI located about 25 kilometers from the city of Chokwe. It was also agreed that IPEME and the GPI would share the ownership of the industry, and that the GPI would be in charge of management, operation, and maintenance of the processing facilities, running it as a business and using it for training potential entrepreneurs, as well as their students pursuing technical degrees in agriculture-related subjects.

At the time of the evaluation, the processing and laboratory equipment had already been purchased. However, they had been stored at the GPI in Chokwe since February 2010, not being installed yet because the building was still not available. FDC financed the reform of a building that had been identified as adequate, but it was later found out that it was too small to fit the equipment that had been purchased.

In the case of cassava production in Ribaué, the processing facilities will also be located at a secondary technical school, which would provide an existing building of its property. At the time of the evaluation, UNIDO had already completed the procurement process of the equipment, which had not arrived yet. Similarly to the processing facilities in Chokwe, the cassava industry in Ribaué would be owned jointly by IPEME and the technical secondary school at Ribaué, and would be managed, operated, and maintained by the school as a for-profit business.

With respect to the processing of honey in Gorongosa, no progress had been made mainly because a Non-Governmental Organization had recently started to operate large-scale facilities in the region. This would make it difficult for a newer, smaller facility to compete, so the proposal was being reevaluated.

Relevance

The JP and the activities proposed for UNIDO are highly relevant to the policies of the Government of Mozambique, the problems of the country and the specific beneficiaries of the programme, and the international agenda. The Five-Year Plan 2005-2009 indicated that the key objectives of equality, development and peace could not be achieved without the participation of women. It spelled out a set of measures to address gender inequalities in employment, education and training, entrepreneurship, HIV/AIDS, human rights, decision making, media, agriculture and environment, and at the institutional level. Accordingly, PARPA II established several priorities on gender, including the implementation of a Gender Policy and Strategy, the integration of the gender perspective into national development policies, programmes, and projects, the revision of legislation that is discriminatory towards women, the identification of gaps in the

gathering and analysis of gender disaggregated data, and the implementation of actions to reduce the prevalence of HIV/AIDS among women and girls.

In addition, at the time of the JP design, the Government of Mozambique had approved a National Action Plan on Advancement of Women 2001-2006 (PNAM), which institutionalized mainstreaming of gender in all national policies and plans as the strategy to achieve gender equality and women's empowerment. The Ministry of Women and Social Action (MMAS) is the government agency responsible for ensuring mainstreaming gender issues into the national development plans and programmes.

The Project Document stressed that in spite of the progress that had taken place in Mozambique on the proportion of women in political participation, the progress of gender equality in the socioeconomic arena was less impressive. Women represented only 10.1 percent of the economically active population in non-agricultural sectors, compared to 37 percent of men. This was explained by high illiteracy rates and low proportion of girls and women in secondary and technical schools. Similarly, limited progress had taken place on the human rights of women.

In spite of the relevance of the JP, several key features of the agro- processing facilities implemented by UNIDO are not coherent with the proposed objectives of the JP; making it unlikely to benefit women to the extent it was planned.

Fruits, vegetables and cassava are all crops characterized by a high proportion of women in their production. This seems to be the only connection between the proposed UNIDO interventions and the objective proposed by the JP of enhancing economic empowerment of women through enterprise development. As said earlier, it was expected that *“UNIDO implement and provide technical support in the area of employment and income generation through the establishment of sustainable pilot demonstration and productive units.”* In this way, UNIDO would contribute to increase *“community access to business and financial services... in particular women and other marginalized groups”*. However, the scale chosen for the processing facilities is inappropriate for women associations or small entrepreneurs, so it is unlikely that the agro processing industries that are created serve the purpose of becoming a *“sustainable pilot demonstration and productive unit”* that could serve as a model for women associations or women entrepreneurs.

In fact, the agro processing industries for fruits and vegetables in Chokwe and cassava in Ribaue are of quite a large scale for the conditions of Mozambique. In the case of fruit processing in Chokwe, the equipment purchased was much

larger than originally planned, being able to process between 3 and 4 tons per hour. The large size of the equipment is the reason why it did not fit in the building provided by FDC. With respect to cassava processing in Ribaue, the equipment is also of large scale in the context of Mozambique. As a matter of comparison, the very same technical school where the UNIDO cassava industry will be located has a small-scale cassava processing facility that is operated by a single worker and it is widely used by women from neighboring communities.

In addition, the institutional setup that has been chosen to run the agro-processing businesses does not consider the involvement of women associations or women entrepreneurs. Both in Chokwe and Ribaue, women associations could have benefited greatly from getting involved directly in the agro- processing of these products, which could help to add value to their crops. This would have required promoting the creation and strengthening of women associations in the surrounding communities, and providing them with training for the operation and maintenance of the equipment and on the marketing of production. In contrast to this option, UNIDO intends to transfer the processing facilities to IPEME and the technical schools in Chokwe and Ribaue, not having involved in any way women from the surrounding areas and their organizations.

According to UNIDO project manager responsible for the JP, IPEME and the technical schools would manage the agro- processing facilities in Chokwe and Ribaue as for-profit businesses, hiring managers to operate the facilities in an efficient manner, to work in the relationship with producers who supply raw materials, and to carry out the marketing of production. It is important to notice that neither IPEME nor the technical schools in Chokwe and Ribaue have any experience running agro processing industries or any other similar business and in the marketing of production.

The evaluation mission identified some additional problems that may pose serious challenges to the possibility of success of the UNIDO activities in the JP. First, the proposed agro processing- industries assume that there is a market readily available for processed fruits, vegetables, and cassava. However, no market assessment has been carried out so far, identifying the possible markets, the quality and other product characteristics demanded by those markets, and the prices that might be possible to obtain. This market assessment would have been one of the pieces of information necessary to assess the economic and financial feasibility of the two agro- processing industries.

Second, no activities have been proposed so far to support and organize the producers of fruits, vegetables, and cassava that would supply the raw materials to the two agro processing industries in Chokwe and Ribaue. Agricultural

extension is key to ensure that farmers provide the processing industries with a sufficient supply of raw materials of the required quality at specific times of the year. It will also be essential to organize producers in order to programme the crops' cultivation so that areas are not all harvested around the same time, which would make impossible for the industries to receive all the product. Surprisingly enough, FAO is also part of the JP, but it is working in other communities.

Third, the agro processing industries will need to identify the best way of establishing business relations with a large number of small farmers that would be the suppliers of raw materials. Establishing contract farming arrangements is a possibility, but this would require promoting small farmers organizations in order to reduce the transaction costs of negotiating contracts and monitoring their compliance. These activities have not been envisaged so far. In any case, buying the raw materials would require that the agro processing industries have a substantial amount of working capital (the budget of UNIDO activities includes the provision of a certain amount for working capital to the industries).

Fourth, the implementation of the agro processing industries faced several technical problems. As said earlier, in the case of fruit and vegetable processing in Chokwe, the building that was available for the agro processing was too small for the size of the equipment purchased. In the case of Ribaue, it is still necessary to solve the way in which water necessary for the production process is supplied. The visit of the mission made possible to verify that no study has been made to assess possible sources of water. The mission verified that a possible alternative could be to use a well located about 150 meters away from where the cassava industry is planned to be located. This well is currently used by neighboring rural dwellers for their supply of water for human consumption. However, no assessment has been made yet of the water flow and if it would be enough for the needs of the industry, of the investment that would be needed to bring the water to the industry, and of the potential negative impacts on the availability of water for human consumption.

Finally, the mission was unable to find any document addressing a feasibility study of the proposed agro processing industries. This could have prevented several of the problems mentioned above.

Effectiveness

The JP is expected to be completed in 2011. Based on the progress made so far (no industries are still in place), it can be said that UNIDO activities are behind schedule. Considering the challenges ahead and the problems that need to be solved (have the buildings available to install the equipment, ensure that the agro

processing facilities are run in a sustainable manner, define and put in place the arrangements with producers/suppliers of raw materials), it is unlikely that the UNIDO component achieves all the proposed outcomes, so the perspectives for effectiveness were rated as low. The main reason does not relate with difficulties in procurement, but with an unlikely integration of project outputs in the local context and the technical problems mentioned above.

Efficiency

The evaluation mission was unable to assess the efficiency of UNIDO activities because of limited information on financial execution and of comparable data of similar projects. While there are indications of efficiency, such as low operating costs (UNIDO is using mainly national consultants during limited periods of time, no vehicles have been purchased), implementation delays are an indication of inefficiency. The likelihood that outputs are not achieved as planned will also affect negatively efficiency.

Impact

The likelihood of UNIDO activities achieving the proposed long-term objective of promoting gender equality and women socioeconomic empowerment was rated as low, due to the problems mentioned above: institutional setup that does not consider the possible role of women associations, and technical problems that may affect the success of the agro processing industries.

Sustainability

The likelihood of sustainability of UNIDO interventions has been estimated as low. This is based on: a) low ownership of the different stakeholders (IPEME, the technical schools, women in the surrounding rural communities), due to their lack of participation in the design and implementation of programme activities; b) the lack of experience in business management of the institutions that will be responsible for managing the agro processing facilities (IPEME and the technical schools at Chokwe and Ribaué); c) the insufficient information about product markets; and d) lack of agricultural extension and organizational activities for farmers planned to ensure the adequate and timely supply of raw materials.

Factors explaining programme results

The main strength of the programme and UNIDO activities has been its relevance to national policies, beneficiary problems, and the international development agenda. At the same time, low ownership by the different stakeholders and technical problems partly related with the lack of feasibility studies for the proposed agro processing industries have led to implementation delays. All

these problems have affected negatively effectiveness, and they are likely to lead to low efficiency, low impact, and low perspectives of sustainability.

E. Joint Programme on Promotion of Youth Employment (FB/MOZ/08/007)

Project description

This is a JP financed by the One UN Fund and implemented jointly by ILO, UNDP, UNIDO, UNESCO, FAO, UNHCR, and UNCDF, under the coordination of UNDP, and in partnership with national organizations, namely MITRAB, INEFP, MJD, MMAS, MINAG, MPD, MEC, INDE, MIC, OTM, CONSILMO, CNJ, FEMA, GAPI, ADELS, AIMO, CTA and selected NGOs. It was approved in 2007, with an estimated cost of USD 9.7 million for a period of three years coincident with the UNDAF 2007-2009. The budget for UNIDO activities estimated at project design was USD 2,825,000. The JP is now expected to be completed by 2011.

The JP focuses on the problem of lack of employment opportunities for young people. In 2007, it was estimated that around 34 percent of Mozambique's total population were between 14 and 35 years old, with the majority of them living in rural areas. It was estimated that each year 300.000 young people entered the labour market, creating a great challenge in terms of employment generation. The informal or semi-informal economy was the largest source of jobs for young people. The JP document stressed that limited educational and professional qualifications among most young people was an important obstacle to their advancement, and that the capacity of public education institutions was low.

Within the framework of the UNDAF for the period 2007 to 2009, the JP had the objective of strengthening the capacity of Mozambique's public sector *"to promote decent work through support of economic and business, including the implementation of the employment strategy and the graduation of the informal sector into the formal economy"*. JP outputs included: improved business environment for the youth; increased opportunities for Educational Vocational Training (internships) in private companies for youth; increased access to financial services for youth and self-employed; entrepreneurship education/training included in the secondary school curriculum; increased access to technical, functional literacy and vocational skills and entrepreneurial skills training among youth; strengthened capacity of youth organizations to plan, implement, monitor and evaluate youth employment programmes; productive economic activities/businesses promoted for youth and informal enterprises

graduated to formal sector; and youth enterprises partnered with private sector and other economic associations.

The role of UNIDO in the JP would be to facilitate the emergence and growth or expansion of existing enterprises through an Enterprise Development Investment Promotion (EDIP) and Technology Transfer Programme. The proposed objective of UNIDO work was to hasten the pace of economic growth and poverty alleviation in Mozambique through the promotion of employment and income generating activities in the MSME sector, particularly for unemployed youth in the manufacturing sector. Potential entrepreneurs (micro, small and medium) would receive training and technical assistance so that they could translate their ideas into commercial ventures in the manufacturing and service sectors. The JP would provide training—in particular in managerial skills—and establish demonstration units for technology demonstration, testing, and diffusion. Particular attention would be given to the promotion of low cost building materials based on local resources, in view of the potential to contribute with the improvement of the housing situation in the country while generating employment.

The expected outcomes would be: a) integration of youth in mainstreaming economic activities; b) reduction of the level of poverty in the provinces; and c) enhancement of the national economy in general. The proposed outputs included the creation of well-developed and functional institutional capacity (Enterprise Development and Investment Promotion Units and Demonstration Manufacturing Units) to sustain the programme in the long run, 120 potential entrepreneurs (youth and others) selected and trained in enterprise creation, 60 new enterprises (micro/small) established by trained youth entrepreneurs, 90 existing enterprises assisted in expanding their business, including graduation from informal to formal sector at least, and 100 direct and indirect jobs created.

The target group consists of young people from 15 to 35 years, including school leavers and newly graduates. Beneficiaries would be youth who become self-employed as owners of newly created enterprises. The direct recipients are national and local government agencies, workers' and employers' organizations, private enterprises, NGOs, CBOs, schools and communities, media, and young students. The JP activities would be carried out in Maputo and in the provinces of Nampula, Sofala, and Inhambane.

The JP would be implemented by UNIDO in close collaboration with the Advisory Centre for Industrial Development (CADI), which was created in 2001 with support from UNIDO as a part of the Mozambique Industrial Association (AIMO) to provide support services to micro, small and medium enterprises. According to

the Project Document, “CADI’s capabilities will be used to implement the majority of activities under the project”, and “CADI will be further strengthened in order to update it with the latest approaches embodied in the EDIP Programme”.

Implementation

The implementation of the JP started in 2008, with an expected completion by 2011. It was prepared and started implementation under the responsibility of one manager who retired, being transferred in 2009 to the Project Manager who is now in charge of it. As proposed by the project document, UNIDO participation in the JP has been done through outsourcing project functions and training initiatives to CADI, which proposed ten individual consultants to be involved in the day-to-day delivery of project outputs. CADI also benefited from support in terms of equipment for conducting the tasks of the JP.

CADI played an active role until October 2009 in the implementation of the activities that were responsibility of UNIDO. In addition to its offices in Maputo, CADI opened offices in the cities of Nampula and Inhambane. The main activities carried out by the JP include the following: a) provision of Business Advisory Services by CADI through its offices in Maputo, Inhambane and Nampula; b) training on New Enterprise Creation and Business Planning in Maputo, Inhambane, and Nampula; c) assistance to the design and implementation of growth strategies through business growth and mentorship programmes; d) more than 150 existing small businesses managed by youth were assisted to develop and implement a growth plan in Maputo, Inhambane, and Nampula; and e) youth were assisted in starting their own MSME.

The evaluation mission verified that UNIDO had not carried out activities of the JP in Youth Employment for one year (since October 2009). This was mainly the result of a decision taken by UNIDO Project Manager of suspending the financial support provided to CADI. This decision was taken mainly to avoid potential problems related with the absence of a contractual relationship between UNIDO and CADI, in spite of CADI having implemented training activities for the project and having received vehicles (2), laptop computers (10) and office furniture purchased all by UNIDO. In order to speed up implementation, the manager that had been responsible for the Project at the beginning of its implementation had made contracts through UNDP with members of CADI as individual consultants, instead of making a contract directly with CADI, which would have required a more lengthy competitive process. An additional argument made to suspend CADI’s participation in the JP was that it works basically as a commercially-oriented consulting company, and that even though it operates within/as part of the *Associação Industrial de Moçambique (AIMO)*, AIMO is virtually dysfunctional. Thus, financial support from UNIDO that should go into building

AIMO's capacity is mostly diverted towards CADI, serving to subsidize what is viewed as a private business.

Under the JP, UNIDO proposed to start a demonstration centre for production of building materials using premises proposed by CADI. Contractors were procured but never started working due to issues related with site ownership, and CADI never managed to indicate alternative sites. The contractor is still willing to collaborate with UNIDO, but can only return the funds received after tax deduction and in kind.

Relevance

The JP and the activities proposed for UNIDO are highly relevant to the policies of the Government of Mozambique, the problems of the country and the specific beneficiaries of the programme, and the international agenda. The Five Year Plan 2005-2009 highlighted the importance of the promotion of programmes that ensure employment for recently graduated youth, and stressed the importance of quality vocational training and linking formal education, professional training and employment. The Poverty Reduction Strategy (PARPA II) indicates the importance of the implementation of the Employment and Vocational Training Strategy (EVTS), in which a specific chapter is dedicated to youth employment. The establishment of micro, small, and medium enterprises addressed by UNIDO is in line with the EVTS,

Effectiveness

The JP is expected to be completed in 2011. Through CADI, UNIDO implemented mainly training activities only during the first year of the programme. After not having implemented any activities for one year (since October 2009), no alternative arrangements were in place yet at the time of the evaluation to continue with the planned activities in the rest of the life of the project. As a result of these problems, the programme made little progress on the proposed activities and outputs, so effectiveness was rated as low.

Efficiency

The evaluation mission was unable to assess properly the efficiency of UNIDO activities due to the lack of information on the project implementation. However, there are strong indications that suggest low efficiency, including the achievement of few activities and outputs, while spending substantial amounts in operating costs as compared to other UNIDO projects in Mozambique. These costs include not only the contracting of consultants, but also the purchase of two vehicles, ten laptop computers, and office furniture. The available information

shows that about USD260,000 were spent in remunerations between 2008 and 2009, while agencies applied the funds in priorities defined by Government and Civil Society, e.g. revolving fund (USD 120,000) established for young people

Impact

Based on the little progress of the programme in implementing the proposed activities, and the unclear perspectives for the last year of implementation, it can be argued that the likelihood of achieving the proposed long-term programme objectives (integrating the youth in mainstreaming economic activities, reducing the level of poverty in the provinces, and enhancing the national economy in general) is low.

Sustainability

Sustainability has been rated as low, as the project has suspended the activities with the main counterpart and has not provided any training and technical assistance services to its beneficiaries. The perspectives for implementation in the future were still unclear at the time of the evaluation.

Factors explaining programme results

UNIDO activities in the JP have been in a standstill for one year because the participation of the main implementing partner had been suspended as a result of administrative problems, namely the absence of clear contractual relations with UNIDO. The evaluation mission found no clear indications of what alternative arrangements would be made for the rest of the implementation, and if changes would be introduced to the original design of UNIDO activities.

In addition, the evaluation mission found that UNIDO activities had been implemented basically in a stand-alone fashion, with little coordination with other UN agencies participating in the JP. Also, no coordination has been made with UNIDO Entrepreneurship Curriculum Programme, which focuses on similar issues by having helped to introduce a course on Entrepreneurship in the curriculum of students of the second grade. Furthermore, UNIDO activities have not been aligned with the interventions of the Ministry of Labor, which is the official focal point.

F. Renewable Energy Powered Rural Business Support Centers for Small Rural Enterprises and Communities in Off-Grid Regions (US/MOZ/06/A01, US/MOZ/06/001, and US/MOZ/08/008)

Project description

This project was originally formulated in 2005 in response to a Director-General's initiative to integrate UNIDO Socio-economic and Environmental TC activities for possible financing from the Global Environmental Facility (GEF). According to the documents reviewed, the project was proposed by Mozambique's Minister of Science and Technology and UNIDO staff in Maputo in May 2005. It was further discussed between the Minister and the Director-General in November 2005. The project was approved in late 2005, with the expected source of funding for the preparatory phase being UNIDO programmable funds. The project was later on funded by the Danish International Development Agency (DANIDA). In total, the funding for the Renewable Energy Support Centers reached USD 257,000.¹⁰

The project is based on the increasingly great importance of Information and Communication Technologies (ICTs) in economic and social development, in particular in rural areas that lack access to good communications. ICTs have great potential to promote the development of micro, small, and medium businesses in rural areas, but the lack of reliable energy services hampers the possibility of using them. Thus, the project has had the long-term objective of establishing a network of sustainable ICT support centres providing support services to small enterprises in rural areas in Mozambique. The immediate objectives proposed were: a) to establish a pilot renewable energy powered rural business information centre (BIC) in Mocuba in the Zambezia province, applying the UNIDO methodology for establishing BICs that is based on the successful experience in other countries in Africa; and b) formulate a project concept document to seek GEF funding for the establishment of 10 additional centers in Mozambique. The counterpart of the project is the Mozambique Information and Communication Technology Institute (MICTI), a government entity within the Ministry of Science and Technology. The project would be implemented in cooperation with the Advisory Centre for Industrial Development (CADI), and the Ministry of Science and Technology, which would be the government coordinating agency

According to the Project Document, the BIC's concept related with past experience of UNIDO in Mozambique with business support services. In fact,

¹⁰ US/MOZ/06/A01 = USD 87,000; US/MOZ/06/001 = USD 63,000; and US/MOZ/08/008 = USD 107,000

UNIDO had established three pilot OSSs as rural business registration centers providing limited small and medium enterprises content. Thus, the proposed project proposed that future BICs be linked with these OSSs, and that they become a backbone for national information support to micro, small, and medium enterprises.

Implementation

This project was designed and started implementation under the responsibility of a Project Manager who retired, thus being transferred to the Project Manager who is currently responsible for it. UNIDO carried out a detailed information needs assessment, developed a business model to ensure long term sustainability of the proposed center's activities, identified potential stakeholders and determined solar renewable energy solution as the main source of power supply. The stakeholders selected consist of public and private sector institutions, including the Telecommunications of Mozambique (TDM), the Mocuba District Local Government (MDLG), the Mozambique Information and Communication Technology Institute (MICTI)—a government entity within the Ministry of Science and Technology, the Advisory Centre for Industrial Development (CADI), the Project for the Development of Zambezia - PRODEZA (a project financed by the Government of Finland), and the Mocuba Private Sector Association (later on listed as AGEMO). A MOU was signed in November 2007 by representatives of the Ministry of Science and Technology, UNIDO, and the Project for the Development of Zambezia (PRODEZA) financed by the Government of Finland, identifying the responsibilities of different stakeholders and agreeing on the BIC's ownership model. According to this model, the BIC in Mocuba would be owned 60% by AGEMO and 20 % each by CADI and MICTI. It must be noted that the creation of AGEMO was promoted by the project.

The implementation of the project faced several problems that led to significant delays in the execution of the project activities. The space provided by the Telecommunications of Mozambique (TDM) to house the BIC equipment was inadequate, so an alternative solution had to be put into practice, namely the procurement and transportation to Mocuba of a container that became the definite place in which the BIC has functioned. This solution also required the installation of air conditioning, which could not be powered by the solar panels and had to be connected to the grid, which was available at the TDM nearby building. The project also faced difficulties to find trained personnel in Mocuba who could perform as Information Officer and ICT trainer in the BIC.

At the time of the evaluation, the BIC had been established and was operational. According to the information received by the evaluation mission, some short-term

training was provided to local small entrepreneurs by CADI and by PRODEZA, as well as to staff working at the BIC on information technologies. At the time of the evaluation the BIC was providing mainly the typical services of an “internet café”, namely Internet and printing services. In addition, it provided a basic course on computer use and information technologies in which more than 300 people have already participated, with 246 of them having done so during the period January to September 2010. These trainees included personnel from local government, teachers, MSMEs, and students. The fees of most of these participants were covered by PRODEZA, which also played an important role in the dissemination of information about the course and in the recruitment of participants.

The BIC is currently managed solely by AGEMO, though the ownership is shared by AGEMO, CADI, and MICTI, as explained above. Four persons currently work in the BIC, out of which three attend customers and one is a guard. The BIC has been self-sustainable for about a year by charging for its services (i.e. internet, printing, and training), having been able to cover salaries of its staff and other operating expenditures with the revenues obtained from payments made by customers for the internet and printing services. The BIC has been used by general customers from Mocuba who use their services, and by PRODEZA, which has brought and covered the fees of beneficiaries, as explained above..

Relevance

The project is considered of medium relevance to the government policies, the country problems, and the problems, characteristics and views of beneficiaries. On the one hand, the Government of Mozambique approved an Information and Communication Technology Policy Implementation Strategy in 2002, which defined programmes through which Information and Communication Technologies (ICTs) can support the implementation of the Government’s Five-Year Programme and the Poverty Reduction Strategy (PARPA). ICT policy implementation strategy at the time of project design foresaw a national network of ICT centers. These centers would provide information and ICT support services in rural areas. Based on these policies, the Minister of Science and Technology endorsed the concept for a pilot center in Mocuba in a meeting with the UNIDOs Focal Point in May 2005. Subsequently, the Minister requested the UNIDO Focal Point in Maputo to join him on a mission to Mocuba to discuss the project proposal with the local authorities and to allocate appropriate possible project facilities. The Governmental GEF focal point formally endorsed the proposal.

On the other hand, in spite of the project’s relevance to the public policies and the support given to the project by the Minister of Science and Technology, the BIC

had low relevance to the problems of the Mocuba region, which has a very low presence of local businesses that could take advantage of the proposed services that would be provided by the BIC. In fact, a Business Information Needs Assessment in Mocuba commissioned by UNIDO identified only 32 Mocuba based enterprises, of which ten belonged to the manufacturing sector.

In addition, although the project was formally initiated and supported by the Minister of Science and Technology, and efforts were made to define a clearly defined public-private ownership model with participation of AGEMO, MICTI, and CADI, project ownership can also be considered as low. TDM has contributed to the project by providing a low-cost internet connection service to the BIC and maintenance of its computers. However, the premises to house the BIC were not provided as planned. With respect to the ownership model, AGEMO has been the organization managing the center, without any contribution from UNIDO. However, a leader from AGEMO interviewed by the mission informed that the solar panels of the BIC had been broken about a month earlier, but nothing had been done to repair it other than informing the UNIDO Desk. In other words, AGEMO's view is that UNIDO is still responsible for such repairs. This is in fact a demonstration of low ownership, which can be explained by: (i) the fact that the property of the BIC has still not been formally transferred to AGEMO, CADI and MICTI; and (ii) although the MOU mentioned earlier defined clearly the ownership model of the BIC, only one of the three proposed entities (the Ministry of Science and Technology) actually signed the MOU (it was not signed by AGEMO and CADI). In addition, the evidence collected by the mission suggests that neither MICTI nor CADI have shown a willingness to assume the responsibilities involved in the ownership of the BIC, including among other things the need for eventual costs of maintenance and repairs. AGEMO has also shown weaknesses, with a single person of the organization being involved in the management of the BIC since it was established.

Effectiveness

The effectiveness of the project has been rated as medium. The project was able to reach the proposed immediate objective of setting up the BIC and of preparing a project proposal to be prepared and submitted to the GEF focal point to the establishment of 10 other BICs throughout Mozambique powered by solar energy, with an estimated budget of USD 350,000 for the preparation phase and USD 1.5 million for the implementation phase. However, the project experienced substantial delays related partly with difficulties with the space provided by TDM and implementing alternative solutions, as explained above. In addition, the BIC is only partially serving the purpose for which it was set up, as it is providing to the public internet and printing services and a basic computer and information

technology course, but not working in the provision of ICT support services to small enterprises.

Efficiency

Efficiency of the project was rated as low, based on the substantial implementation delays and on the high costs incurred to set up the BIC and make it operational. The latter problem relates to several costs that were not envisaged at the original project design, such as the need for purchasing and transporting a container to house the BIC.

Impact

The likelihood of UNIDO activities achieving the proposed long-term objective of establishing a network of sustainable ICT support centres providing support services to small enterprises in rural areas in Mozambique was rated as low. Although the BIC has been established and it is operating without subsidies from UNIDO or other agencies, it is working basically as an internet cafe, providing internet and printing services to general customers. Although it has provided training to more than 300 local people, this training included mainly a basic course on computer use and information technologies (basically internet use), provided to participants recruited and paid by PRODEZA. As said above, the presence of small enterprises in the Mocuba region is limited, so the BIC is not likely to face a significantly higher demand soon.

Sustainability

The likelihood of sustainability of the BIC has been estimated as high. This is based on the fact that AGEMO has been operating it without any external support, charging customers for their services. However, it must be noted that AGEMO and the other owners of the BIC will also have to face maintenance costs of the equipment and solar panels. At present, ownership by AGEMO seems low, so the organization is expecting UNIDO to repair a solar panel that has been broken for about a month, without having even searched for local services that could at least identify what the problem is, if it could be solved locally, and what might be the cost. CADI and MICTI are not showing any active participation as co-owners either.

Factors explaining programme results

The project faced several problems related with an inadequate selection of the location and other technical problems, including: (i) the use of solar energy in a city where there is easy access to the grid (though the supply of energy is not as

reliable, just as in the rest of the country); (ii) the need to install air conditioning to lower the temperature in the container where the BIC is located, which was not envisaged at project design, and for which the energy generated by the solar panels was not sufficient; and (iii) low demand for the services provided by the BIC, as a result of the low presence of small entrepreneurs in the surrounding areas of Mocuba.

G. Enhancing the capacities of the Mozambican Food Safety and Quality Assurance System for Trade (UE/MOZ/05/001) (closed project)¹¹

Project description

This project was approved in 2005, being funded by the Swiss State Secretariat for Economic Affairs (SECO) with an overall budget of USD 2,227,295. The project had closed at the time of the evaluation and had been evaluated in November 2009.

The main counterpart of the project was the Ministry of Industry and Commerce, while its direct beneficiaries were the Ministry of Agriculture and the Ministry of Health. The project aimed at *“facilitating industrial development and food export capabilities by reducing technical barriers to trade through the strengthening of food testing, standards, metrology and conformity assessment of institutional structures and national capacities”*. The two immediate objectives of the project were: (i) to establish a food safety system that is compliant to international standards; and (ii) to develop and implement the required technical infrastructure.

With regard to the first objective, outputs envisaged include the development of a coordination framework for support institutions, the update of food safety legislation, the upgrade of food inspection services, and the strengthening of the national capacity for food analysis. The second objective includes the implementation of priority aspects of the National Quality Policy (2003), the revision and update of standards to meet international requirements, the establishment of a Local Instrumentation Support Service Centre for the repair and maintenance of laboratory equipment, and testing and measurement laboratories which are ready for accreditation. Therefore, the project was

¹¹ Based on the independent evaluation (November 2009) and interviews in the field

designed to use a holistic approach to promoting Standards, Metrology, Testing and Quality (SMTQ) by targeting government institutions as well as enterprises.

Implementation

The implementation of the food safety project started in March 2006. While the project was initially co-managed by two project managers in the TCB and Agro Division of UNIDO, it was later decided to unite the management in the TCB Division due to ambiguous distribution of responsibilities.

In Mozambique, an international CTA who was well suited technically but did not speak Portuguese and a national expert were hired, and the project office was established in UNIDO premises. Management responsibility was mostly with UNIDO, which engaged in physical and financial implementation of the project, while the Government undertook almost no reporting or financial responsibilities. Management problems arose when the CTA left and the project manager changed in 2007. The project was suddenly exclusively relying on the national expert. Only when the CTA from the BESTF project came in and took over some responsibility for the finalization of the project (the last six months), the situation improved.

The project evaluation criticized the inability of management to recognize on time that the project would not be able to achieve its objectives and the need for making corrections to the project scope. Additionally, it identified unclear communication lines between the local UNIDO staff, UNIDO HQ, SECO HQ, and the Swiss Coordination Office in Maputo.

Despite these difficulties, the project managed to produce some outputs:

- agreement on a food safety panel, although it eventually did not meet and was inactive at the time of the evaluation;
- gap analysis for food legislation and four draft bills prepared but law had not been enacted (this had been listed as an output of the project, even if it was beyond the control of the project);
- training of laboratory staff in food analysis;
- National Quality Policy (which was developed in cooperation with UNIDO within another project) approved by the Council of Ministers in 2007 and work plan for its implementation prepared;
- some standards for ISO and Codex Alimentarius elaborated (though they do not meet private Global Gap standards);
- team or repair and maintenance engineers trained and based in Ministry of Health;
- some training with regard to National Enquiry Points (NEP) was conducted;
- testing equipment provided to the food safety laboratory, but not accredited yet.

Relevance

The project was well aligned to the top priorities of its direct counterpart (the MIC). However, the evaluation found only limited relevance to the Ministries of Health and Agriculture, which are both more concerned with domestic food safety rather than trade-related issues. Like the BESTF, the project is relevant to Mozambique's Trade Policy (1998) and the "Quality Policy and Strategy for Implementation" (2003). In addition, it was highly relevant to the Integrated Framework and the DTIS (2004), which also identified the agricultural sector as a priority sector.

While the immediate objectives of the project were very relevant to the indirect beneficiaries of the project – the private sector – it was found that they were not involved in the project design. This resulted in weaker participation and wrong prioritization of target sectors (for example honey, where only very little trade exists or is likely to exist). The target sectors were chosen by the donor after some initial assessments. Switzerland chose products in which it was interested in, and there was no consideration of the (existing) industrial capacities of Mozambique.

Effectiveness

The evaluation found that the project had in general failed to achieve its objectives and was not going to achieve them within the then remaining timeframe. Since the ultimate goal was to encourage private sector production and exports to Switzerland and Europe, and this group had not benefited from project activities, it was considered to have had limited effectiveness. The evaluation found it very ambitious the choice of targeting four different sectors (horticulture, fish, honey, and cashew nuts), and the focus on Europe as a target market and the exclusion of markets with growing demand (India, China, and regional markets, in particular South Africa) was considered to be a constraint to the project effectiveness.

The evaluation found no improvements of the SMTQ infrastructure in Mozambique. Although equipment needs were identified, no equipment had been commissioned due to lack of appropriate housing, and the laboratories had not achieved international accreditation. Concerning the laboratory, there have been developments after the project evaluation took place, and the follow-up by the BESTF project (support in obtaining accreditation) should increase the effectiveness of this equipment.

With regard to the creation of a facilitative policy environment, effectiveness is relatively limited. Although draft bills for food safety legislation had been handed over to the Government, there is no indication that this legislation was approved or that the Government has the capacity to execute it.

Efficiency

Since the UNIDO accounting system does not allow a financial analysis of expenditures according to activities, and since tangible outputs had not been produced, the assessment of efficiency proved difficult. Coordination between the two different managers was very weak, and therefore the UNIDO project manager within the TCB division was later assigned as the only project manager.

A large number of equipment, which accounted for a considerable part of project expenditures, had not been used at the time of the evaluation. The testing equipment for the food safety laboratory had been delivered in March 2009. However, the equipment is not being used for food safety testing purposes due to special circumstances. The metrology equipment for the mobile laboratory in INNOQ could not be used because the laboratory was not accredited and the equipment provided for the maintenance and repair department of the Ministry of Health was being used only within that Ministry.

With regard to capacity building, the evaluation noted that in each study tour, at least two UNIDO staff members participated, which was not seen as appropriate. Based on all these problems, efficiency has been rated as low.

Impact

Since the project did not achieve the planned outcomes, which later might have an impact on the private sector, no database of potential clients exists. This made an evaluation of impact at the time of the evaluation difficult. Because the project did not achieve several of its more relevant outcomes, it is unlikely that it achieves the long-term development objective of *“facilitating industrial development and food export capabilities by reducing technical barriers to trade through the strengthening of food testing, standards, metrology and conformity assessment of institutional structures and national capacities”*.

Sustainability

Due to the very low involvement of the private sector in the project design, the project has not focused sufficiently on the development of sustainable SMTQ services.

The evaluation concluded that further support would be needed to attain and sustain the development objective of the project of assuring compliance with international standards. The evaluation found that in general, much was needed in order for the National Quality System (NQS) to be sustainable and to be self-sufficient.

However, the BESTF project has taken on several activities that have not been completely finalized. In particular, the BESTF will include the testing laboratory in its accreditation programme for some of the tests. In addition, the laboratory in INNOQ will be refurbished so that the metrology equipment can issue certificates. Also, the standards development project within BESTF will work on the improvement of the availability of internationally recognized standards to the productive sector. Thus, through the further capacity building of INNOQ, the BESTF project will contribute to the sustainability of some of the outputs of the food safety project.

Factors explaining programme results

The evaluation concluded that the weak key stakeholder analysis before the start of the project, the inconsistent use of the logical framework, and the lack of proper monitoring and evaluation contributed to the failure to achieve most of the project objectives.

Similar to the BESTF, the project was also very ambitious in its design. A project duration of three years for a capacity building project involving institutional change and the establishment and implementation of regulations, is very short. Moreover, the confusion over the distribution of roles and responsibilities within the project reduced effectiveness, especially at its early stage, when two project managers were in charge. Although technical assistance was considered as being of high quality, it was also found that a more systematic approach to develop compliance with a properly defined NQS is necessary. This would avoid buying expensive equipment (metrology laboratories) that later could not be adequately used due to non-compliance with accreditation standards.

Another issue similar to the BESTF project was the low ownership by Government, which resulted from its low involvement during project design, the placement of project office separate from the counterparts, and management solely by UNIDO.

H. Joint project: Mainstreaming resource efficient and cleaner production (RECP) in the accommodation sector of Mozambique and its supply chain (UE/MOZ/10/002)

Project description

This project was one of the last ones that have been initiated at the time of the country evaluation. It foresees a total budget of EUR 686,362 (around USD 950,000) and is implemented by UNIDO and UNEP. UNIDO share of the budget is planned to be around EUR 500,000 (including support costs), while the rest (EUR 180,000) is budgeted for UNEP's activities. The project received the first funds in May 2010 and started implementation in August 2010, envisaging a duration of four years.

The project followed a Government request from August 2009 in which MICOA expressed its interest in supporting activities on sustainable tourism. It aims at contributing to sustainable tourism development and will be coordinated at the national level by the National Cleaner Production Centre (NCPC). The project involves the following main activities:

UNIDO:

- Training of local experts in the areas of Cleaner Production (CP) and Corporate Social Responsibility (CSR);
- CP/CSR assessments in companies of the accommodation sector;
- Information dissemination and awareness raising seminars;
- Training of Government officials in RECP policy concepts and

UNEP:

- Policy assessment and national RECP strategy for tourism sector developed;
- Establishment of an institutional framework for RECP advocacy;
- Development of RECP toolkit for accommodation sector.

UNIDO will be the implementing agency for the operational and demonstrating component, while UNEP will focus on the institutional component.

Implementation arrangements

The project is implemented under the joint responsibility of UNIDO and UNEP. Within UNEP, the responsibility lies in the Business and Industry Unit (focal point for the Global RECP programme) and the Goods and Service Unit (tourism group). At UNIDO, the Cleaner and Sustainable Production Unit will be managing the project.

At the national level, the NCPC established through a joint UNEP-UNIDO project in 2001 will coordinate the project. In addition to the Director of the NCPC, who will be the project country coordinator, the project plans to hire two national experts for CP and CSR. For the training and technical assessment activities, three international experts will be recruited.

Relevance

The joint project is very relevant to Mozambique's national priorities, UNIDO core competences, and the cooperation of UNIDO with UNEP. The tourism sector in Mozambique contributes around 10.6 percent to the global GDP and is a very labor intensive sector, accounting for more than 8 percent of total global employment (IFC 2006). Sub-Saharan Africa has experienced a very rapid growth in tourism in the past two decades. Although Mozambique has taken its fair share of the growth of the African market in absolute terms, the potential is still not fully exploited.

The tourism sector was selected as one of the priority sectors for economic development in the PARPA II (2006-1009). Considering that Mozambique's tourism mostly relies on its vast natural beauty, growth in the sector without due regard to resource efficiency and cleaner production would not be sustainable in the long term.

The project is also highly relevant to UNIDO thematic priority "environment and energy" and its promotion of sustainable patterns of industrial consumption and production. It is particularly relevant since UNIDO has been increasingly entering the field of sustainable tourism. In fact, UNIDO is the executing agency of a GEF project in nine African countries (among them Mozambique) to reduce the impact of tourism related land-based activities on coastal waters. In addition, UNIDO has been invited to form part of the Marrakech Task Force for Sustainable Tourism in 2006 and several new projects on Sustainable Tourism are currently under formulation.

With regard to the partnership with UNEP, the project is also very relevant because it applies the principles of the UNIDO and UNEP Global Programme on RECP, which was approved in 2009 for the tourism sector. Also, a joint UNIDO-UNEP global strategy for sustainable tourism is being developed and the experiences from this project could provide important inputs to the process.

Ownership

The RECP project resulted from a Government request, which has given high priority to the tourism sector, so the project is likely to have a high involvement from Government. The private sector has also been involved through initial

consultations with relevant associations (Hotel Industry Association; Grupo Consultivo de Turismo da Cidade de Maputo; FEMA). The Advisory Board includes members of MICOA, the Ministry of Tourism, the MIC, FEMA, and national tourism associations. This will also contribute to the commitment of the counterparts and other stakeholders. However, this will only be achieved if the Board meets regularly and is used as a means to discuss and critically assess the progress of the projects.

Sustainability

With regard to the sustainability of results, the project document mentions the following: *“As long as benefits flow from CP and CSR implementation, the trained professionals are likely to remain motivated to practice their CP and CSR skills, which will lead to the further implementation of RECP through more far reaching RECP options in companies assisted by the project and/or through starting of RECP activity in companies initially not assisted by the programme”*. This is a very vague statement and does not consider the future market potential of CP and CSR services to companies. A risk could be the potentially low willingness from accommodation businesses to pay, since the demand for cleaner production and energy efficiency services in Mozambique is very low. Therefore, this issue should have been properly addressed at the design stage, and should be taken into account during implementation. The training of experts and advocacy activities alone cannot guarantee sustainability.

I. Project for Establishment of a NCPC in Mozambique (US/MOZ/98/037 and US/MOZ/05/037) (closed project)¹²

Project description

The Mozambique National Cleaner Production Centre (MNCPC) was established in 2000 as a joint initiative of the Government of Mozambique (represented by MICOA and the business sector (represented by FEMA: Business Forum for the Environment). There were two projects that provided funding for the MNCPC that were funded through the UNIDO–UNEP Cleaner Production (CP) Programme from the Government of Italy. The first project started in 1998 and accounted for USD 800,040, and the second project started in 2005 and supported the Centre with USD 118,311.

¹² Based mainly on the Independent Evaluation of the UNIDO-UNEP Cleaner Production Programme: Country Evaluation Report Mozambique (April 2008) and interview with Director of MNCPC

Activities were launched in 2001 and included information and awareness raising activities, in-plant demonstrations/CP assessments, and training. A business plan and proposal for further funding was submitted to Italy in late 2005, but no other regular or project funding has been achieved since then.

Implementation

The global CP programme is implemented through the CP Unit in the Energy and Cleaner Production Branch of UNIDO, located in its HQ in Vienna. The CP Unit provides a general strategy for the programme, liaison with programme stakeholders and donors, administration, and mentoring.

The project document foresaw an operation model in which UNIDO would pay the salary of the Centre's director, and both MICOA and FEMA would provide each a full time deputy director. These positions were filled from mid 2000s, and all three attended a two-week training provided by the India NCPC in India. Activities were launched in June 2001.

Immediately after the formal launch of MNCPC, the FEMA sponsored deputy director left, and FEMA was not in a position to fund a replacement. As FEMA implemented from 2001-2004 a major USAID funded project on Environmental Management Systems, the respective project director provided some input to MNCPC, but his main accountability remained towards FEMA and USAID. In 2002, the UNIDO recruited Centre Director had to resign, as he was unable to commit his full time to the MNCPC. Consequently, the MICOA funded deputy was subsequently promoted and since then the MNCPC has been operating as a 'one-man-show' run by the MNCPC Director, supported by an administrative assistant and driver/general support person. The Centre's resources were temporarily boosted as MNCPC hosted a UN Volunteer (UNV) specialized in industrial environmental management for two years (mid-2004 to mid-2006). However, there has not been much activity since 2004, and the Director used the USD 20,000 left from previous projects and some occasional environmental consultancies to keep the Centre alive.

Only recently, with the start of a joint UNIDO-UNEP RECP project for the tourism industry (2010), the MNCPC (its Director) was revived as an implementing partner for UNIDO. At the moment, the MNCPC (its Director) is located at FEMA offices where it does not have to pay rent but contributes to the running costs like water and energy.

The main achievements of the project have been:

Information Dissemination

- individual meetings with business owners/operators to introduce CP concepts and benefits;
- several information materials have been prepared;
- around 20 awareness seminars have been delivered in key centres throughout the country;
- a Portuguese CP manual was developed.

In-plant Demonstrations

- preliminary assessments for 22 companies;
- detailed CP Assessments for 4 companies;
- preparation of an Environmental Management Plan for 5 companies

Training:

- two batches of CP consultants trained (with a total of 32 participants).
- seven groups of company representatives trained (with a total of 61 companies trained).

With regard to policy advice and technology transfer, which are other key areas of activities for NCPCs, the Centre in Mozambique has not been delivering any outputs.

Relevance

Evidence that CP is applicable and beneficial to Mozambican industry remains weak, since the size of the industrial sector is small and industrial environmental management is not yet a national priority. At the time of the individual evaluation (2008), there was some evidence that one leading University was interested in CP, but MNCPC services have not been focused on serving the university sector. Relevance is somewhat higher for CP as a concept to both government and academia than for CP services to the private sector. According to the Director of the MNCPC, the small industry base is still quite reluctant to pay for CP services.

Effectiveness

With a few minor exceptions, effectiveness has been very low with respect to programme management, the Centre as such, and networking. Shortly after the start of the project, the initial staffing with one director and two deputy directors was reduced dramatically due to the non-realization of host government commitments. This hampered the progress of the MNCPC. With regard to the technical assistance provided by UNIDO, the Centre has benefited from initial training but lacked an ongoing technical input through the CP Programme. The

effectiveness appeared to have had a temporary boost, as the MNCPC was able to secure an UNV to support its activities for a two-year period. However, this was essentially delivered outside of the formal UNIDO-UNEP CP Programme.

Efficiency

Efficiency was found to be quite low. As the programme was not effective, considerable effort was diverted in trying to overcome internal and external barriers, instead of focusing on advocating CP and developing and delivering CP services. The MNCPC seems to have been micro-managed by the UNIDO Programme Coordinator at that time, with delays in decision-making, communication, administrative procedures, and disbursements in project funding. However, in light of the unfavorable circumstances, the Director was still able to produce some outputs. This was partly possible because of the support of the UNV.

Impact

The lack of baseline data characterizing the situation before the start of the project was an obstacle to evaluate impacts. However, the project did not achieve the planned outcomes, so it has been rated as low in terms of impact.

Sustainability

The sustainability of MNCPC is critically low. Even two years after the issue of sustainability was raised by the evaluation, the Centre still does not have a legal entity and consists in fact of one Director, who is being contracted as national expert by different projects. The counterpart - FEMA – still does not have the capacity to support the MNCPC, also having its own sustainability problems.

Applicability and potential benefits of CP have been insufficiently demonstrated, so it is unlikely that companies are willing to pay full costs of service delivery (even though a token fee has been charged since the establishment of the MNCPC). With regard to knowledge, auditors were trained by MNCPC and some of them have started CP service delivery and are likely to continue to practice their skills. However, in absence of further professional development opportunities, the quality of know-how and skills is likely to degrade over time. No effort has been put into advocating policy change conducive to CP, and that is why the legal framework is not supportive. There is no critical mass yet for CP services, and since the industry is mainly working for the national markets, there is no demand for environmental and social performance by their customers.

At the result level, sustainability is potentially a bit higher because assisted companies will continue the CP options implemented (and hence sustain some of the productivity and environmental benefits achieved).

Factors explaining programme results

The individual evaluation (2008) identified the following issues to have influenced the performance of the MNCPC:

- Limited consideration was given in the project preparation to the specific national circumstances in Mozambique: there was hardly any ground or otherwise any realistic expectations that CP would be timely, appropriate and valuable to Mozambican industry. The limited size of the industry sector was apparently only notionally considered, leaving the opportunity unutilized to design a targeted project strategy that would apply CP in sectors most relevant for socio economic development of Mozambique (e.g. rural sectors, tourism, etc.). It also appears that insufficient consideration was given to risks, such as the one that local counterparts could not afford to fund their agreed commitments to the Centre.
- Initial staffing was problematic: a negative spiral of unmet commitments to the project unfolded over the first two years of project implementation when the well qualified and motivated Director, trained by the project, exited the MNCPC. Due to coinciding factors, the two national counterparts both failed their commitment to provide in-kind a Deputy Director for the duration of the project.
- Local administration was neither transparent nor accountable: communication and decision-making lines were never resolved. The UNIDO Programme Coordinator appeared to have exercised an influential direct role in the Steering Committee, which the UNIDO backstopping officers were not aware of, a situation that may have remained unnoticed due to staff changes in UNIDO CP Programme management unit. The UNIDO Programme Coordinator had authority to approve project expenditures and no financial control was exercised from UNIDO HQ, which may have compromised accountability and transparency. This has given ground to persistent allegations that the MNCPC was unnecessarily micro-managed, that some of its funds may have been siphoned off to other purposes (UNIDO projects and/or otherwise) either directly or through re-assignment of MNCPC assets/equipment.

J. Promotion of economic activities in Ilha de Moçambique and Mossuril Districts (US/MOZ/09/003)

Project description

The project was initiated in January 2010 and is funded by Portugal with USD 999,485 for a period of three years. The project originated from a trust fund that Portugal had financed at UNIDO in the mid-1990s. Portugal elected the Mozambique Island as its target area for development cooperation in Mozambique, and the funds from the trust fund at UNIDO were available, making possible its formulation. The project is expected to have the following development outcome: *“Improved institutional capacities for private sector development in the Ilha de Moçambique and Mossuril Districts with a focus on information and simplified registration and licensing environment, human resource development, and advisory and training services”*.

The project envisages achieving this by implementing the following activities:

- Establishment of District One-stop-shops (*Balcão Único*) at each District Administration of Ilha de Moçambique (Lumbo and Mossuril);
- Incorporation of a technical training programme in Secondary and Industrial and Vocational Schools in Ilha de Moçambique and Mossuril Districts; and
- Increase of service capacity of private sector organizations.

Two of the three components build upon other UNIDO activities. The incorporation of a technical training programme presents a pilot initiative within the Entrepreneurship Curriculum Programme that might be extended to the national level (if successful). The OSSs in Lumbo and Mossuril will be the fourth and fifth OSS respectively to be established in Mozambique with the help of UNIDO.

The major counterpart of this project is the Ministry of Education and Culture, which is the Ministry responsible for the development of the Ilha de Moçambique. Additionally, the Provincial Government of Nampula has been involved through inputs at the design stage of the project (review of the project document). The Provincial Directorate of Education and Culture is planned to be involved in the development of the technical entrepreneurship training programme. The Office for the Conservation of Ilha de Moçambique (*Gabinete de Conservação da Ilha de Moçambique - GACIM*), an institution supported by Portugal will also be involved, especially in terms of monitoring the project.

Implementation

For the implementation of the project, an international project manager specialized in entrepreneurship, a national entrepreneurship development specialist, and an administrative assistant are envisaged to be contracted for the whole project duration. Additionally, an international consultant on industrial engineering (already recruited at the time of the country evaluation) and national technical training specialists were also foreseen.

Due to the success of similar arrangements within the Entrepreneurship Development Project, the project will work with Technical Working Groups and the counterparts will provide substantial inputs: installation and renovation of the premises for the OSSs, operational expenses of the programmes introduced, and personnel costs of instructors, among others. The PMU is planned to be set up within the OSS in Lumbo by the end of 2010.

At the time of the evaluation and thus a few months after the start of implementation, the following outputs had been produced:

- Draft of a syllabus for technical training programme;
- Baseline survey among local business associations;
- Identification of premises for OSS in Lumbo;
- Recruitment of industrial engineer.

Relevance

The project is in line with the PARPA II's focus on economic development and tourism as a priority sector and – like the Entrepreneurship Development Project - with the Strategic Plan for Education and Culture (2006-2010), which aims at creating entrepreneurial capacities among students in secondary and technical schools. As the Ilha de Moçambique was selected as one of the 18 priority sectors by the “Strategic Plan for the Development of Tourism in Mozambique (2004 – 2013)”, it will be increasingly important to create favorable conditions for the private sector. At the moment there only exists one commercial bank in the area, the human resource base for entrepreneurship is weak, and public services for local and foreign entrepreneurs are insufficient. The *Plano Estratégico Nampula 2020*, the provincial strategy, which was launched shortly before the evaluation, confirms the need for increasing the competitiveness of MSMEs, strengthening private sector support services, and further developing human capital. Therefore, the approach to address the constraints of the two Districts at the institutional level (support to private sector organizations and establishment of OSS) and through an education programme that will provide the younger population with appropriate skills is considered as relevant.

The project is particularly relevant to the donor – Portugal – which has selected the Ilha de Moçambique as its target area due partly to historical reasons, and also due to the perceived great potential for the development of tourism.

The project is also relevant to UNIDO thematic priorities, as it addresses private sector development, though one could argue that the educational component is not UNIDO core expertise.

Ownership

At the time of the evaluation, not much could be observed on ownership. The involvement of the Provincial Government at the design stage is very positive. The establishment of technical working groups generates a good chance of increasing the ownership of the project, similarly to the experience of the Entrepreneurship Development project. However, the project was largely a donor driven project, and when the MIC (UNIDO main counterpart) received it, it considered that it was not in line with the national industrial development priorities. Although this issue is most probably related to internal jealousies between different government agencies, the fact that the project is not being “owned” unanimously could have a negative impact on the project as well as on UNIDO relations with the MIC. Particularly the establishment of the OSSs and the work with private sector organizations should also be supported on a national level by the MIC.

Sustainability

The high involvement of the MEC and Provincial Government, also through the provision of several important and costly inputs to the project, will increase the chance of achieving sustainability. The project does not have a lot of funds considering the three different proposed interventions, but Ilha de Moçambique is an area that receives significant attention from the Government and donors. Portugal is supporting several other activities in Ilha de Moçambique, UNESCO identified the island as a World Heritage Site in 1991, Lumbo is a UNDP Millennium Village, and the One UN JP “Strengthening cultural and creative industries and inclusive policies in Mozambique” (funded by the MDGF) also operates in the same area. In light of the many projects and initiatives and interest in the area, the project has a good chance of achieving sustainable results.

Annex B: Terms of Reference



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

TERMS OF REFERENCE

FOR

THE INDEPENDENT COUNTRY EVALUATION IN THE REPUBLIC OF MOZAMBIQUE

I. BACKGROUND AND CONTEXT

The evaluation of UNIDO's Integrated Programme (IP) II in Mozambique was proposed by UNIDO's Regional Strategies and Field Operations Division (RFO). Consequently a country evaluation was included in the ODG/EVA Work Programme 2010/2011 and later approved by the Executive Board. The country evaluation is particularly relevant, as Mozambique is one of the eight Delivering as One UN (DaO) pilot countries and the evaluation will feed into a thematic evaluation of UNIDO's contribution to the One UN, also planned for the 2010/11 biennium.

After its independence from Portugal in 1975, Mozambique was faced with a very unsteady political situation. Businesses and property were nationalized under the initial socialist single-party regime, followed by a decade of civil war which destabilized mobility, infrastructure and the economy. After the war Mozambique which had been one of the most vibrant colonial economies in Africa, was devastated and ranked the world's poorest.

Although Mozambique became a successful example of post-crisis development, with average GDP growth rates around 7 percent¹³, expansion has been uneven, with many sectors remaining weak. The business environment is still facing challenges (high transaction costs, excessive bureaucracy, property market distortions, inefficient government monopolies and weak competition) and the local private sector therefore has not been able to take advantage of opportunities in the domestic market. Mozambique is still highly dependent on international aid and co-operation (ODA amounts to approx. 25% on GDP¹⁴), with an incidence of absolute poverty of about 70 percent and a growing internal debt.

Mozambique still remains one of the poorest countries in the world, ranked 172 out of a total of 177 in the Human Development Index, which is the lowest in the Southern African Development Community (UNDP 2009). Also, one of the major threats to development is

¹³ The baseline for that apparent high economic growth was low due to depletion of infrastructures by the war and of competitiveness by the centralized economy enforced in 1975 and relaxed in 1987.

¹⁴ Contested Sovereignty in Mozambique: the dilemma of aid dependence; Global Economic Governance Programme, 2007

the dissemination of the HIV/AIDS pandemic throughout the Country, with a prevalence of about 12 percent (UNAIDS 2008).

The Government considers that economic growth has to be *“comprehensive and sustainable, conducing to poverty reduction, to the creation of wealth within the framework of continuous development, and should promote comparative advantages, privilege endogenous variables and broaden the internal market, and find an answer for social inequity and regional asymmetries”* (**Agenda 2025**).

The Agenda is structured around the vision that Mozambique will be a Country where, by 2025:

- The production of wealth and social equity are promoted;
- There is a work culture;
- The State is the promoter of development and well-being;
- Initiatives are encouraged and the Mozambican entrepreneurial sector is stimulated, consolidating the social and economic structure;
- Contracts and commitments are respected;
- Science, technology, research and innovation are promoted.

The main current poverty reduction strategy paper is the **Action Plan for the Reduction of Absolute Poverty** (PARPA II, 2006-2009) and it aims at improving governance, investing in human capital and boosting economic development, with an emphasis on promoting private-sector growth.

As mentioned above, Mozambique is a Delivering as One pilot country and UNIDO is one of the participating agencies. The One Programme today consists of eleven Joint Programmes (JPs) out of which UNIDO is a participating agency in the following:

- JP 1: Women's Empowerment and Gender Equality
- JP 6: Promotion of Youth Employment
- JP 10: Building Capacities for Effective Trade Policy Formulation and Management
- JP11: Climate Changes and Environment Protection

UNIDO's first project in Mozambique was implemented in 1980 and provided assistance to the garment industry. Since then UNIDO has been implementing almost 200 projects with a total budget of more than USD 25 million. The first Integrated Programme was formulated in 1999 and covered four components: industrial policy development, regional industrial development, investment and technology promotion and environment and quality management. It was evaluated in 2002 and although the evaluation found its relevance high, it noted that the scope of the programme was too broad.

The second and current IP (IP II), which started in 2004 has got the following main objectives:

- To strengthen the capabilities of the public sector and the organized private sector for effective policy development and implementation to support the private sector development, including the mitigation of adverse effects of HIV/AIDS.
- To reduce the regional imbalance of adequate institutional support for SME, including agro-industries.

UNIDO in Mozambique is listed as a non-resident agency in the DaO pilot and is covered by the Regional Office in South Africa. However, since 2009 UNIDO maintains a UNIDO Desk in Maputo, staffed with a Head of UNIDO Operations (HUO). There is also a National Cleaner Production Centre which has been financed by Italy and started its operations in 2000.

Project portfolio in Mozambique

As Table 1 below shows, there are ten different projects ongoing in Mozambique, out of which four projects are part of the One UN Programme and several projects are part of the still ongoing IP II. In terms of thematic areas, several projects are targeted at entrepreneurship and youth employment. The B.E.S.T.F project is by far the largest ongoing project and is jointly funded by the EU and UNIDO. It aims to improve the existing investment climate by alleviating trade-related constraints. It is a stand-alone project that is neither part of the One UN Programme nor UNIDO's Integrated Programme.

Table 9: Ongoing individual projects in Mozambique (as of August 2010, USD)

JP	Project Number	Project Title	Type	Allotments	Total Exp	% of total allot.
	EEMOZ08001			4,268,753	2,766,985	
	XPMOZ09004	Business Environment Support and Trade Facilitation (B.E.S.T.F.)	stand-alone	115,440	103,227	47.00%
	UEMOZ08002			88,930	30,489	
	UEMOZ08003			352,259	352,259	
JP 1	FBMOZ08004	Processing of selected agricultural produce for employment creation and income generation with a focus on women	ONE UN	936,205	781,149	8.81%
JP 10	FBMOZ08006	Increased supply capacity for agricultural and fishery products	ONE UN	84,112	15,956	0.79%
JP 6	FBMOZ08007	Promotion of Youth Employment	ONE UN	725,580	529,335	6.83%
JP 11	FMMOZ08005	Joint Programme on environmental mainstreaming and adaption to climate change in Mozambique	ONE UN	674,594	366,180	6.35%
	TFMOZ07003	Entrepreneurship Development for Youth	IP	1,283,835	1,236,896	12.08%
	USMOZ09003	Promotion of economic activities in Ilha de Mozambique and Mossuril districts	IP	884,500	2,991	8.32%
	USMOZ05A01	Enhancing the capacity of the food safety and quality assurance system	IP	853,711	853,711	8.03%
	USMOZ08008	USMOZ06A01:Renewable energy powered rural business support centres (ICTs) for small rural enterprises and communities in off-grid regions	IP	107,000	74,608	1.01%
JP 11	UEMOZ10002	Mainstreaming resource efficient and cleaner production (RECP) in the accommodation sector of Mozambique and its supply chain	stand-alone	216,106	0	2.03%
	MPMOZ10001	Technical assistance for the elimination of controlled uses of methyl bromide in soil fumigation	Montreal Protocol	40,000	0	0.38%
		TOTAL		10,631,025	7,113,786	100.00%

Source: Agresso (TC Funds available in USD).

Table 10: Regional projects with components in Mozambique (as of June 2010, in USD)

Project Number	Project Title	Type	Allotments	Total Exp
GFRAF09027	Capacity strengthening and technical assistance for the implementation of NIPs for The Stockholm Convention on POPs in LDCs- Preparatory Assistance	Other	200,000	131,130
EERAF08043	Survey of enterprises	Other	3,334,490	1,941,282
TERAF08024	Regional Supplier Benchmarking Programme - SPX	Other	764,731	315,415
YARAF10003	Demonstrating and capturing best practices and technologies for the reduction of land-sourced impacts resulting from coastal tourism	Other	32,029	3,437
GPRAF08004	Capacity-building of African business as well as the investment promotion agencies and identification of investment opportunities as well as barriers for advancing Korea-Africa business partnerships	IP	1,660,609	1,068,558
USINT07012		Other	530,974	506,251

Source: Agresso (TC Funds available in USD).

As the table below shows, the IP II is larger than USD 5 million and incorporates ten different technical cooperation projects, out of which four projects are still ongoing.

Around USD 215,000 of seed money has been allocated in the course of IP II and two bridging funds are included.

Table 11: Projects in Integrated Programme II (as of June 2010, in USD)

Project Number	Project Title	Status	Allotments	Total Exp	Comments
TFMOZ05003	Development of Micro and Small Industries in Zambezia and Tet Provinces	G	24,206	24,206	
TFMOZ07001	IP Mozambique, Phase II - Food processing technology for Output 2.1.	G	12,345	12,345	bridging funds
TFMOZ07003	Entrepreneurship Development for Youth	O	1,283,835	1,235,823	
USMOZ05037	USMOZ98037-Project for Establishment of a NCPC in Mozambique	G	118,312	118,312	National Cleaner Production Centre
USMOZ04105	UNIDO P.A. to define in MOZ a cooperation programme with public institutions (food safety)	G	34,933	34,933	prep. assistance for USMOZ05001
USMOZ05001	Enhancing the capacity of the food safety and quality assurance system	C	906,269	906,269	
USMOZ05A01		O	853,711	853,711	
USMOZ06001	Renewable energy powered rural business support centres (ICTs) for small rural enterprises and communities in off-grid regions	C	62,920	62,920	
USMOZ06A01		C	85,502	85,502	
USMOZ08008		O	107,000	74,600	
USMOZ09003	Promotion of economic activities in Ilha de Mozambique and Mossuril districts	O	884,500	2,991	
XPMOZ04028		F	111,248	111,681	
YAMOZ04426	IP for Mozambique	G	104,087	104,186	seed money
YAMOZ06002	IP MOZAMBIQUE - Additional resources for UNIDO office personnel	G	47,032	47,115	bridging funds
EEMOZ08001	Business Environment Support and				ongoing succession
YAMOZ09002	Trade Facilitation (B.E.S.T.F.)	C	325,144	324,841	project outside of IP
DPMOZ02010	Support Programme for PSD and sustainable livelihood	C	375,972	375,972	
TOTAL			5,337,016	4,375,407	

O: ongoing project, F: financially completed, C: operationally completed, G: completed all stages

Source: Agresso (TC Funds available in USD).

II. RATIONALE AND PURPOSE

The country evaluation is being undertaken at a time when the Delivering as One piloting phase has finished. The second phase of the Integrated Programme was supposed to finish in 2007 and although no common IP funds are left, there are still a few projects ongoing and a progress report from November 2009 exists.

The evaluation will be a forward-looking exercise: it will identify areas for improvement and draw lessons to enhance the relevance and effectiveness of future UNIDO interventions in Mozambique.

It has the following main purposes:

- To assess the progress of TC activities made towards the expected outcomes envisaged in UNIDO project and programme documents as well as in DaO Joint Programme documents.
- To provide an assessment of UNIDO's strategic positioning in Mozambique and within the One UN
- To assess the relevance of UNIDO's interventions in response to national needs and international development priorities
- To assess management and coordination processes
- To generate key findings, draw lessons and provide a set of clear and forward-looking recommendations for consideration in a future country programme.
- To serve as an input to the following **thematic evaluations**:
 - UNIDO's contribution to the One UN mechanism;
 - UNIDO's contribution to the MDGs; and
 - UNIDO's field representation.

III. SCOPE AND FOCUS

The evaluation will cover the full range of support of UNIDO to Mozambique and go beyond a mere documentation of results by trying to assess why projects/programmes have succeeded or failed. The evaluation will cover the period starting with the beginning of the current IP (2004) and will consider completed and ongoing projects initiated during the period 2004 – 2010.

The B.E.S.T.F project which accounts for almost 50 percent of the ongoing projects in Mozambique, was evaluated in April 2010 and the report will be considered as an important input into the country evaluation. Additionally, the following large projects have been evaluated and the reports will serve as important inputs:

- UE/MOZ/05001 (Enhancing the capacity of the food safety and quality assurance system) was evaluated in 2009 (managed by UNIDO and funded by SECO)
- TF/MOZ/07/003 (Entrepreneurship Development for Youth) has just been under an independent evaluation commissioned by the donor NORAD.
- FM/MOZ/08/005 (Joint Programme on environmental mainstreaming and adaptation to climate change in Mozambique) is currently under independent evaluation commissioned by the MDGF secretariat

Also, the following UNIDO thematic evaluations covering activities in Mozambique should be considered:

- Independent Evaluation: UNIDO-UNEP Cleaner Production Programme (2008)
- Thematic Evaluation: UNIDO activities in the area of Standards, Metrology, Testing and Quality (2010)
- Thematic Review of UNIDO's Agri-business/Agro-industry Development Interventions (2010)

Concerning the IP II, the achievement of outcomes as defined in the programme document will be assessed. The programme will be reviewed as a whole, particularly in terms of design, relevance, the exploitation of synergies and coordination within UNIDO. Annex F contains a list of all projects that are included in the IP II.

As for the One UN, the country evaluation will focus on UNIDO's contribution to the One UN programme and more specifically the Joint Programme objectives. A country-led evaluation has been conducted in 2010 and should be taken into consideration.

Annex F contains a list of all ongoing projects as well as regional projects with components/activities in Mozambique. A map attached as Annex G gives an overview of the geographic location of UNIDO's interventions.

The exact scope of the country evaluation will be defined during the inception period. The evaluation will not consider all the projects that fall under the time coverage of the evaluation but will consider particularly interesting or strategically important projects in relation to the purpose of the evaluation. The evaluation should cover a portfolio that is representative of UNIDO's activities in Mozambique throughout the period 2004 – 2010 and allow the evaluation to answer the questions identified in the ToR. The reasons for selection or exclusion of certain interventions need to be explained in the inception report. For that purpose basic evaluability assessments should be carried out if necessary.

Depending on the complexity and strategic importance of each intervention, different methodologies will be applied (see chapter V).

IV. EVALUATION ISSUES

The country evaluation will attempt to determine as systematically and objectively as possible the relevance, efficiency, effectiveness (achievement of outputs and outcomes),

impact and sustainability of the interventions under evaluation. The evaluation assesses the achievements of the interventions against their key objectives, including re-examination of the relevance of the objectives and appropriateness of the design. It also identifies factors that have facilitated or impeded the achievement of the objectives.

In general, the country evaluation should consider the DAC Criteria (relevance, efficiency, effectiveness, sustainability, impact). However, specific evaluation questions and cross-cutting issues will be mainstreamed in the evaluation of the Country Programme, individual projects, the One UN and the field office performance.

Attention will be given to the following cross-cutting issues:

- Integration and Delivering as One UNIDO (coordination, cooperation, exploitation of synergies)
- Contribution to Gender equality
- Contribution to environmental sustainability
- Fostering of South-South cooperation

A. Key questions on TC activities

- Are UNIDO interventions aligned to national needs, development goals and priorities, including the MDGs?
- What outputs have been achieved in Mozambique?
- What progress has been made in achieving the outcomes, specified in project and programme documents and One UN programme documents?
- Have UNIDO interventions been effective and sustainable?
- What factors have been contributing to effectiveness or ineffectiveness?
- To what extent does UNIDO coordinate its interventions and is aligned with other development partners?

B. Evaluation of Global Forum activities

Global forum (GF) activities are those which are initiated by UNIDO (or the United Nations system) to exchange and disseminate knowledge and information, as well as facilitate partnerships, producing an “output”, without a pre-identified client, which increases understanding of sustainable industrial development and solutions. Global forum activities have informative, advocative and normative functions.

The assessment of global forum activities will include:

- UNIDO GF activities nurturing national knowledge and dialogue with regard to industrial development and, at the same time,
- activities at the national level, including TC projects, nurturing UNIDO GF activities and products)

The exact selection of global forum activities will be defined in the inception report. This should be done, considering the framework in Annex H.

C. Evaluation of UNIDO’s participation in the One UN and other country-level coordination mechanisms

Mozambique is one of the eight pilot countries for the Delivering as One agenda.

A country-level evaluation of the pilot initiative for Delivering as One in Mozambique has been conducted and should be reviewed.

Additionally, the evaluation team will assess the following issues:

- the extent to which UNIDO contributes to the One UN, UNDAF, the UN Country Team and other system-wide coordination mechanisms (like the Private Sector Working Group)
- how the participation in UN activities affects UNIDO’s performance

D. Evaluation of management at country level

- How do UNIDO's field presence and HQ support planning, implementation and monitoring of TC and GF activities?
- Is the field presence adequately equipped to assume the assigned functions?
- Are the existing capacities being used in an efficient manner?
- To what extent are UNIDO activities coordinated and integrated? (One UNIDO)
- How are partnerships and coordination with national stakeholders and other development partners managed?
- Is the IP coherent as an implementation modality and did it contribute to the coordination and integration of activities?

V. EVALUATION APPROACH AND METHODOLOGY

In terms of **data collection** the evaluation team will use different methods ranging from desk review (project and programme documents, progress reports, mission reports, Agresso search, evaluation reports, etc) to individual interviews, focus groups, statistical analysis, literature research, surveys and direct observation.

The evaluation team should ensure that the findings are **evidence based**. This implies that all perception, hypothesis and assertions obtained in interviews will be validated through secondary filtering, cross checks by a **triangulation** of sources, methods, data, and theories.

While maintaining independence, the evaluation will be carried out based on a **participatory approach**, which seeks the views and assessments of all stakeholders. These include government counterparts, private sector representatives, other UN organizations, multilateral organizations, bilateral donors, beneficiaries as well as UNIDO-regular and project staff.

Depending on formal requirements, the complexity and the strategic importance of each project/activity, different approaches will be used for the assessments:

a) Fully fledged independent evaluations:

For projects/programmes that are due for a mandatory evaluation¹⁵ within the same timeframe as the country evaluation and for other projects that are considered important (explanation in the inception report) a fully fledged independent evaluation, with separate ToR, will be carried out. The evaluation will be carried out by the country evaluation team and be part of the country evaluation report. The methodologies applied will be described in the corresponding evaluation ToR.

For projects that have been evaluated within two years before the country evaluation, the corresponding evaluation reports will be used as an input into the country evaluation.

b) Project assessment:

For projects that do not formally require a fully fledged evaluation or that are not yet due for evaluation, but for which a comprehensive assessment is regarded important.

The following methodological components will be applied: an assessment of the project documentation including an assessment of project design and intervention logic; a validation of available progress information through interviews with key stakeholders and beneficiaries; a context analysis of the project to validate implicit and explicit project

¹⁵ For which an evaluation is mandatory according to UNIDO and/or donor requirements, or in accordance with the evaluation provisions in the project document.

assumptions and risks, including interviews with government agencies and donors regarding the developments and tendencies in the project-specific environment.

c) Reviews:

For projects that are likely to start soon, that have started very recently or that are considered important for other reasons a review will be carried out. The following methodology will be applied: a review of the available documentation; a validation of the foreseen intervention logic/design with a special focus on the relevance to national priorities and to the country programme or UNIDO's strategic priorities.

VI. TIMING

The country evaluation is scheduled to take place between August and November 2010. The two-week field mission for the evaluation is envisaged for September.

Activity	Estimated date
Collection of documentation by evaluation consultant at HQ	1 Sep
Desk Review by members of evaluation team	6 Sep
Initial interviews at HQ to assess scope	21-23 Sep
Inception report	27 Sep
Mission to Mozambique (2 weeks)	27 Sep – 8 Oct
Presentation of preliminary findings to the government	8 Oct
Presentation of preliminary findings at HQ	11 Oct
Drafting of report	25 Oct
Collection of comments	8 Nov
Incorporation of comments	13 Nov
Issuance of final report and evaluation brief	November

VII. EVALUATION TEAM

The evaluation team will include:

- 1) one senior International Evaluation Consultant with extensive experience in and knowledge of evaluation and private sector development;
- 2) one junior International Evaluation Consultant
- 3) one National Evaluation Consultant familiar with evaluation techniques and pertinent sectors and issues who will work under the direction of the team leader and in close collaboration with all members of the evaluation team; and
- 4) one ODG/EVA staff member who will also act as evaluation manager and be responsible for the FO component and the review of global forum functions

The international and national consultants will be contracted by UNIDO. The tasks of the consultants are specified in their respective job descriptions, attached to this ToR.

All members of the evaluation team must not have been involved in the design and/or implementation, supervision and coordination of any intervention to be assessed by the evaluation and/or have benefited from the programmes/projects under evaluation.

One member of UNIDO's Evaluation Group will manage the evaluation and will act as a focal point for the evaluation consultants. Additionally, the UNIDO Desk in Mozambique and the Regional Office in South Africa will support the evaluation team and will help to coordinate the evaluation mission.

A proactive involvement of the national counterpart could be envisaged through a secondment of its own evaluators as members of the evaluation team. The national counterpart should be informed that such a joint evaluation is a possibility. The necessary funding should be set aside by the national counterpart in advance and outside the UNIDO evaluation budget.

VII. EVALUATION PROCESS AND REPORTING

The evaluation team will use a participatory approach and involve various stakeholders in the evaluation process. The responsibilities for the various evaluation stages are outlined below:

	OSL/EVA Evaluation Group	PTC	RSF/ Field office	Government of Mozambique	Evaluation team
Terms of Reference	✓				
Selection of consultants	✓			✓	
Self assessment by project managers		✓	✓		
Review of background documentation					✓
Interviews at UNIDO HQ		✓	✓		✓
Inception Report					✓
Comments on inception report	✓				
Evaluation mission			✓	✓	✓
Presentation of preliminary findings in the field					✓
Presentation of preliminary findings at HQ					✓
Drafting of evaluation report					✓
Comments on draft report	✓	✓	✓	✓	
Final evaluation report					✓
Evaluation brief					✓

The evaluation team will present its preliminary findings to the Government, to the HUO and UR, programme and project staff in the field and to stakeholders at UNIDO Headquarters.

A draft evaluation report will be circulated for comments. The reporting language will be English (Portuguese to be discussed).

Review of the Draft Report: The draft report will be shared with UNIDO and the Government for initial review and consultation. They may provide feedback on any error or fact and may highlight the significance of such errors in conclusions. The evaluators will take comments into consideration when preparing the final version of the evaluation report.

The Final Report will be submitted 6-8 weeks after the field mission, at the latest, to the Government of Mozambique, the donors and to UNIDO.

VIII. DELIVERABLES

- Inception Report
- Presentation of preliminary findings to counterparts and HQ staff
- Draft Report
- Final Report
- Evaluation Brief

IX. QUALITY ASSURANCE

All UNIDO evaluations are subject to quality assessments by the UNIDO Evaluation Group. Quality control is exercised in different ways throughout the evaluation process (briefing of consultants on EVA methodology and process, review of inception report and evaluation report). The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality in Annex B.

The applied evaluation quality assessment criteria are used as a tool to provide structured feedback.

X. ANNEXES

- A. Job Descriptions for team members (to follow)
- B. Checklist on evaluation report quality
- C. Tentative evaluation report outline
- D. Reading list (preliminary)
- E. Country programme logical framework (from programme document)
- F. List of UNIDO projects in Mozambique
- G. Map of UNIDO project locations
- H. Framework for assessment of global forum activities

Annex C: List of persons met

At UNIDO HQ (Vienna):

Name	Position	Unit
Mr. Eric Appiateng	Senior Procurement Officer	Procurement Services Unit
Mr. Ludovic Bernaudat	Industrial Development Officer	Water Management Unit
Mr. Klaus Billand*	Senior Coordinator for UN System Coherence	Regional and Field Operations Branch, Office of the Director
Ms. Kawira Bucyana	Industrial Development Officer	Agri-Business Development Unit
Mr. Bashir Conde	Field Operations Officer	Africa Programme
Mr. Victor Djemba	International expert on One UN	Regional and Field Operations Branch, Office of the Director
Mr. Johannes Dobinger	Evaluation Officer	Evaluation Group
Mr. Mohamed Eisa	Unit Chief and Deputy to the Director	Stockholm Convention Unit
Mr. Seiichiro Hisakawa	Unit Chief	Rural Entrepreneurship Development and Human Security Unit
Mr. Stefan Kratzsch	Industrial Development Officer	Investment and Technology Unit
Ms. Barbara Kreissler	Industrial Development Officer	Competitiveness, Upgrading and Partnership Unit
Mr. Kay Lisengard	Field Coordinator	Regional and Field Operations Branch, Office of the Director
Mr. Peter Löwe	Senior Evaluation Officer	Evaluation Group
Mr. Wilfried Lütkenhorst	Managing Director of Regional Strategies and Field Operations Division	Office of the Managing Director
Mr. Alois Mhlanga	Industrial Development Officer	Renewable and Rural Energy Unit
Mr. Dmitri Piskounov	Managing Director of Programme Development and Technical Cooperation Division	Office of the Managing Director
Ms. Petra Schwager	Industrial Development Officer	Cleaner and Sustainable Production Unit
Mr. Emilio Vento	Senior Programme Officer	Bureau for Programme Design and Knowledge Management

In Mozambique:

Name	Position	Project/Organization
UNIDO Desk		
Mr. Jaime Comiche	Head of UNIDO Operations	UNIDO
Ms. Olga Tembe	Secretary	UNIDO
UNIDO project staff		
Ms. Lurdes Capelas	Head of Quality Cluster	BESTF project
Mr. Artur Miguel Chirindja	Project Assistant	ECP project
Mr. William Dall Manhacaze	Project Assistant	ECP project
Mr. François Denner	Chief Technical Advisor	BESTF project
Mr. Joaquim Domingos	Survey Assistant	Africa Investor Survey
Ms. Daniela Fiori	Head of Trade Information and Facilitation Cluster	BESTF project
Mr. Leonardo Guirruta	National Expert	NCPC RECP JP on Environment
Ms. Julia Graça Langa	Psycho-pedagogical Consultant	ECP project
Mr. Luis O. Pino Marin	National Coordinator	ECP project
Ms. Helena Matusse	National Expert	JP on Women's Empowerment JP on TCB
Mr. Eduardo Moreira	International Expert for industrial engineering	Ilha de Moçambique project
Ms. Esperança Armando Mucavel	Project Secretary	ECP project
Government		
Mr. Jose Castigo	Director	BAU Nampula
Mr. Jaime António Chambule	Electro Technician	Ministry of Energy
Ms. Madina A. R. Ismail	Manager	IPEME
Ms. Anselmina Luis Liphola	National Director for Environment Management	MICOA
Mr. Ernesto Mafumo	Deputy Director	IPEME
Ms. Eduarda Mungói	Deputy National Director of Industry	Ministry of Industry and Trade
Mr. António Saide	National Director	Ministry of Energy
Mr. Sidónio do Santos	National Director of Industry	Ministry of Industry and Trade
Donors		
Mr Carlos Rafa Mate	Programme Officer	NORAD
Ms. Joana Rosado	Economist	Portuguese Cooperation
Ms. Myriam Sekkat	Programme Officer	European Commission
Beneficiaries		
Mr. Pedro Álvaro	Focal point for agro processing demonstration in Ribawé Agrarian Institute	JP on Women's Empowerment

Mr. Fernão Salinhas Cacecasse	Member of PTWG	ECP project
Mr. Julio Docodela Manganhe	Community Leader in Ndombe	JP on Environment
Ms. Dulce Maria Henriques	Succeful ECP graduate	ECP project
Mr. Bichoto Hortêncio Saibondo	Succeful ECP graduate	ECP project
Mr. Alberto Jocane	Succeful ECP graduate	ECP project
Mr. Mário Fernando Marino	Member of PTWG	ECP project
Mr. Carlos Migode Salé	Member of PTWG	ECP project
Ms. Elsa Mary	Manager of cashew plantation in Itoculo	IP II project on agro-processing (cashew)
Other beneficiaries		
ECP graduates	Nampula Industrial and Comercial School	ECP project
ECP teachers	Nampula Industrial and Comercial School	ECP project
ECP teachers	Ribawé Secondary School	ECP project
Members of Associação Força da Mudança	Ndombe	JP on Environment
ECP graduates	Matola Secondary School	ECP project
Partners		
Mr. Elias Come	Executive Director	CADI Maputo
Mr. Titos Nhabomba	Consultant	CADI Maputo
Mr. Geraldo Sotomane*	Director	AGEMO
Ms. Leena Vaaranmaa*	CTA	PRODEZA
Mr. Joao Viseu	Chairman	FEMA
Ms. Beatriz Nhancale	Consultant	CADI Nampula
Other UN agencies		
Ms. Estrella Alcalde	UNFPA Focal Point	UNFPA
Mr. Gabriel Dava	Programme Manager	UNDP
Mr. Roberto De Bernardi	Deputy Representative and HACT Chair	UNICEF
Ms. Maimuna Ibraimo	UNJP Coordinator	UNFPA
Ms. Naomi Kitahara	Deputy Resident Representative	UNDP
Ms. Lola Lopes	NRS Coordination Officer	Office of the Resident Coordinator
Mr. Andrew Mattick	UNJP Coordinator, FAO Focal Point	FAO
Mr. Sérgio P. Muchanga	Senior Coordination Specialist	Office of the Resident Coordinator
Academia		
Prof. Louis Perembe*	Faculty of Chemical Engineering	University Eduardo Mondlane

In South Africa:

Mr. Stefano Bologna*	UNIDO Representative	UNIDO Regional Office
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* via telephone interview

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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Vienna International Centre, P.O. Box 300, 1400 Vienna, Austria

Telephone: (+43-1) 26026-0, Fax: (+43-1) 26926-69

E-mail: unido@unido.org, Internet: www.unido.org