



**MINISTRY OF FOREIGN AFFAIRS
OF DENMARK**
Danida

DECEMBER 2017

EVALUATION OF DANISH ENGAGEMENT IN MOZAMBIQUE 1992-2016





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- B. Consulted stakeholders
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- D. Evaluation Matrix
- E. Case studies
- F. Portfolio analysis report
- G. Terms of Reference

LIST OF ABBREVIATIONS

ABR	Advocacy and business research
ADIPSA	Development of private Sector Initiatives in the Agricultural Sector
AGIR	Action Programme for Inclusive and Responsible Governance
AGRO-INVESTE	Agri-business development
ANAMM	Mozambican National Association of Municipalities
ASCA	Accumulating Savings and Credit Associations
ASPS	Agricultural Sector Programme Support
B2B	Business-to-Business
CDS	Centre for Sustainable Development
CEDSIF	Centre for Development of Information Systems for Finance
CEP	Citizen Engagement Programme
CFJJ	Training Centre for Juridical affairs
CIP	Center for Public Integrity
CNCS	National Aids Council
CSO	Civil Society Organisation
CUT	Treasury Single Account
DKK	Danish Kroner
DNE	National Energy Directorate
DOE	Directorate of Economy
DPA	National Energy Directorate Agriculture Province Directorate
DSESSP	The Danish Programme Support to the Education Sector Strategic Plan
EDM	Electricidade de Moçambique
ERG	Evaluation Reference Group
EQ	Evaluation Question(s)
EPS	Environmental Sector Programme
ESPS	Energy Sector Programme Support
ESAN	Strategy for Food Security and Nutrition
ESSP	Education Sector Strategic Plan
ET	Evaluation Team
EVAL	Evaluation Department
FAN	Business Environment Fund
FASE	Education Pool Fund
Frelimo	Mozambique Liberation Front
FUNAE	Energy Fund/Fundo de Energia
GBS	General Budget Support
GCCC	Central Anti-Corruption Office
GDP	Gross Domestic Product
GEP	Growth and Employment Programme
GNI	Gross National Income

LIST OF ABBREVIATIONS

GOM	Government of Mozambique
HDI	Human Development Index
HIPC	Highly Indebted Poor Countries
HRBA	Human Rights-Based Approach
HRD	Human Rights Defenders
IMF	International Monetary Fund
IPAJ	National Institute for Legal Assistance
MADER	Ministry of Agriculture and Rural Development
MAE	Ministry of State Administration and Public Service
MASC	Civil Society Support Mechanism
MDM	Mozambican Democratic Movement
MFA	Ministry of Foreign Affairs (Denmark)
MICOA	Ministry of Coordination of Environmental Action
MIREME.	Ministry of Mineral Resources and Energy
MITADER	Ministry of Land, Environment and Rural Development
MISAU	Ministry of Health
MoU	Memorandum of Understanding
MS	Mellemfolkeligt Samvirke
NGO	Non-Government Organisation
ODA	Official Development Assistance
PAF	Performance Assessment Frameworks
PAP	Programme Aid Partners
PCR	Project Completion Report
PES	Economic and Social Plan
PFM	Public financial management
PARMDC	Multisectoral Initiative on Chronical Malnutrition
PFMU	Project Financial Management Unit
PROAGRI	Agricultural Sector Public Expenditure Program Project
PRODEM	Municipal Development Programme
PSI	Population Services International
RDE	Royal Danish Embassy in Maputo
Renamo	Mozambican National Resistance
SAP	Structural Adjustment Programme
SBS	Sector Budget Support
SETSAN	Technical Secretariat of Food Security and Nutrition
SHRH	Sexual and Reproductive Health and Rights
SISTAFE/ e-SISTAFE	State Financial Management System/Electronic Application of SISTAFE
SME	Small- and Medium-sized Enterprises
SPS	Sector Programme Support
SUN	Global Scaling-Up Nutrition
SWA	Sector Wide Approach
ToR	Terms of Reference
UEM	Eduardo Mondlane University
UTRAFE	Technical Unit for the Reform of State Financial Administra- tion
UTREL	Technical Unit for Legal Reform
UTRESP	Technical Unit for Public Sector Reform

EXECUTIVE SUMMARY

As part of its refocusing of Danish official development aid (ODA) in 2015, the Danish Government decided to phase out a number of country programmes, among them Mozambique, which had been a recipient of Danish aid for four decades. As part of this process, the Evaluation Department (EVAL) of the Danish Ministry for Foreign Affairs (MFA) commissioned an independent evaluation of the main achievements and lessons learned during the period 1992-2016. The evaluation is intended to inform the Danish and Mozambican people of the Danish contribution to the development of Mozambique, and highlight Denmark's approaches and strategic choices during the last 24 years of this long-term cooperation.

The evaluation is generally very positive in its findings. It concludes that Denmark as a development partner during the last 24 years has made relevant choices in its support to the Government of Mozambique (GOM) in its fight against poverty. Given the extreme development challenges the country faced both after the independence in 1975, and after the peace agreement in 1992 after 16 years of civil war, the country has made remarkable progress. Denmark, as a middle-sized donor, has played a part in this development and has provided a predictable and persistent partnership that included important strategic support to key development processes – as explained below.

SCOPE OF THE EVALUATION

The evaluation report assesses the relevance, effectiveness and sustainability of the achieved results and the contribution to sector and overall development, and extracts lessons learned from Danish cooperation with Mozambique during the period 1992-2016, with emphasis on the last decade. The findings of the period 1992-2006 are primarily based on the *Evaluation of Development Cooperation between Mozambique and Denmark, 1992-2006*, published in 2008 by the MFA. Focus is on the added value of the Danish partnership with Mozambique and the report provides an account of the overall approach and strategic choices made by Denmark, with examples of sector interventions and key processes of change during the period 2006-2016.

The evaluation process spanned approximately six months and consisted of an *Inception phase*¹, *Data collection* in Maputo, Nampula and Tete provinces, and in Copenhagen, and *Analysis and Reporting*. The evaluation was guided by eight evaluation questions and a set of assumptions on Denmark's role and performance as a development partner related to predictability, persistency, flexibility and focus on state-building. The Danish contribution has been assessed against the different phases of Mozambique's social, economic and political development, from the transition period after the peace agreement in 1992, towards relatively stability and democratic development. The evaluation phases were carried out through a close dialogue between the evaluators and EVAL, MFA and Royal Danish Embassy (RDE) in Maputo.

BACKGROUND

The Danish partnership with Mozambique dates to Frelimo's² 10-year independence struggle from the Portuguese colonization and has since then accompanied the development of the country. In 1975, the newly independent republic was one of the poorest countries in the world, ranked as 172 out of 177 countries in the Human Development Index (HDI).³ A particularly violent resistance from the colonial power had left the country in a terrible state and daunting development challenges. The illiteracy rate was more than 95% and the country practically lacked public health care. In the years immediately following independence, Mozambique managed to extend health care coverage and education to a wider part of the population. However, the civil war that followed between 1976 and 1992 destroyed these social and economic gains and the country had to rebuild most of them following the General Peace Agreement, signed in 1992. Since then, most of the social indicators have improved; the illiteracy rate dropped from 93% in 1975 to 48.9% in 2012, enrolment in public primary education increased from 692,000 to 1.37 million students from 1975 to 1990, and from 1.5 to 5.5 million in the 1995-2014 period. Public secondary education almost quintupled, from 6,000 to 28,000 students in the 1975-1990 period, and increased more than seventeen-fold, from 38,400 to 651,000 students, between 1995 and 2014. According to the National Household Survey in 1996/1997, the poverty headcount index was 69.4% and, in the 2014/15 survey, it had fallen to 49.2%. Between 1990 and 2015 the HDI, doubled,

OVERVIEW OF SECTOR SUPPORT 1992-2016

Sector	Project support	Sector Programme Support
Agriculture	1992-1998	1999-2010
Education	1992-2001	2002-2011
Energy	1992-2001	2002-2006
Environment	1992-2005	2006.2015/16
Health		1992-2016
Justice	1992-2001, 2014-2016	2002-2013
Private Sector	1992-1999	2000-2016
Joint macro-finance programme		MoU with GOM
GBS	2000-2003	2004-2014

1 Including a desk review, a portfolio overview and analysis, and an inception mission to Mozambique.

2 Mozambique Liberation Front.

3 <http://webcache.googleusercontent.com/search?q=cache:http://www.frigoletto.com.br/GeoEcon/evolucaoidh2000.htm>, accessed on 18 May 2017.

from 0.219 to 0.418.⁴ It is against this background that the Danish partnership with the GOM is assessed.

MAJOR RESULTS

Successive Danish country programmes have consisted of support to different sectors, special initiatives, minor grants, and general budget support (GBS). The evaluation finds that sector programme support (SPS) during the evaluated period contributed, among other things, to increased electrification, access to education and to health services, an improved network of rural roads as well as improved capacities in planning and strategizing in many of the governmental institutions that Denmark partnered with. One of the main contributions, and maybe the most strategic choice of Danish cooperation, is related to efforts to support state-building processes through support to the consolidation of the Public Financial Management (PFM) system. This support spans the last 20 years. As many of the consulted stakeholders confirmed, PFM reforms improved the capacity of the state at local level to deliver services and is likely to have been a factor in reducing poverty from 51.8% to 46.1% between 2009 to 2014. The fact that Danish support was aligned with government priorities and focused on key sectors for poverty reduction that provide basic services to the population is undisputable and the evaluation finds that Denmark has, as a middle-size donor, contributed to these positive development results.

Relevance

The evaluation finds that at an overall level the focus of Denmark's country programme over the period evaluated has been relevant and that the choice to focus on a more comprehensive and multi-sector support to one particular province, the Tete province, allowed Denmark to provide more holistic support that led to important outcomes in terms of the development of the province and improved service delivery, particularly in the health sector, as well as strengthening the development of the education sector, including the quality of teacher education. The willingness to test new approaches and to focus on areas where few other donors were prepared to take a risk in investing funds, such as the development of the State Financial Management System, SISTAFE, the training of judges and prosecutors through the long-term support to

4 Instituto Nacional de Estatística (2015a). *Quarenta Anos de Independência: um retrato estatístico*. Maputo, Instituto Nacional de Estatística; UNDP (2016). *Human Development for Everyone: Briefing note for countries on the 2016 Human Development Report (Mozambique)*; República de Moçambique (2001). *Plano de Acção para a Redução da Pobreza Absoluta, 2001-2005 (PARPA)*. Versão final aprovada pelo Conselho de Ministros; República de Moçambique (2009). *Relatório de Avaliação do Impacto do PARPA II, 2006-2009*. Maputo, 23 de Novembro de 2009; Instituto Nacional de Estatística (2015b). *Relatório Final do Inquérito ao Orçamento Familiar – IOF – 2014/15*. Maputo, Instituto Nacional de Estatística; World Bank. *Poverty and Shared Prosperity 2016: taking on inequality*. Washington, The World Bank.

the Centre for Legal and Judicial Training (CFJJ) and the more recent core support to the Technical Secretariat of Food Security and Nutrition and its work on food security and fight against malnutrition, proved to be very relevant choices. The consultations clarified that at an initial stage these choices were often driven by personal commitment by senior Danish embassy staff and their convictions of the value to support these initiatives. However, they were soon institutionalised and integrated into the strategies of the country programme.

The evaluation finds that the support to decentralisation was another important strategic choice for Danish assistance. The Environment SPS (2006-2015/2016) included funding for different municipal programmes with focus on capacity development in environmental issues, administration, PFM and overall development management at municipal level and hereby contributed to the decentralisation process. Parallel efforts to decentralise political decision-making to provincial and district levels were also funded by Denmark. The municipalities are one of the few arenas for power sharing in the country, given the structure of the state as provincial administrations are governed by presidentially appointed governors and municipalities by local elected governments. The findings from the desk review and the stakeholder consultations concurred that the Danish support to municipalities in the central and northern regions contributed to power-sharing through providing support regardless of whether the municipality was led by the opposition or not. To some extent it also contributed to ease political tensions by increasing the efficiency of these municipalities and the abilities of the municipalities to manage alternation in political power. The municipal programmes also contributed to introducing an environment and climate change approach to challenges affecting poor populations in the targeted municipalities. Consulted stakeholders stressed that most of the technical knowledge in the municipal administrations on environmental, climate change and waste management issues stemmed from the technical assistance and knowledge brought by Danish aid.

Effectiveness and impact

The evaluation did not include an in-depth assessment of the effectiveness or impact of the full range of SPS. However, based on earlier reviews and the stakeholder consultations, the evaluation finds that all programmes demonstrated important results, either at programme level, or for specific programme components. The 2006-2016 period has been characterised by less focus on project support and special programme grants and an increased focus on a sector wide approach (SWA), donor coordination, joint funding mechanisms, and general budget support. It is therefore in general difficult to assess specific Danish attributions, although as a mid-sized donor Denmark has contributed to the positive progress in the regions and the sectors that were the focus of Danish support.

The evaluation highlights that Denmark played a key role in the progress of the Justice sector and legal reform, and particularly the professionalization and the national outreach of justice institutions. The evaluation concludes that Danish support has been so significant that the increased access to justice and improved Rule of Law during the last 15-20 years,⁵ can be partly attributed to the Danish partnership with the institutions and actors within the sector. It also concludes that the mainstreaming of an environment perspective, resulting in increased awareness and attention to environmental aspects and sustainable development across a broad range of sectors, stands out as one of Denmark's strongest and most strategic contributions: The roll-out of e-SISTAFE, the first full implementation of the Multi-sectoral Initiative on Chronic Malnutrition (PARMDC) in Tete province and the progress of health indicators and the institutional development of the health sector in Tete, as well as the development of environment and climate change and HIV/AIDS strategies, are other examples of relevant areas where Denmark has contributed to important developments. On the other hand, however, Denmark shares responsibility with the GOM and other involved donors for the slow or lack of progress in the support to some sectors (e.g. the agriculture programme – ProAgri).

Efficiency

In regard to efficiency, Danish contributions have made use of governmental systems and increasingly channelled development aid through the Treasury Single Account, CUT, promoting the use of the e-SISTAFE, harmonising the funding with existing systems and procedures which has meant less of an administrative burden both for the partnering ministries and the RDE. The evaluation finds strong evidence that Denmark has been an active donor and coordinated most of its support, particularly during the last decade of the period evaluated with other donors, through SWA, joint donor funds and mechanisms, delegated partnerships (being both the lead donor in some programmes, e.g. in the municipality development programme PRODEM, and a more silent donor in others, e.g. the civil society and social accountability programme – AGIR).

Sustainability

The evaluation presents a broad overview of 24 years of cooperation. The discussion of the effectiveness, impact and sustainability of the different types of support during this period has been assessed based on earlier reviews and evaluations. The country portfolio, demonstrates several cases where new Danish sector programmes or new programmes were developed based on earlier Danish support, strengthening the sustainability of some of the achieved results and the promotion

5 However, from this general improvement, the situation of the Rule of Law has had a negative development the last five years.

of best practices. The evaluation finds that although political priorities of the Danish development cooperation have shifted over the period evaluated, the partnership with Mozambique has been characterised by continuity and respect for the development priorities of the GOM. The general long-term and persistent support from Denmark has also allowed for processes of change to develop over time and through this to allow institutions to mature and to progressively take responsibility of the development of plans and strategies. However, the dependency on external expertise has been extremely high in the case of Mozambique, due to the low rate of national staff with higher education. Denmark has responded to this situation during the period evaluated by providing a high number of technical advisors and other forms of technical assistance, which has been a relevant and necessary strategy to enhance the professionalization and the know-how of partner institutions, as many of the stakeholders stressed. It has been in this context been difficult to build in a sustainable approach given the extensive needs of capacity development at central, provincial and district levels. This dependency on external support was an issue, which several of the consulted stakeholders raised as a concern for the sustainability of new systems and approaches after the phasing out of the country programme. In this regard, key respondents in the health and environment sectors were concerned about how they best can maintain achieved results, particularly in relation to institutional development of the supported governmental institutions, and how lessons learned from pilots and strategic supports can be integrated into new programme phases or initiatives in other provinces and regions.

ADDED VALUE OF THE DANISH SUPPORT

Denmark has been an engaged, predictable and persistent partner.

Denmark's long-term partnership with Mozambique has had poverty reduction and support to a democratic development as the points of departure from which Denmark has focused its key activities in dialogue with the Mozambique Government. The partnership has been characterized by a willingness to provide support to many of the priorities of the Government, including a readiness to test new modalities and fund key institutions for public sector reform. This strategic choice has been one of the added values of the Danish aid.

Several of the SPS have benefitted from a long-term partnership that has included both financial and technical assistance, combined with the promotion and the development of the governmental systems for strategic planning and PFM. The different partnering sectors could count on highly qualified technical support and engaged dialogue with the RDE on how to develop the sector programmes. Denmark belonged to the group of donors that at an early stage advocated for General Budget Support and maintained this position throughout the period evaluated. The findings confirm that Denmark has responded to the needs and the

most pressing priorities of the country during the different phases of the period evaluated.

Denmark has contributed to state building. In line with the overall strategic choices Danish cooperation has had a strong emphasis on supporting the development and consolidation of governmental systems, particularly during the last decade, focusing on planning processes, strategy development and financial management. This approach has included support to the formulation of sector strategies and new systems, as well as cross-cutting strategies for the sectors receiving Danish support.

Denmark took a specific stance and some risk in supporting sectors with less visibility, such as PFM and environment, or challenging sectors where few donors were ready to commit themselves, as in the case of the Justice sector. The success of the PFM reform provided the cornerstone for more alignment of development aid, when the country was more stable, and helped it to move from an emergency state to pursuit of development goals. It also played a significant role in decentralising the control of planning and implementing sector interventions from central to local levels. Here Danish support to environmental and health SPS showed interesting progress in rolling out the electronic application of the State Financial Management System (SISTAFE) to district levels.

The bilateral cooperation between Denmark and Mozambique had a focus on strengthening state-institutions. The country programme had less focus on the role of non-state actors in the building of the state, though more attention was paid to these actors in the later stage of the period evaluated with the purpose to strengthen the demand side and not only the supply side of state-building. Throughout the period evaluated, civil society initiatives were supported directly by the Danish MFA – in addition to the country programme – through framework agreements with Danish civil society organisations (CSO).

Denmark was a strong advocate for and committed to donor coordination and alignment with government programmes and national systems. Alignment has been very important in increasing ownership and addressing national needs as they arose. In this sense, the coherent implementation in Mozambique of the Aid Effectiveness agenda played its intended role. Denmark was effective in contributing to the use of governmental systems and increasingly channelled its support through the Treasury Single Account (CUT) using a general and sector budget support modality. Denmark also stood up to the test at critical moments, when it abandoned General Budget Support or reacted strongly to the debt crisis, by continuing to advocate for the use of national systems. This is an example of the contribution to the state building and of being a persistent partner.

The principle of alignment with governmental systems and greater coordination between donors was also successfully put into practice by Denmark. The focus on alignment and bilateral support to the GOM has however also meant that Denmark as a donor has been less visible in terms of support to the demand side of building an accountable and transparent state. In other words, greater attention to the checks and balances between state and non-state actors in development and reform processes could possibly have made Danish assistance more relevant and effective.

LESSONS LEARNED

Important to continue to discuss how to strike the right balance between alignment to government plans to support state-building and implementing a human rights-based approach to development in a challenging context such as Mozambique.

The context in which the Danish development cooperation with Mozambique has taken place has been extremely challenging. At the time of its independence in 1975, Mozambique was in a terrible state, not only because of independence struggle per se but also due to the destruction of key infrastructure that representatives from the former colonial power Portugal actively were engaged in before leaving the country. The colonial legacy left extremely weak institutions, almost inexistence of basic services and underdeveloped human capital, resulting in Mozambique being one of the least developed countries in the world. Only one year after independence, a bloody civil war lasting 16 years started that would further pose enormous challenges to the development efforts of the country.

The last decade has also been affected by the low intensive military conflict between the GOM and RENAMO. The democratic development and the donor support to state-building has taken place in a context where the same party, Frelimo, has won all national elections since independence. The development of the civil society has been slow, and it is only during the last decade of the period evaluated that civil society organisations in a more assertive manner have taken up a role of monitoring the performance and claim accountability of duty-bearers. The more than 40 years of Danish cooperation with Mozambique provides an example of a persistent focus on state-building, including the rehabilitation of key functions and institutions.

Denmark has been one of the development partners in Mozambique that has been most aligned with GOM plans. The evaluation raises a discussion of a more fundamental nature concerning the application of the Aid Effectiveness Agenda, and especially of aligning to government plans where such plans may not always have been sufficiently consulted with e.g. civil society and the private sector not necessarily out of unwill-

ingness from the GOM but also because civil society and private sector have been weak.

The evaluation finds that alignment has been important in increasing ownership by government of programmes and addressing national needs as they arose. In this sense, the coherent implementation in Mozambique of the Aid Effectiveness Agenda played its intended role. Denmark contributed to state-building and effectively aligned its modalities of support accordingly. Harmonisation with governmental systems and greater coordination between donors was also successfully put into practice by Denmark.

However, alignment to government plans as part of state-building pose challenges. The discussion of ownership of plans should be systematically confronted with high demands on development strategies and governmental policies should include participatory and inclusive processes that include in-depth discussions both on the supply and demand side of state-building and democratic development. This has been a challenge not only in Mozambique but for the Aid Effectiveness Agenda in general. Restoring state functions in a post-conflict country like Mozambique has been a matter of undeniable importance, but as these functions were restored, more attention could have been devoted to the checks and balances within the state and to non-state actors and processes. As several donor stakeholders stressed in interviews, this lesson is not for Denmark alone, but for other donors as well.

The Aid Effectiveness Agenda is currently contested by many of the development actors that until recently were its strongest advocates. Some donors have opted, just like Denmark, to increase their support to non-state actors, to counterbalance the strong governmental support. However, the increased focus on civil society takes place in a global context with an increasingly shrinking space for civil society and citizens' liberties and security, with more restrictive NGO-legislation and restriction in freedoms of speech and assembly in many countries, including Mozambique. This shrinking space is also manifested in an increased number of threats and attacks against journalists and human rights defenders (particularly in relation to extractive industry issues and the defence of natural resources).⁶

Establishing the right balance between the principles of the Aid Effectiveness Agenda and the Human Rights-Based Approach to development is an important and ongoing discussion, to which the lessons from its implementation in Mozambique may provide important inputs. The

⁶ See for example Human Rights Defenders under threat – A shrinking space for civil society, Amnesty International, 2017, and Civic space under threat in extractive industries transparency initiative countries, Civicus August 2017.

experience of how and why the support to the accountability work of civil society increased during the last years is relevant both for other donors and the MFA.

Explaining the decision to exit has been challenging

Denmark has invested 40 years of development cooperation in Mozambique and contributed to state-building in an initially fragile country to a country about to unleash its development potential, with the discovery of natural resources. There are still governance and capacity challenges to ensure that natural resources can boost development. There are also opportunities for another phase of cooperation with a country poised to transition from a low-income country to a mid-income country, which now may be lost due to the withdrawal of a permanent presence in the country. The decision to exit Mozambique seems to be detached from national dynamics and a prospective view of cooperation. The exit process has been well communicated and planned. However, it has been difficult to explain the rationale behind the decision to down-size the Danish development cooperation and why Mozambique was one of the selected countries to be phased-out and this fuels speculation about the reasons, as well as expectations that this decision might be reverted.

The changing political priorities of the Danish Government has been well managed

Another area that the evaluation highlights is how to manage the relation between a decentralised mandate to the embassies and their dialogue with the partnering governments, and the policy priorities for the overall Danish development cooperation that are defined by the MFA in Copenhagen. There are important lessons to be learned how the RDE in Maputo developed the country programme in close dialogue with the GOM at the same time the embassy considered the instructions from Copenhagen such as to limit the number of SPS and to introduce new priority areas.

Build in evaluative processes in country programmes from start

Finally, this evaluation provides an overall assessment of the last 24 years of cooperation. There are many more lessons to be learned from the different sector programmes and key processes supported. The evaluation found a gap in the extent to which support to different sectors has been evaluated. In-depth analysis on the effects and lessons learned from Danish support to the different sector programmes is insufficiently documented. A more articulated evaluative and learning approach to Denmark's role and added value as a partner would benefit current and future development cooperation.

This evaluation is one of several evaluations of country programmes that are currently being phased-out, the MFA could use this opportunity to discuss how final evaluations could be better built into support to new programmes.

1 INTRODUCTION

After four decades of development cooperation with Mozambique, Denmark has decided to phase out its bilateral cooperation with the country. Mozambique is one of several formerly prioritized countries being phased out as a consequence of the Danish Government's decision in 2015 to downsize the Danish official development aid (ODA).⁷ As part of this process of phasing out, the Evaluation Department (EVAL) of the Ministry for Foreign Affairs of Denmark (MFA) commissioned an independent evaluation of the main achievements and lessons learned.⁸

Denmark has been a long-term development partner with Mozambique and the overall purpose of the development cooperation throughout this period has been to support Mozambique in its effort to build a nation based on stable and sustainable development. The fight against poverty and for democratic development has been at the core of the partnership throughout the different periods of support. This evaluation is intended to inform the Danish and Mozambican people of the contribution made by Denmark to the development of Mozambique, with a focus on the transition from fragility after the peace agreement 1992, towards relative stability and democratic development up to 2016.

The evaluation assesses the relevance, effectiveness and sustainability of the achieved results from the bilateral cooperation between Denmark and Mozambique and the Danish contribution to sector and overall development during the period evaluated. The evaluation also extracts lessons learned from the 24 years of partnership between the two countries, with focus on the selected approaches and strategic choices made by Denmark.

7 The cooperation with Bolivia, Nepal, Pakistan, Indonesia and Zimbabwe is also phased out, as well as the earlier planned phased out of Vietnam as partner of Danish development cooperation. The decision entailed a cut in the development budget with DKK 2.3 billion annually. 14 prioritized country partnerships are maintained, 10 country programmes in Africa and four in Asia.

8 Independent evaluations were also commissioned by the MFA for the cooperation with Vietnam, Nepal and Bolivia.

1.1 Scope of the assignment

The evaluation analyses the past 24 years of cooperation between Denmark and Mozambique, involving different funding modalities and support to governmental institutions, private sector and civil society within a large range of sectors together with many different development partners. All support provided during the period 1992-2006 was evaluated in 2008 through an extensive study, including sector specific working papers.⁹ This evaluation covers the period from 1992 to 2016, and thus includes the earlier evaluated first 14 years, but with a special focus on the last decade. The evaluation has a more narrowed scope than the 2008 evaluation, and provides an account of the overall approach and strategic choices made by Denmark.

At an overall level, the evaluation covers the following sectors: Agriculture, Education, Health, Energy, Environment, Infrastructure, Democratic governance, including Decentralisation, Justice sector reform, Public financial management (PFM) and support to Civil Society, and Growth and Employment programmes as well as multi-sectoral initiatives. Within this broad scope, sectors have been chosen based on a purposive sampling strategy to reflect long-term support at central and provincial level, support to power sharing processes and the development of governmental systems as part of the support to state-building, namely: the health sector programme, as an example of long-term and comprehensive sector support at central and provincial levels; the support to Decentralisation, as an illustration of Danish contribution to the development of governmental systems for power sharing and increased transparency, with the support to Municipalities and to the Justice sector, as other examples of support to power sharing processes. Likewise, special attention has been paid to the role of Denmark as a promoter of improved PFM and the use of government systems as well as the Danish contribution to the Aid Effectiveness Agenda and donor coordination.

The three overall objectives of the evaluation are:

1. **Results:** Document the changes and results achieved through Danish-Mozambican cooperation from 1992-2016, with a specific focus on data collection from the period 2006-2016 (1992-2006 is covered in a previous evaluation and will be used as a key source of documentation).
2. **Value added:** Assess the specific added value of the Danish approach to partnership, including the choice of modalities,

⁹ Evaluation of Development Cooperation between Mozambique and Denmark, 1992-2006, Oxford and Rotterdam: Mokoro, Ltd & Ecorys, MFA, Danida, September 2008, Evaluation 2008.05, including 12 working papers.

engagements and the ability of Denmark as a donor to adapt to changing contexts ranging from post-conflict to a more stable situation in Mozambique.

3. **Lessons learned:** To provide potential lessons learned based on findings from the partnership and how to support the transition from fragility to development, based on the Mozambican experience.¹⁰

Mozambique is a recipient of large amounts of international aid, and given the size of the Danish contribution and engagement vis-à-vis the Mozambican government and other development partners, it is not expected that the evaluation can attribute direct results at higher outcome levels of specifically to Danish cooperation. However, the evaluation seeks to shed light on the *added value* of the Danish partnership approach to development cooperation in Mozambique, with a specific focus on how Denmark has supported the transition from conflict to peace and relative stability and development and contributed to state-building. The evaluation highlights the methods and support modalities as part of the Danish cooperation that have had most impact on the partnerships with the Government of Mozambique (GOM) and its different line ministries on the one hand, and on the reported sector specific results on the other.

The added value of Denmark as a development partner, has been assessed through a set of assumptions about the role of the Danish contribution to the development of Mozambique. These assumptions were developed in consultation with key stakeholders.¹¹ Special attention was paid to Denmark's response to the political context in which Denmark as a donor has operated in, and how and if Danish cooperation has contributed to state-building in Mozambique. The assumptions tested during the stakeholder consultation were that Denmark has provided a **predictable support** and has been an **engaged and persistent partner**, allowing flexibility within the applied aid modalities, and that Danish aid has **focused on and contributed to state-building** as an important approach. The interviewees were requested to validate the assumptions by confirming, negating, developing or problematizing the same. The basic assumption was that Danish support was important in critical processes of political and economic development in the country and that the strategic choices made by Denmark were aligned with the priorities of the GOM. The evaluation finds that this to a great extent also was the case.

10 Lesson learned in relation to transition from fragility to development are covered by the earlier 1992-2006.

11 Namely the reference group assigned to the evaluation process consisting of Danish researchers and civil society organisation, former and current staff at MFA and RDE in Mozambique.

1 INTRODUCTION

The scope of the evaluation does not focus on lessons learned from the specific sector programmes but on an overall level of the 24 years of cooperation with Mozambique. The evaluation is not formative in the sense that lessons learned should inform a new programme phase or country strategy. The decision to phase out the cooperation with Mozambique after more than four decades however provides an opportunity to unfold an important piece of the history of the Danish development cooperation and learn from a long-term partnership with a conflict stricken country. These lessons may be valuable for Denmark's support to other conflict and post-conflict countries and regions.

In response to a request made by the Royal Danish Embassy in Maputo (RDE), the Evaluation Team (ET) includes a brief assessment of aspects of the on-going exit strategy process to contribute to lessons learned from the phase out.

2 METHOD

2.1 Evaluation process

The evaluation process¹² was divided into the following phases: 1) Inception phase, including desk study and portfolio overview; 2) Data collection and verification, and 3) Analysis and Reporting, including data analysis and validation.

The evaluation was carried out between January and June 2017 by Tana Copenhagen ApS. The EVAL at the Danish MFA, and the RDE in Maputo have been actively involved in the different steps of the evaluation process. The Evaluation Reference Group (ERG), consisting of people with in-depth knowledge of Danish cooperation with Mozambique, has also served as an important resource to the ET in the development and discussions of the different steps of the evaluation process.

During the **inception** (January-March 2017), the ET developed the evaluation methodology, conducted a first desk review, analysed the programme documents provided by EVAL and developed a portfolio analysis report based on these sources. Interviews were held in Copenhagen with a few MFA staff that previously had worked at the RDE or as advisors in different institutions of the GOM. The ET carried out an Inception Mission to Tete city and Maputo, interviewing a few key stakeholders at central and provincial line ministries, current and former staff at the RDE, and external stakeholders representing other donors, civil society and independent consultants. The draft Inception Report was discussed with EVAL and ERG, followed by the submission and approval of a revised Inception Report and an Implementation Note.

During the **implementation phase** (March-April 2017) consultations took place in Maputo, Nampula and Tete provinces, in Copenhagen and over Skype. The data collection started with interviews with MFA staff, Danish Civil Society Organisations (CSO), independent researchers and consultants with experience from Mozambique, and technical advisors that formerly have, or currently are, supporting sector programmes. The ET then continued with interviews in Maputo, Nampula city, Ilha de Mozambique, Tete city and Changara district in Tete. All in all, over 150 stakeholders were consulted.

12 Further description of the evaluation process and method is found in Annex C.

2 METHOD

The consultations covered the following sectors, support areas, initiatives and key processes:

- *Sector programmes:* Agriculture, Rural Roads and Private Sector, Education, Energy, Environment and Climate Change, and Health.
- Support to SETSAN (Technical Secretariat of Food Security and Nutrition) and the multi-sectoral initiative on nutrition (Mozambican Plan of Action to Reduce Chronic Malnutrition PAMRDC) and the Strategy for Food Security and Nutrition (ESAN).
- Support to state-building and governance: Civil Society Support; Decentralisation; Public Sector Reform; General Budget Support (GBS); PFM, including Treasury Single Account (CUT) and State Financial Management System (SISTAFE) and its electronic application e-SISTAFE, and Justice Reform,
- Support to development of sector strategies as well as the contribution to building institutional capacities in planning and monitoring within sector programmes,
- Donor coordination and alignment with the Aid Effectiveness Agenda.
- The focus on poverty reduction, human rights, and gender equality in the different areas supported by Denmark during the period evaluated.

Analysis and reporting. At the end of the implementation mission, the ET presented a briefing note with preliminary observations to EVAL and the RDE. A Preliminary Findings Paper was developed and submitted to EVAL. The Paper was discussed during a validation workshop with the ERG and other external stakeholders in Copenhagen in May. Based on the response to this Paper, the ET drafted the Evaluation Report and updated the Portfolio Analysis Report (see Annex F).

2.2 Evaluation questions

The evaluation has been guided by the following evaluation questions (1-7 from the ToR and number 8 as an additional question):

1. What longer-term changes has Danish support to Mozambique contributed to during the period of evaluation (1992-2016)?
2. What concrete development results across the Danish programme portfolio were achieved in the period 2006-2016?

3. How has Danish aid responded to the needs of Mozambique as a country transitioning from fragility to development? What have been the main features of Danish aid in supporting this transition process?
4. How has Denmark engaged with Mozambique in responding to the changing needs of Mozambique transitioning from fragility to development? Has the response been relevant and effective in addressing the needs of Mozambican society?
5. How effective has Danish support been in contributing to state-building, as evidenced at an overall level and at the level of service provision?
6. What lessons can be learned of a more general nature from Denmark's engagement in Mozambique – for Mozambique and for other international partners present in Mozambique, aiming to contribute to the development of Mozambique?
7. What lessons can be learned from Mozambique's experience transitioning from a post-conflict society to a stable developing country?
8. What can be learnt from the on-going exit process?

The ET added the following sub-questions on effectiveness: Has Denmark as a donor made a difference? What are the key characteristics of Danish engagement, the strategic choices made and what have determined and influenced the choices made by Denmark with regard to approaches, focus and modalities? What were the driving factors for choices made?

2.3 Limitations

The limitations of the evaluation are briefly presented here (also see Annex C: Methodology):

- The consultations in Mozambique were limited to Maputo and the two provinces of Tete and Nampula.
- The ET did not have access to specific documentation on the Danish contribution to the Public-Sector Reform for the last 10 years, which is why this is only mentioned in general terms.
- The more in-depth analyses of specific interventions and processes are based on a limited number of sources (documents and interviews). End evaluations and summary reports that focus

on the Danish contribution were scarce for several of the sector programmes and the different types of support.¹³ Some of the existing key documents were only shared with the evaluation at the end of the data collection mission.

- Though the total number of interviews was quite high, the sector specific interviews were limited to a few interviews per sector, with the exceptions of the health and environmental sectors and processes related to governance, where the ET made a special effort to allocate more time since these sectors had been identified as particularly relevant for the discussions on added value and were expected to provide the ET with valid examples for the “testing” of the mentioned assumptions. Some of the expected key Mozambican informants with a background in the GOM, with a broader overview of the history of Danish cooperation, were not available for interviews. In other cases, the time the interviewees allocated for the interviews was insufficient to cover all relevant aspects, which meant that the ET had to focus on a few questions. Few key informants were available for a second interview.

2.4 Evaluation team

The ET has consisted of Annica Holmberg, Team Leader, and two national experts, Jose Jaime Macuane and Ernesto Mandlate. The team was supported by Tana Copenhagen’s home office and a local assistant in Maputo. The team members have worked closely together throughout the evaluation process. All team members took part in the inception, implementation, analysis and reporting.

13 There are a number of overall sector reviews in sectors where Denmark has been active as a donor, but these do not relate to Denmark’s role or contribution. The annual partner assessment reports provide valuable information on Denmark’s performance against agreed indicators, but are not sector specific and do not cover the full period evaluated. (see Section 3.3 for more details on PAF/PAP).

3 BACKGROUND

3.1 Mozambican context

When Mozambique conquered its independence from Portugal, after a 10-year armed liberation struggle, the country faced daunting development challenges with appalling social indicators. The illiteracy rate was more than 95% and most of the health services were provided by church groups and traditional medical practitioners.¹⁴ In 1975 the country was ranked 172 out of 177 in the Human Development Index (HDI).¹⁵ In the years following the independence, the country managed to extend health care coverage and education to a wider part of the population. However, the civil war that ravaged the country from 1976 to 1992 destroyed social and economic infrastructures and the country had to rebuild most of them in the aftermath of the General Peace Agreement, signed in 1992. Since then, most of the social indicators have generally improved, but challenges persist: From 1975 to 2014 the ratio doctor per 10,000 inhabitants increased from 0.2 to 0.6. In contrast, the number of beds/10,000 inhabitants decreased from 9.6 to 8.3 in the period of 1975-2013. Counterintuitively, during the civil war period, from 1980 to 1990, the same ratio hovered between 10.9 and 9.2. The illiteracy rate dropped from 93% in 1975 to 48.9% in 2012. Enrolment in the public primary education increased from 692,000 to 1.37 million students from 1975 to 1990, and from 1.5 to 5.5 million in the 1995-2014 period. Public secondary education almost quintupled, from 6,000 to 28,000 students in the 1975-1990 period, and increased more than seventeen-fold, from 38,400 to 651,000 students, between 1995 and 2014. With regards to higher education, in 1975 there was only one public university compared to 18 in 2014.

According to the first poverty survey carried out in the country in 1996/1997, the National Household Survey, poverty headcount index was 69.4%, a rate that had decreased to 54.1%, according to the 2002/2003 survey. The 2008/09 survey revealed a slight increase of poverty to 54.7% while in the 2014/15 survey, the poverty rate had fallen to 49.2%.¹⁶

14 Lindelow, 2002.

15 <http://webcache.googleusercontent.com/search?q=cache:http://www.frigoletto.com.br/GeoEcon/evolucaoidh2000.htm>, accessed on 18 May 2017.

16 According to Santos & Salvucci, 2016, the figures were slightly different: poverty rates fell from 69.7% in 1997 to 52.8% in 2003, and to 46.1% in 2014.

3 BACKGROUND

According to the World Bank methodology, which uses the reference of USD 1.9 consumption per day, in 2013 the poverty rate was 60%. Between 1990 and 2015 the HDI, doubled, from 0.219 to 0.418.¹⁷

POLITICAL CONTEXT

After independence in 1975, Mozambique formally adopted Marxism-Leninism¹⁸ and a mono-party system centred on the former liberation struggle movement, that eventually became a party, the Mozambique Liberation Front (Frelimo). This ideology was reflected in the post-independence political and economic development strategies, with a strong role of the state and the ruling party.

Just after one year of independence, in 1976, the Mozambican National Resistance (Renamo) surged by anti-Frelimo dissident groups, initially sponsored and backed by the colonial South Rhodesia and after 1980 supported with financial and military resources by apartheid South Africa. Renamo opposed Frelimo's government for 16 years, in a bloody civil war, that ended with the General Peace Agreement in 1992. The war hindered real economic and social development and resulted in the destruction of schools, hospitals, roads and economic infrastructure and led to a huge humanitarian crisis.

The drafting of a new constitution started in the mid-1980s, culminating in 1990 with the adoption of a pluralist and liberal constitution that included multiparty democracy, separation of state powers, individual human rights, recognition of private property, and universal suffrage. The country held its first multi-party elections in 1994, followed by a phase of political stability, despite social, political and economic exclusion of opposition members and dissenting voices, and continued blurred lines between the state and the Frelimo party. Armed conflict between Renamo and the GOM reignited in 2013, triggered by the dispute over revision of the electoral law. The conflict resumed the discussion about the integration of Renamo's former guerrilla members in the defence and security forces, decentralisation, the politicization of the state, particularly the public service, and the fair sharing of the benefits of economic growth with the Renamo elites. The parties reached an

17 Instituto Nacional de Estatística (2015a). *Quarenta Anos de Independência: um retrato estatístico*. Maputo, Instituto Nacional de Estatística; UNDP (2016). *Human Development for Everyone: Briefing note for countries on the 2016 Human Development Report (Mozambique)*; República de Moçambique (2001). *Plano de Acção para a Redução da Pobreza Absoluta, 2001-2005 (PARPA)*. Versão final aprovada pelo Conselho de Ministros; República de Moçambique (2009). *Relatório de Avaliação do Impacto do PARPA II, 2006-2009*. Maputo, 23 de Novembro de 2009; Instituto Nacional de Estatística (2015b). *Relatório Final do Inquérito ao Orçamento Familiar – IOF – 2014/15*. Maputo, Instituto Nacional de Estatística; World Bank. *Poverty and Shared Prosperity 2016: taking on inequality*. Washington, The World Bank.

18 Frelimo adopted Marxism-Leninism in its third Congress in 1977.

agreement in September 2014 and general elections could take place in October. However, Renamo's accusations that Frelimo committed fraud in the 2014 general elections reignited the military conflict. Eventually, negotiations were resumed, culminating in a cease-fire in December 2016 that is still prevalent to the date of the preparation of this report.

State-building was a priority in the post-independence period. Public sector reforms were executed to align public administration to the political and economic changes. In 2001, the 10-year Global Strategy for Public Sector reform was launched. In 2012 the GOM approved the Strategy for the Reform and Development of Public Administration 2012-2025. The objectives of the first strategy were to improve service delivery, promote professionalization of public servants, improve governance through more accountability, improve policy-making and PFM, decentralisation and the fight against corruption. The reform strategy was key to the strengthening of the public sector for an effective implementation of poverty reduction strategies, implemented since the late 1990s. They contributed to improving internal revenue collection and PFM and accountability, and thus to fiscal consolidation. In the early 2000s, Mozambique benefited from the Highly Indebted Poor Countries (HIPC) initiative, reducing its debt. However, the fiscal framework worsened in 2015 after a series of concealed debts. In 2013 a debt of USD 850 million to fund the Tuna fishing company – EMATUM, with state guarantees was uncovered by the media. In 2016, another two loans of USD 535 million and USD 622 million with state guarantees, for the companies Mozambique Assets Management and Proindicus, aimed at maritime repair and maintenance and maritime security respectively, were revealed by the international media, and eventually confirmed by the Government.¹⁹ This triggered an outcry from donors, and most of them ceased their support. The IMF interrupted its country programme and, along with donors and civil society organisations, demanded a forensic audit to clarify the shady areas of the loans and hold those involved accountable. After some reluctance, the Government accepted an independent audit of the loans carried out by the international company Kroll, under the coordination of the Attorney General's Office. As part of the agreement, an executive summary of the report was published in May 2017, which, apart from the violation of the Constitution and the relevant budget and public financial laws, revealed problems of mis-invoicing, unaccounted for expenses and lack of information on the use of the funds. The IMF and donors continued pressurizing the Government for the clarification

19 The GOM issued state guarantees for the three loans' that were beyond the limits defined in the annual budget laws, and without the approval of the Mozambican Parliament. The loans, contracted with Credit Suisse and the Russian Bank VTB, contributed to increase the public debt to more than 100% of the GDP, much beyond the target of 40% of the GDP defined in the 2014-2019 Government Programme, and against 37.8% in 2011. Suspicions that the loans were not only used for the companies, but also for military purposes, and of the existence of illicit operations also loomed.

3 BACKGROUND

of the gaps in the report, as well as to hold those involved accountable. The debt crisis had a considerable fiscal impact with the reduction of the state budget, devaluation of the local currency, and increasing internal public debt, which was considered by the Mozambican Central Bank, as heading towards being unsustainable in 2017.

Decentralisation was a key part of state-building after independence. The GOM made more progress in deconcentration, approving a law in 2003 and its regulation in 2005 to decentralise administrative powers to the local state organs in the provinces and districts. In 2007, the parliament approved the legal framework for the elections of the provincial assemblies. Comparatively, decentralisation, initiated in 1997 with the creation of 33 municipalities, and 20 more municipalities in 2008 and 2013, followed a bumpier road. Municipalization created the opportunity for political alternation in power, since it allowed the opposition parties Renamo and the Mozambican Democratic Movement to win in some municipalities in the 2003 and 2013 elections. Thus, the main arenas for the opposition were the National Parliament, some municipalities and the provincial assemblies. In the 2014 elections, Renamo held the majority in three provincial assemblies in the centre region and tied with Frelimo in Nampula province in the north. However, the decision-making power of these bodies was weak. In sum, post-independence politics have been dominated by conflict, and a thorny transition from a conflict to a post-conflict country, as well as a tortuous path of state-building, in terms of government effectiveness in providing basic services and in ensuring separation of powers and enforcement of rights. The results from the elections during the period 1994-2014, except for the period of 2004-2009, under the leadership of President Armando Guebuza, show a clear pattern of a strong regional divide, in which the south and part of the north strongly supports the Frelimo party, whilst the opposition thrives in the centre and northern regions.²⁰

SOCIO-ECONOMIC CONTEXT

The post-independent development challenges were huge, with an ongoing armed conflict and slow economic growth and the persistent high levels of poverty. In the mid-eighties the socialist government

20 In 1994, Frelimo had the majority in all southern provinces, whilst Renamo had the majority in one northern province (Nampula) and all center provinces (Tete, Sofala, Manica and Zambézia), in 1999 Frelimo had the majority in all the southern provinces and Cabo Delgado (North), whilst Renamo had the majority in all the center provinces and in two northern provinces (Niassa and Nampula). In the 2004 elections Frelimo had the majority in all southern provinces, all northern provinces and Renamo had the majorities in Sofala and Zambezia (Centre). In the 2014 general elections Frelimo and its candidate won the majority of votes in all the southern provinces and all northern provinces, except in Nampula where Renamo gained the majority. In these elections, Renamo also held the majority in all the four central provinces. Source: Eleições Legislativas 1994, 1999, 2004, 2014 Mapa dos Resultados do País; Conselho Constitucional.

initiated economic and political liberalisation reforms, with the adherence to the Bretton Woods Institutions in 1984, followed by an economic adjustment programme in 1987 with economic liberalisation measures. The planned reorientation of policies decided at the Fourth Congress of Frelimo in 1983 was thwarted by the war and it was in 1989 that Frelimo formally abandoned its state-centred socialist economic development approach and confirmed the adoption of the market economy.

As stated above, during the 1980s and early 1990s, Mozambique was among the poorest countries in the world. Through political stability and economic reforms, the country experienced a remarkable macro-economic recovery with two-digit economic growth rates in part of the 1990s and early 2000s, and an average growth of 6.3% between 2000 and 2016.²¹ Agriculture accounted for 23% of the Gross Domestic Product (GDP) in 2015 and employs more than 90% of the female and 70% of the male labour force.²² Development aid also played an important role in Mozambique's economic growth.²³ In the last decade, with the resumption of the exploitation of Mozambique's coal reserves and the discovery of the reserves of natural gas in the North, the country is expected to become a natural resource-based economy. This will change the state fiscal framework, with the reduction, or even elimination, of dependence on development aid. Government revenues from gas are expected from 2022 and onwards. Initial projection (of ENI) based on an oil barrel price of USD 100 were of revenues of around USD 120 billion. Projections from the World Bank and of the Center of Public Integrity point to revenues up to USD 50 billion up to 2032 and 2050, respectively.²⁴

Between 1990 and 2015, the Gross National Income (GNI) per capita increased by 205%, but due to its low starting point GNI remained among the lowest in the world.²⁵ Poverty rates fell from 69.7% in 1997 to 52.8% in 2003, and to 46.1% in 2014.²⁶ Currently, Mozambique is ranked 181st out of a total listed 188 countries in UNDP's HDI and is listed as the 139th country (out of 159 countries) in the Gender Inequality Index. Despite the general positive results, 11.3 million people (out of the population of 28.8 million (2016)) still live in absolute poverty.²⁷ Poverty continues to have a female face, with high levels of illiteracy among

21 See <http://www.tradingeconomics.com/mozambique/gdp-growth-annual>, accessed on 20 May 2017.

22 Plano Estratégico para o Desenvolvimento do sector Agrário 2011-2020.

23 Arndt, Tarp, & Jones, 2006.

24 Center for Public Integrity & Resources for Development Consulting. 2015. *Rovuma Basin Economic Model; Generating Sustainable Wealth from Mozambique's Natural Resources Boom*. World Bank Mozambique Policy Note, Maputo: The World Bank. 2014.

25 UNDP, 2016.

26 Santos & Salvucci, 2016.

27 Idem.

women and girls (particularly in rural areas), low access to income and control over resources. Most women work in the informal sector and as smallholder farmers with limited access to financial and technical services, and with low involvement in the market economy. The maternity mortality rate remains relatively high, 490 per 100,000 live births (2010)²⁸ and adolescent girls and young women have limited access to reproductive and sexual health services.²⁹ The gap between urban (higher) and rural (lower) wellbeing is increasing. Living conditions in the south are much better than in the centre and northern provinces, partially due to relatively higher urbanization in the southern region.³⁰ The northern provinces have lower income per capita and less access to basic services. The national level of illiteracy of women is 58% and for men 30%, with higher rate for the rural population, particularly in the North and for rural women.³¹ The multi-dimensional aspects of poverty experienced by the population, particularly women and girls, accompanied by the impact of the HIV pandemic, challenges the sustainable and democratic development of the country. Inequality in wellbeing across the different regions also mirrors political affiliation, since the opposition is stronger in areas that have lower levels of wellbeing.

The combination of these political and socioeconomic contextual elements provides the backdrop to assess to what extent government development strategies and aid partners responded to the challenges the country faced since its independence.

3.2 Development priorities of the Mozambican Government

Mozambique's first coherent development strategy was approved in the early eighties, with the aim of eradicating underdevelopment in ten years. Given the huge development challenges and the extreme poverty level in the country by the time of the formulation of the strategy, this was an unrealistic goal, and the strategy failed. Subsequently the GOM initiated its economic reforms under the Structural Adjustment Programme (SAP) adopted in 1987. Due to the social costs of the SAP, the GOM in 1990 included social measures in its economic reforms programme. Whilst the SAP was successful in reverting economic decline, the heavy legacy of the civil war and the burden of the debt hindered

28 UN Maternal Mortality Estimation Group (MMEIG) WHO, UNICEF, UNFPA and the World Bank (2013). June 2012 updates. Accessed June, 2017, http://www.childinfo.org/maternal_mortality_ratio.php

29 Ministério de Género, Criança e Acção Social, 2016.

30 Santos & Salvucci, 2016.

31 The household budget and expenditure data collection module (IOF 2014/2015).

government efforts in dealing with poverty. It was in this context that a set of donors agreed to support Mozambique in servicing its debt, so the Government would channel its limited resources to economic recovery and social areas. The poverty reduction focus was further strengthened when Mozambique benefitted from the HIPC in 2000. In subsequent years, Mozambique's development strategies focused on absolute poverty reduction, and from 2001 to 2014 the country adopted three actions plan: The Absolute Poverty Reduction Action Plan (PARPA) I (2001-2005) and II (2006-2009), and the Poverty Reduction Action Plan (PARP) 2011-2014. Poverty reduction actions are now embodied in the five-year Government Plan 2015-2019.

The PARPAs were the main reference for planning and budgeting at all government levels. Most of the state budget was channelled to priority areas, among them the social sectors; health and education, social infrastructure such as water, sanitation and rural roads, and in the economic sector, agriculture and food production was given the highest priority by the GOM, due to its status as the sector that employs most of the labour force and for its direct impact on the fight against absolute poverty.³² Cross-cutting issues, such as HIV/AIDS, gender equality, and environment and climate change, were included in the strategies. The Government Programme 2015-2019 is in line with the current context of political stability and discovery of natural resources, included among its priorities the consolidation of National Unity, Peace and Sovereignty and ensuring Sustainable and Transparent Management of Natural Resources and the Environment.

The PARPAs became the new references for the donor alignment to government programmes and provided the framework for General Budget Support (GBS) performance appraisal, based on a Memorandum of Understanding (MoU) in 2004 between the GOM and 15 development partners to annually assess their performance against agreed indicators, drawn from the PARPAs, PARP and the government programme monitoring and evaluation matrix. PARPAs contributed to reshape the dialogue between Government and donors due to their fiscal impact. Among its achievements, PARPA II increased fiscal revenue from 14% of GDP in 2005 to 16.2% by 2009.³³ Currently, revenue collection is at 25% of GDP, in line with other Southern African countries. Development aid increased in absolute terms, but it dropped in relative terms as a percentage of public spending, from around 70% in the 1990's to below 30% in 2015, and most of the balance is covered by internal revenue. The internal revenue increase improved the bargaining power of the

32 This priority is reflected in the poverty reduction strategies PARPA I, 2001-2005, PARPA II, 2006-2009, and PARP, 2011-2014 and in the 2015-2019 Five-year Government Programme.

33 USAID, 2009.

government vis-à-vis its traditional donors, although dependence on development aid persisted.³⁴

3.3 Development support to Mozambique

Most of the development assistance in the 1980s and early 1990s, was concentrated on supporting a fragile state to have minimal functioning and on emergency interventions. Bilateral funding was the norm in the 1990s. Eventually, internal dynamics and the international agenda of aid effectiveness contributed to the change towards mutual accountability, political dialogue and multilateral mechanisms of funding between the GOM and its partners. The peak of donor coordination and alignment was when a MoU was developed, for annual reviews, planning and assessment of development aid partners and government performance, based on a Performance Appraisal Framework (PAF) and initially 15 and eventually 19 donors (G19) provided GBS³⁵. The debt crisis in 2013-2015 and the decline in donor coordination weakened these mechanisms, and development aid became more fragmented, reaching a critical point in 2015, when some of the larger GBS donors decided to carry on based on this modality only, and not coordinate with donors providing other types of aid. After intense and sometimes bitter debates among donors about the wisdom of this decision, a new GBS MoU was signed in August 2015, leaving out the common platform of aid negotiation.³⁶ Four explanations were identified for this crisis in the donor community, which also provide an overview of the different phases of the GBS alliance:³⁷

First, the aid coordination built around the PAF had as its explicit goal of strengthening Mozambican ownership of its development. As Government ownership became stronger, unsurprisingly, it sometimes took forms that donors did not agree with. *Secondly*, the joint donor-government effort to create a functional state capability in a country starting with grossly underdeveloped institutions succeeded, and Frelimo used these structures to cement its rule and concentrate power at the centre. Consequently, development partners started to pay more attention to the need to help build other social and economic forces as counterweights – namely civil society and the private sector – and to focus more on governance at the central level and the effectiveness and efficiency of service delivery at the decentral level. *Thirdly*, with the growth in internal revenue and attraction of new partners to Mozambique – both private and official – the Government became less dependent on its traditional

34 Richter, 2017.

35 GBS was initially provided by four donors, including Denmark, by the time of the MoU on the PAF the group consisted of 15 donors.

36 Richter, 2017.

37 Idem.

donors. After years of relatively stable donor relations, the Government also felt assured that donors would never seriously challenge its performance. (...) *Fourthly*, donor countries developed stronger commercial interests in Mozambique that at times made the dialogue about governance and other sensitive issues more difficult.

There are three different phases of the G19, which are important to understand, since Denmark provided most of its support to Mozambique as part of the GBS framework, from 2003 until 2014: (i) from 2003 to 2009, with growing membership, when GBS was considered the ideal mechanism for development aid, bringing alignment and overcoming of lack of information-sharing, although it also contributed, as an unintended side-effect, to support Frelimo's centralisation of power; (ii) The turning point from 2009 to 2014, with increasing tensions between the G19 and the GOM, over the breach of underlying principles (following irregularities in the 2009 general elections), different views on how to respond to governance failures and questions related to the extractive industries, and led to donors losing enthusiasm for GBS and resorting to project type forms of aid, increasing direct aid to the private sector and civil society support. On the government side, different views between the Ministry of Planning and Development and the Ministry of Foreign Affairs on the appropriate ways of relating to the G19; (iii) from 2015 onwards, with the debt crisis, disintegration of the G19 was followed by reintegration, with the invitation back on the table of the non-GBS donors to restore the G19, and provide more leverage in the dialogue with the GOM, and to avoid the potential negative consequences of unilateral and unorganised donor exit from supporting the country.³⁸ Thus, currently a large number of disperse donors are involved in development aid for Mozambique in a variety of programmes and projects, which makes coordination among donors a complex mission. Apart from the circumstantial come back of the G19, there are several joint donor mechanisms.

When in 2015 the scandal of the concealed loans surfaced, donors resumed the G19 alliance to have more leverage towards the GOM to clarify or solve the problem.³⁹

3.4 Danish development policies and cooperation with Mozambique

OVERALL DEVELOPMENT OF THE DANISH COOPERATION

Denmark is a long-term partner that with development support has supported important and prioritized areas in Mozambique over more

38 Idem.

39 Idem.

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than four decades. This cooperation has also benefitted from long-term engagement by Danish CSOs, researchers, private sector actors and consultancy firms. Cooperation with the country started just after the country's independence mainly through humanitarian assistance provided by Danish civil society.⁴⁰ This trend spanned until the eighties, contributing to strengthening the state, economic development and the fight against poverty through a focus on agricultural production and the of provision of basic services. Several sectors were supported through bilateral projects aimed at developing the economy of the country. Since 1988, when Denmark opted to work with "programme countries", Mozambique has been one of the countries receiving the highest volume of Danish development aid.

The peace agreement in 1992 represents a turning point in Danish cooperation with Mozambique, shifting from a humanitarian approach to long-term development programmes, with the aim of contributing to a more *"stable and democratic society with improvements in living conditions for its people"*.⁴¹ Within the framework of this new direction, Denmark has provided budget and sector support including comprehensive support to agriculture, education, energy, environment, health, good governance, including civil society support (mainly with a complementary role in service delivery), justice sector reform, decentralisation and PFM as well as growth and employment programmes.

Denmark's support to state-building in the early years of the period evaluated was dominated by needs-based support, with a focus on creating conditions for a peaceful democratic development and poverty reduction, building institutions, reforming a conflict stricken society and creating stability. As in the case of other donors, the transition process was not supported by direct reconciliation initiatives, though Danish support to the Justice Sector played an important peace building role through its focus on formal, semi-informal and informal legal systems, as did the support to resettlements initiatives, technical vocational training of ex-combatants from both sides, and trauma treatment at Tete hospital. In fact, the transition period after the peace agreement was not explicitly referred to as a post-conflict period by any development actors at that time, as several stakeholders working in the country in the 1990's noted during the consultations.⁴² It is, however, fair to say, that though the cooperation as such was not framed in a conflict perspective discourse, the Danish support aimed to contribute to a peaceful transition

40 Before 1975, Denmark also supported the struggle towards independence.

41 Terms of Reference, Tender for Evaluation of the Danish engagement in Mozambique 1992-2016.

42 Several interviewees stressed that it would be ahistorical to define their approach in the early 1990ies as a conflict perspective.

towards democracy and stability with focus was on reconstruction rather than on reconciliation.

In 1992, Danish cooperation with Mozambique consisted of many projects supporting different sectors and initiatives, with one SPS, in Health.⁴³ As Table 1 shows, at the end of the 1990's and the beginning of 2000, the portfolio composition changed considerably, by 2006 it included five SPS (Agriculture, Education, Health, Environment and Climate Change, and Energy) and the number of projects and specific programmes had reduced. The Justice Sector, public sector reform and other governance initiatives continued. By 2016 the number of SPS had decreased to three; Health, Environment and Private Sector. This reduction of sector programmes emanated from Copenhagen as a result of the MFA policy to focus on fewer sectors in the bilateral country programmes.

TABLE 1. OVERVIEW OF SECTOR SUPPORT 1992-2016

Sector	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
Agriculture	Project support							ASPS I							ASPS II										
Education	Project support										DSESSP														
Energy	Project support										ESPS														
Environment	Project support														ESP I				ESP II						
Health	Phase I			Phase II				Phase III					Phase IV				Phase V								
Justice	Project support										ProJustica I & II												Project support		
Private Sector	Project support, B2B								ADIPSA I & II										GEP						
GBS									Joint macro-finance progr.				MoU GOM and PAPs												

Please see Chapter 4 for the full name of the different sector programmes.

Denmark has been a strong supporter of strengthening governmental institutions and systems, including considerable investment in infrastructure. Danish funds have also supported the Justice Sector institutions to promote the separation of power within the state, and create conditions for accountability. Danish support to poverty analysis, through funds allocated to the National Statistics Institute and the Directorate for Studies and Policy Analysis, which produced the poverty surveys and the poverty impact reports, are other examples of support to processes that enabled the monitoring of the performance of the

43 1992-1995 (1996) Rehabilitation and strengthening of health services in Tete Province Phase I.

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governmental institutions. The fairly recent Danish direct funding of Mozambican civil society involved in public integrity and critical research, such as the Centre of Public Integrity, the Civil Society Support Mechanism (MASC) and the Institute of Economic and Social Studies (IESE)⁴⁴ are also relevant contributions to the check and balances of state power.⁴⁵

AID EFFECTIVENESS AND DIALOGUE

Denmark has strived to align its bilateral development cooperation with GOM policies. In Mozambique, Danish efforts to align with country strategies and priorities and to support governmental systems, dates prior to the Paris Declaration in 2005. Denmark engaged in a closer donor sector specific coordination, harmonisation with national systems, and pioneered a joint donor programme for macro-financial support to Mozambique with other actors already in 2000. Coherent with the principle to align with Mozambican priorities and development and poverty reduction strategies, Denmark has strived to maintain a constructive and open dialogue with the GOM on the strategic value of Danish cooperation and the challenges Denmark as a partner has encountered in the partnership. Common for all phases of the country programmes during the evaluated period is that most of the strategic choices Denmark made for its cooperation, regardless if they were based on country strategies or not,⁴⁶ were rooted in the priorities made by the GOM and in the partnership dialogue.

As an active member in the donor coordination group, Denmark has thus made a great effort to align with GOM development strategies and to coordinate its efforts with other development actors and in several sectors Denmark has promoted greater donor coordination, taking the lead or delegating its support to likeminded donors. This willingness to support the improvement of government systems, and to use the same for the implementation of sector programmes as well as to harmonise the partnership agreements to GOM's procedures, has served as an important element in the process towards greater donor alignment and in creating leverage in the dialogue with the GOM. Denmark has progressively channelled a larger part of its aid through GBS and Sector Budget Support (SBS) through the governmental system. Denmark has channelled large sums of finances to pooled funds, via the governmental financial system SISTAFE, and made use of the governmental Single Treasury Account for the financial disbursements, while promoting the generalised use of IT at central, and subnational level. Denmark played

44 Supported by Denmark since its foundation in 2007.

45 Several SPS included support to civil society, but mainly in their roles as service providers and in raising awareness among targeted populations on specific issues, as for example HIV/AIDS. The support to CSOs as voice bearer and watch dog became salient in the last phases of some of the SPS, as for example in the case of Environment SPS.

46 See next section for details on the country strategies.

a positive role as a vocal partner and in taking the lead in this funding modality, both in supporting the development and the roll-out of SIST-AFE and in channelling GBS, SBS and sector programme funds through CUT and SISTAFE. The Danish experience and the willingness to invest funds and technical assistance to the IT systems attracted other donors to follow the same development aid approach.⁴⁷

DANISH DEVELOPMENT COOPERATION POLICIES AND PRIORITIES

Poverty reduction and democratic development have been overarching objectives for the long commitment with Mozambique before and during the period evaluated. This focus was enhanced in the Danish 1994 aid strategy.⁴⁸ The Danish aid policies and strategies⁴⁹ during the period evaluated have continued to prioritize aid to Mozambique until the decision of the Danish Government in 2016, to phase out the country programme. The decision to phase out a number of earlier prioritized country programmes, among them Mozambique, was a consequence of the political decision to downsize the Danish ODA. Other overall priorities for Danish development cooperation policies during the period evaluated have been gender equality, HIV/AIDS and Sexual and Reproductive Health and Rights (SRHR), environment and climate change, with a continued strong focus on the health reform and legislation, and supporting governmental structures to use a gender mainstreaming approach, including strategy development. As part of Denmark's strong focus on governance, support to international and national CSOs was channelled through the bilateral programmes but mainly through the NGO framework agreements with the MFA in Copenhagen. Support to civil society spans over many sectors and has in line with the development of the Mozambican and the evolution of civil society over the last decades developed from complementing the roles and responsibilities of the GOM as primarily service providers to increasingly focusing on accountability issues and mobilisation and supporting the organisation of rights-holders that are discriminated against.

Denmark did not develop country strategies for all the years included in this analysis. The strategy documents, of which only some are country strategies, were published in 1988, 1995, 2000 and 2012. The country strategy from 1995 aimed to gain a stronger focus and coherence within a portfolio with many smaller and disparate interventions. From 2000, the focus has been on strengthening the state administration and extending public service delivery in sectors with Danish aid. This has

47 Interviews with RDE staff.

48 A Developing World: Strategy for Danish Development Policy towards the year 2000. (1994).

49 Idem; Denmark's Development Policy 2000 (2000); A World of Difference: Government's Vision for New Priorities in Danish Development Assistance 2004-2008 (2003), and The Right to a Better Life: Strategy for Denmark's Development Cooperation (2012).

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included direct cooperation with international and national CSOs and private sector actors. The water and fisheries sectors were phased out in the 2000-2004 strategy, giving priority to agriculture, energy, education and public sector reform.⁵⁰ From 2003, Danish bilateral cooperation has been decentralised to the Danish embassies, which means that the RDE has steered most of the priorities in the country programme since then. As already stated, there was no new Danish country strategy for Mozambique developed between 2005 and 2012 and the Mozambique country programme was then, according to the Annual Country Assessments from the RDE, still guided by the 2000-2004 strategy⁵¹ as well as the aid effectiveness agenda aligning assistance to the PARPA I and II and PARP.

The Partnership Policy 2012-2015 envisioned that the cooperation with Mozambique was *“to expand the opportunities of the poor to take part in and benefit from Mozambique’s considerable economic growth”*. The partnership should be based on political dialogue, stronger commercial ties and assistance to a limited number of priority sectors, with a focus on efforts related to (i) budget support and good governance; (ii) sustainable and inclusive growth; (iii) reproductive health and rights; and (iv) climate change adaptation and environmental management.

The Danish policy on a Human Rights-Based Approach was adopted in 2012 with a focus on the accountability and transparency issues, and on the role of organised rights-holders through civil society, engaged in monitoring the performance of the state and its institutions. However, Denmark supported civil society and other actors within the justice sector in their role as watch-dogs and work on raising awareness on rights was in place also in earlier periods.

DECENTRALISATION OF COUNTRY PROGRAMMES

The decentralisation of decision-making initiated by the MFA in Copenhagen to the Danish embassies in 2003 meant that the MFA would continue to set the overall agenda for the Danish development cooperation but that the RDEs, in agreement with the principles of the Paris Declaration, would develop the focus areas in accordance with the partner Government’s development strategies and other relevant contextual aspects. As stated above, the RDE in Mozambique has developed its country programme and the choice of sectors in close dialogue with the GOM. The major changes in the portfolio during the

50 It is worth mentioning that the focus on public sector reform in the 2000 Danish strategy was well aligned with the GOM’s own focus on reforming the public sector, as mentioned earlier, in 2001 it launched its Global Strategy for Public Sector reform (2001-2011), that would be followed by a strategy covering the period 2012-2025.

51 Mentioned in Annual Country Assessments from the RDE to the 2005-2008. The 2008 and 2009 assessments mention that a new Danish Country Strategy was planned for 2009.

last decade have however not been initiated by the RDE or based on the contextual analysis of the country or specific sector development. To achieve a more 'lean' management of the development assistance, the MFA adopted a policy to concentrate the Danish support to fewer sector supports. Parallely, as sector, good governance, human rights and justice reforms and an increasing focus on private sector development. The focus for gender equality has been on policy a result of new overall development policies, MFA introduced new priority areas for the Danish cooperation. This constituted a dilemma for the partnership dialogue since some of the MFA initiated processes were not coherent with the priorities discussed between the RDE and the GOM.

The phasing out of the country programme was decided by the Danish Government as a consequence of the overall very substantial reduction of the Danish ODA. As mentioned above Mozambique is one of several bilateral programme countries of Denmark being phased out. The process is guided by a phase-out strategy running up to 2020 (see Section 5.6 for further information).

4 PORTFOLIO ANALYSIS

This chapter presents a summary of the analysis of results from the selected sector supports chosen for the portfolio analysis. Focus is on the last decade of the period evaluated.⁵² The main features of the sector programmes and other key support areas are presented against the evaluation assumptions⁵³ outlined in the inception phase, together with some key results from the Danish support, and the added value of Denmark's engagement in the sector or the presented initiatives and processes. The more comprehensive analysis is found in Annex F. Three case studies on specific key processes are also included in Annex E.

4.1 Volume of the disbursements 1992-2016

The total disbursement to Mozambique during 1992-2006 amounts to approximately DKK 4.5 billion.⁵⁴ Tete, Inhambane and Maputo provinces accounted for the largest proportion of Danish subnational funding during that period. The disbursement for the period 2006-2016 amounts to approximately DKK 3.7 billion. As Table 2 shows⁵⁵, at the beginning of the period evaluated the annual total was less than DKK 150 million; in 2006 it was closer to DKK 400 million. The synthesis report from the evaluation in 2008 concluded that there was a general upward trend in the annual disbursement of Danish aid to Mozambique with small dips for specific years. The last decade shows a period with financial support maintained at high levels from 2007 to 2012 and then a descending trend from 2013. Several SPS were phased out during the last 5-6 years of the studied period, and the levels of disbursement to the remaining sectors are at much lower levels than the previous years. Denmark's

52 The portfolio overview presents the overall features for the period evaluated, however, it is not a comprehensive study of all support during the period evaluated. The analysis is mainly based on a desk review of the sector programme documents provided to the ET by MFA but also includes the information shared by consulted stakeholders during the data collection in the field.

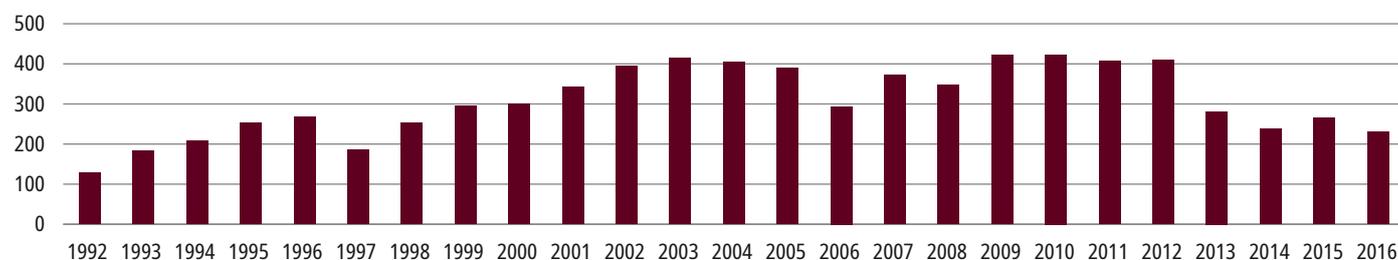
53 The assumptions tested during the stakeholder consultation were that Denmark has provided a predictable support and has been an engaged and persistent partner, allowing flexibility within the applied aid modalities, and that Danish aid has focused on and contributed to state-building as an important approach.

54 Evaluation of Development Cooperation between Mozambique and Denmark, 1992-2006, 2008.

55 Based on the figures in the 2008 Evaluation and Excel sheet over the period 2006-2016 provided by the RDE in February 2017.

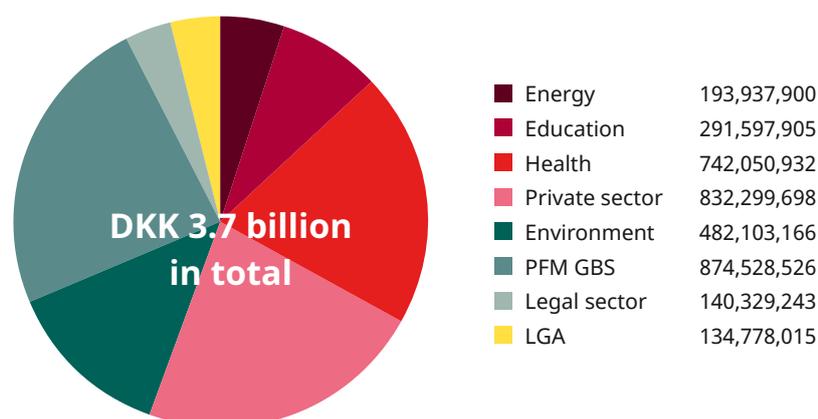
share of the total aid to Mozambique is fairly stable over the first 15 years of the period evaluated, just over 4% in the period 1992-1999 and just over 5% for the 2000-06 period.⁵⁶ As a comparison the corresponding percentage for 2015 was 3.6 % of the total ODA to Mozambique.

TABLE 2. ANNUAL DISBURSEMENT (IN DKK '000) 1992-2016



As Figure 1 below shows, four sectors dominate the overall disbursed support, namely PFM and GBS, Private sector support, including Business to Business (B2B) initiatives and the support to the Health and Environment Sectors. These sectors also dominated each year together with the energy sector between 2006-2008 and 2013, and the education sector the years 2006, 2008-2011. The share of the environment SPS of the portfolio increased in a substantial way only during the last years of the period.⁵⁷ Support to the legal sector was relatively small but constant throughout the full period.

FIGURE 1. TOTAL DISBURSEMENT IN DKK PER SECTOR DURING THE PERIOD 2006-2016⁵⁸



⁵⁶ 2008 Evaluation Synthesis report.

⁵⁷ From 2007 to 2013, with a peak in 2012, and another peak in 2015. In 2014 and 2016 the disbursement decreased considerably. See Annex F for more details.

⁵⁸ Overall and sector specific data over the disbursement has been provided by the RDE.

4.2 Geographic focus

In the early 1990s, most of Danish cooperation concentrated on the coastal towns of Maputo, Beira and Quelimane due to the security situation. Denmark has had a long presence in Tete historically. The early humanitarian assistance to Mozambique was delivered to the Tete province through neighbouring Zimbabwe. The decision to focus on Tete was among other factors based on the level of poverty. The relatively easier access to Tete from Zambia, after the end of the civil war, allowed Danida to provide emergency support to the war refugees. It was also based on the decision of many donors to avoid overlap in their support and focus on different provinces, allowing a greater concentration of the efforts of each donor to enhance the impact of the support. Danish cooperation has focused on Tete and at the central level, however, some sector programmes have provided substantial support to other provinces as in the case of education (Zambezia and Cabo Delgado), rural roads (five provinces), and decentralisation processes and municipalities (centre and northern provinces). Environment SPS (2006-2016) also had a local focus, facilitating the setting up of provincial directorates of environment and Centres of Sustainable Development located in three provinces but with national responsibilities in specific areas: Gaza for coastal zones, Nampula for urban zones and the Manica branch was responsible for natural resources.

4.3 Aid modalities

The 2008 evaluation concluded that the use of aid modalities continued to be mixed even though Denmark gave priority to sector programme support (SPS) over projects already in the 1990s. This is also true for the last decade, though GBS and SBS have been the dominating modalities. The funding of SPS has progressively been channelled through the CUT, and in 2013 and 2014, the use of national systems was close to 100% of the funding provided.⁵⁹ All SPS listed below have made use of mixed aid modalities, though project support has been scarce during the last decade, except for the Justice sector⁶⁰ and the local grant mechanisms. The portfolio has included specific project support (mainly smaller initiatives within the local grant mechanism managed directly by the RDE), programme grants, core funding of SETSAN, and earmarked technical assistance through expert advisors and consultants allocated to central and provincial levels). The number of technical advisors decreased from

59 República de Moçambique, 2014; Ministério de Economia e Finanças, 2015, pages 41 and 42.

60 Several of the different partners in the Justice programme were provided with institutional support/core funding, but as support modality they can be characterised as “projects”.

around 40 in 2005 to six in 2015. Some of the earlier direct technical support through the provision of long-term advisors were replaced by consultant services (e.g. SETSAN and support to municipalities). Programme grants have, in some cases, been replaced with joint funding mechanisms, e.g. in the case of Education, or complemented with joint donor funds, as in the case of the support to civil society within the health SPS. After phasing out the SPS, the energy sector has been supported with soft loans. Grants within the framework agreement between the MFA and Danish CSOs have also been provided.

The following sections present the highlights of the sector support that has been evaluated with a focus on the last decade, 2006-2016, including some of the main results and the added value of Danish support. The presented results stem from the 2008 evaluation, project/programme completion reports per sector, available sector specific evaluations covering part of the period evaluated, and findings from the field data collection.

4.4 Agriculture

Sector	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
Agriculture	Project support						ASPS I						ASPS II												

Danish assistance to the sector started shortly after Mozambique's independence in 1975, and was until the end of 1980s crucial for the rural development strategy, corresponding to over a fifth of the international cooperation to the sector.⁶¹ **Agricultural SPS (ASPS I [1999-2004] and ASPS II [2005-2010]**, linked to the National Agricultural Programme (ProAgri), with a focus on Tete, Cabo Delgado, Nampula and Manica provinces. Since the **phase out in 2010** of ASPS II, support to the sector has continued through the Private Sector and the focus on food security and nutrition under the SETSAN.

Partner: Ministry of Agriculture and Rural Development – MADER.

61 Evaluation of Development Cooperation between Mozambique and Denmark, 1992-2006 Working Paper 02 Agriculture, Rural Development and Fisheries, Martin Adams, Final, September 2008.

HIGHLIGHTED RESULTS

- Increased institutional capacities (both in systems and infrastructure) and creating enabling working conditions for public servants in the districts.⁶²
- Slight increase of farmer association members' use of improved seeds, fertiliser or pesticides. Increase in agricultural yields (in areas with Danish support. Credit to small- and medium-sized enterprises (SME) increased, but small-scale producers still lacked capital for investments or covering running costs.
- Support to the programme component of the rehabilitation and construction of rural roads (with the aim of increasing the access of rural communities to markets and basic services) has contributed to a lot of improvement for the rural population, including improved access to available social and technical services, as well as better connection to local markets and commercial intermediaries.

ADDED VALUE OF DANISH SUPPORT

Denmark was one of the frontrunners amongst donors to develop a sector-wide approach (SWA)⁶³ towards the agriculture sector and Denmark played a crucial role in pushing the idea of SWA. The line ministry showed, however, almost reluctance to the idea, with weak ownership, and the programme did not improve the extension service to smallholder farmers in a substantial manner, and consequently did not challenge the main problems of the sector and poverty in rural Mozambique.⁶⁴ The push for a SWA is an example of an early initiative of Denmark promoting alignment with GOM policies and stronger donor coordination. Denmark's long-term support to the sector is also an example of it being a predictable donor, also after phasing out the specific sector support programme. When Denmark in 2010 decided to phase out direct support to the sector programme, the new focus on the private sector was developed in close cooperation with Danish agricultural advisors, developing the already existing focus on agri-business and maintaining the component of rehabilitation and construction of rural roads to strengthen access to markets and enhance rural development. The RDE demonstrated some *persistence* despite instructions from the MFA to limit the number of sectors and focus more on private sector development, by integrating a strong rural and agricultural perspective in the private sector programme (see next section), which meant that

62 Programme Completion Reports ASPS I and II.

63 A SWA brings together governments, donors and other stakeholders within a sector under the lead of the government and its specific development strategy for the sector, It normally involves budget coordination, joint planning, monitoring and reporting.

64 Programme Completion Report ASPS II.

the RDE continued to support the agriculture sector even though the ASPS II was phased out.

4.5 Private Sector

Sector	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
Private Sector	Project support, B2B								ADIPSA I & II											GEP					

Programmatic support to private sector development (PSD) was instituted in 2001 through part of the **Agricultural SPS (ADIPSA)** in the ASPS I. Support to the private sector was relaunched in 2005 as Business to Business (B2B), matching Mozambican businesses with Danish companies for technical assistance and transfer of know-how, and support to start-ups.⁶⁵ **Growth and Employment Programme (GEP) 2011-2016:** including direct project funds to CSOs; funds to commercial banks and microfinance institutions, and the non-profit organisation GAPI; SBS through the National Roads Administration (ANE), the Roads Fund and District Governments, using government systems, CUT; In the context of Danish Country Exit Strategy, support to the private sector was extended to 2019.

Partners: Private sector, Business Environment Fund, GAPI and CSOs.

The GEP combines the empowerment of private sector actors through the promotion of business development mechanisms managed by the private sector: access to credit, with multiple credit lines for smallholder farmers, young entrepreneurs⁶⁶ and women, managed and co-financed by GAPI, an organisation with experience in business development.

HIGHLIGHTED RESULTS OF GEP

- The 2016 Programme Review reports that the capacity of the business sector to influence governmental policies improved. Strong participation of private sector in the management of the Business Environment Fund (FAN), boosted the visibility and credibility of Private Sector Organisations. The creation of a business support mechanism managed by the beneficiaries was a factor behind the success. Echoing the soundness of this vision, the 2016 review

⁶⁵ Ministry of Foreign Affairs of Denmark, 2008.

⁶⁶ GAPI's programme Agro-Juventude, which aim is to support the young university graduates to start their business in Agriculture sector.

of the programme recommended the transition of the current mechanism (FAN) to a foundation, to boost the existing results and to ensure sustainability, as it saw the creation of the foundation as a good step to ensure sustainability, until a permanent and private-sector run entity will take over. However, due to the weak private sector and its limited contribution to business sector development, funding will still rely on donor assistance. The question that remains open is how the entity will take the opportunity of the current trend in donor agencies to provide aid for business to consolidate itself as a business funding mechanism.

- The main results in agri-business development were the increase in the demand of credit by small-holders and related business-development services, and the creation of the Commercial Bank Guarantee Facility for Agricultural Lending. Giving time for this guarantee mechanism to mature is one of the reasons mentioned in the review report to recommend the extension of GEP until 2019.
- The partnership between the RDE and GAPI⁶⁷ has resulted in strengthening the latter institution in supporting the creation and management of ASCAs (accumulating savings and credit associations) within communities through the provision of an appropriate financial management software. So far, the experience has shown that small-business women have shown most interest in the ASCAs. GAPI is helping some of the more successful ASCAs to formalise and legalise their activities as small credit institutions.
- Improvement of rural road networks and the quality of the work was deemed by a technical review team in 2015 to improve from 'satisfactory' to 'good' through increased access to agricultural areas and the increased commercialization of agricultural products.⁶⁸ The process of rural road construction contributed to the capacity building of technical personnel from the relevant District Authorities and staff from local contractors.

ADDED VALUE OF DANISH SUPPORT

Denmark was one of the earliest donors to support the private sector, and support has been provided throughout the period evaluated through different modalities, showing *persistence* in responding to the needs of private sector actors. Denmark played an important role by providing multi-year support, e.g. support in access to credit, through

67 GAPI is a development funding financial institution, owned in 30% by the Government and the rest by private entities.

68 Final Technical Review Report Technical Review of the District Roads Component, Growth & Employment Programme, Mozambique, Contract Notice: 104 Mozambique 809-3, NIRAS, June 2015.

the combination of private and public funds. In the latter phase, the support focus was on empowering the beneficiaries, i.e. the private sector was encouraged to take the lead to ensure more sustainability. The move to support FAN and its transformation into a foundation managed by private sector actors (instead of the previous approach with a public entity or a management unit running the project), as well as its partnership with GAPI, and thus sharing the funding responsibilities were seen, by interviewees from the sector, as distinctive features of the flexibility of Danish support, learning from previous experiences and *willingness to support and test innovative approaches* to sustainable business development. Through the approach implemented by GAPI, the beneficiaries' payment of loans became the source of funding for further interventions, which was not considered by previous approaches.

Private sector development has maintained a focus on agri-business from the earlier agriculture sector programme. The change from focusing on increased agricultural production to an agri-business value chain approach, with the market driving the development, was valid with regard to poverty reduction, job creation and sustainability, but consulted stakeholders stressed that important lessons learnt may have got lost in the move from one programme to another, given the rather rapid phase-out of support to production. Primary producers still form the basis of the value chain, and their thriving and economic growth is a precondition for business development. The three programme areas are crucial in this development, but other areas also need to be addressed.⁶⁹ A cooperation with CSO extension efforts might have helped this situation, if realized from the start of the programme. In this context, it is also worth mentioning that during 2014-2016 plans were made to change the directions of the GEP, with a planned merge with the Environment Programme for the upcoming five-year programme (including improved monitoring systems and cross-sectoral cooperation). The MFA's 2016 decision to phase out the bilateral cooperation with Mozambique obviously changed these plans, and the limited time before phasing out the programme implementation might not produce the changes the shift in the approach was meant to attain.

69 Such as access to improved seeds, access to fertilizers at a reasonable cost, water for irrigation, technical assistance and market information.

4.6 Energy

Sector	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
Energy	Project support										ESPS					Soft loans/mixed credits									

From 1992 Denmark supported wireless communication between operational units in Electricidade de Moçambique EDM, and continued project support to EdM to connect Inhambane to the national electricity network through a 200 km electricity line substituting the diesel generator that had so far supplied the province with energy at a high cost (completed in 2000). The support to the **Energy Sector Programme, ESPS**, (2002-2006)⁷⁰ included capacity building of central institutions, support to EDM, and support to decentralised energy systems. After phasing out the sector programme, soft loans (mixed credits) have been granted.

Partner: Ministry of Mineral Resources and Energy, National Energy Directorate, EdM, and the Energy Fund (FUNAE).

HIGHLIGHTED RESULTS

- The first two major contributions were the construction of the transmission lines in Xai-Xai and Inhambane.⁷¹ The 2008 evaluation concluded that staff and systems were strengthened at the EdM,⁷² contributing to increased transparency and accountability and the electrification projects in Maputo and in rural areas have significantly contributed towards increasing the rate of electrification.
- Through the support to FUNAE⁷³ (2002-2006) Danish cooperation contributed to a local base of professionals in the energy field.

70 The phase out of the ESPS was described as a difficult process in the annual Country Assessments from the RDE and was only closed in administrative terms in 2011.

71 1993-96 Inhambane Emergency/ Bridging Power Station; 1997-02 Improved electricity Generation and Distribution in Inhambane and Surroundings; 1997-04 Transmission Line Xai-Xai-Lindela, Inhambane, Construction and Consulting

72 The RDE Assessment of Country Programme 2006, also mentions this: "Capacity enhancements at EDM are considered a success [...]. Progress is partly due to the concerted efforts and close coordination of key donors. Danish funded investments have delivered very important economic results for EDM and enhanced the quality of life for people in affected areas. The switch to international tendering with EDM as the contract holder has relieved the Embassy of much work and led to considerably lower bidding prices."

73 FUNAE is a mechanism for funding the energy sector in different energy sources.

Sofala province was planned to be a pilot province for the cooperation with FUNAE but due to lack of relevant projects the support was also expanded to other provinces. The Project Completion Report states that this flexibility in implementation increased the efficiency and relevance of the programme.⁷⁴

ADDED VALUE OF DANISH SUPPORT

The support to the Energy sector during the transition period was a strategic choice from a development perspective. The support to both rehabilitation and development of the electricity network were crucial also for developing government basic services. Generally, Danish support to the Energy sector contributed to improvement of institutional capacities at all levels.⁷⁵ At policy level the development of the sector called the attention of the Government to establish a separate ministry for this sector in 2005. The Danish contribution strengthened the successive umbrella ministries in strategic planning, policy and legislation production. The FUNAE increased its policy development competence and the ability to undertake sustainable energy projects. The technical competence of EdM staff developed to a level that the institution today is self-sustainable in terms of training new personnel. The Phase-out Review 2006⁷⁶ and the PCR⁷⁷ highlighted that the good sectoral donor coordination that Denmark engaged in worked well and was key to achieving good results in electricity sector reform, electrification and improved quality of supply. Also, the increased environmental awareness within the sector, can be attributed to the Danish support.⁷⁸

74 PCR 104.Mozambique.802, no date, File Number 10.Moz.802.

75 Ibid, Review and phase-out strategy for Energy SPS (ESPS), Final Report, 2006, Peter Haag / Wolfgang Mostert, Ref. No. 104.Mozambique .802., Visti, Danish Aid to the energy Sector, Working Paper 05, September 2008.

76 Review and phase-out strategy for Energy SPS (ESPS), Final Report, 2006, Peter Haag / Wolfgang Mostert, Ref. No. 104.Mozambique .802.

77 PCR File Number 10.Moz.802, no date.

78 According to consulted stakeholders.

4.7 Environment and climate change

Sector	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
Environment	Project support														ESP I				ESP II						

Since 1996, at the central level, the Danish focus was to strengthen the capacity of the Ministry of Coordination of Environmental Action (MICOA). At the municipal level, Denmark tested and demonstrated ways to address environmental problems, by providing resources to solve specific environmental problems with potential to improve the living conditions of the poor urban population. The SPS started with the **Mozambique Environment Programme Support - EPS I** 2006-2010. ESP I had focus on Institutional strengthening of MICOA, Urban environment management, Coastal and natural resource management at provincial and district level). The **EPS II** 2011-2015 focused on climate change, support to municipalities and to civil society.

Partners: MICOA/MITADER, municipalities, civil society support mechanisms.

HIGHLIGHTED RESULTS

- Danish support from the 1990s to early 2000s was strategic and instrumental in strengthening the MICOA to manage hazardous waste and freeing the country from the threat of becoming a toxic waste dump.
- Several stakeholders confirmed the findings from the desk review that Denmark has promoted and increased the awareness and integration of environmental issues and climate change as cross-cutting issue in other sectors with Danish funds.
- EPS I and II contributed to decentralisation and deconcentration and improved the capacities of subnational governments in the programme areas. The Danish combination of promoting capacity development in a thematic development area, as the increased awareness and knowledge on environment and climate change, with the support to strengthen local decision-making arenas and their administrative know-how, was an innovative approach. Environmental issues became part of district planning processes due to Danish support.⁷⁹

⁷⁹ Topsoe-Jensen & Pellby, 2017; Danida, 2005.

- Danish support to the sector had a strong focus on capacity development at central and local levels, contributing to the existing technical capacity setting up of a planning, budgeting, procurement and monitoring system and environmental technical issues at the central and provincial level.
- Danida supported the creation of Centres for Sustainable Development⁸⁰ to deal with environmental issues through a decentralised allocation of expertise. It also contributed to the establishment and creation of capacity in the provincial directorates of environment.
- The Lessons Learnt Report of the ESP II mentioned that alignment to the government plans led to the dispersion of activities in many sectors and geographical areas and posed challenges for coordination and monitoring from MICOA/MITADER.⁸¹ The sector lacked capacity and ownership of the monitoring process, and until recently there was not a consistent system for monitoring. Cross-sector collaboration is still problematic.⁸²

ADDED VALUE OF DANISH SUPPORT⁸³

The support to the Environment Sector has been a strategic choice, drawing attention to a key development area that was neglected by many development actors. Evaluation reports⁸⁴ and consulted stakeholder confirm the important contribution of Denmark to the capacity development of the environment sector (combining technical areas and in the management systems, including planning and PFM) and to raise awareness on environment and climate change issues at all levels. Denmark played a central role among other donors *to coordinate support and mobilize funds* and supporters to the sector by putting the environmental and climate change issues high on the agenda.

This is one of the sectors that benefitted from Denmark's strategic focus on systems and *willingness* to invest in PFM and the SISTAFE. Technical

80 These centres are located to different provinces and are among the few examples of decentralised allocation of expertise in the country, Tthe headquarters of the Marine and Coastal Zones Management CDS was located to Gaza, the Urban Management CDS is based in Nampula, and the Natural resources management CDS is in Manica.

81 Currently the environment sector is under the Ministry of Land, Environment and Rural Development (MITADER).

82 Idem.

83 Support to municipalities and the SISTAFE will be discussed separately.

84 Evaluation of Development Cooperation between Mozambique and Denmark, 1992–2006 Working Paper 06; Environmental Management, Martin Adams, Final, September 2008; Environment Sector Program Support II 2011–2016: Lessons Learnt. Final Report. Danida, European Union and Irish Aid, Topsoe-Jensen & Pellby, 2017.

advisors played an important role in continuous on-the-job training in the areas of financial management, procurement and climate change, based on their profound knowledge of the sector, which provided the advisors with true insight and contributed to the consolidation of the planning and budgeting systems. The Danish support to SISTAFE was an advantage that allowed the technical advisors to support in the roll-out of the system to the sector and to the provinces and, in some cases, up to the districts, when it was possible to decentralise some activities to these levels.

4.8 Decentralisation and support to municipalities

Sector	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
Municipalities																		P13			PDA							

Support to the decentralisation and deconcentration of power and decision making within the state institutions, from national to provincial, and from provincial to district levels, has been part of all sector programmes the last decade. The ESP I and II have included a specific support to the decentralisation process in municipalities through project implementation units that have followed the national financial management and procurement rules in their budget execution by the municipalities followed. The support includes three programme periods: 2009 to 2011 (P13) Joined Assistance to 13 Municipalities in Centre and Northern Mozambique; 2011 to 2014 (PDA) Municipal Development Programme and 2015-2017->2019 (PRODEM).

HIGHLIGHTED RESULTS

- At the local level awareness among municipal officials of the need to address environmental issues, has increased. The support to the municipalities was made possible through the Danish funds for support to environmental programmes. The development of administrative and management capacities focused therefore on environment and climate change issues, which of course also increased the thematic expertise. Technical standards have been introduced in the public works, through direct TA and capacity building for better planning, technical, administrative and financial management.
- The main results are: financial and management capacities, working conditions (infra-structures and equipment), human resources skills and the roll-out and consolidation of SISTAFE, and

improvement of access to services by the poorer (justice/legal assistance, water).

ADDED VALUE OF DANISH SUPPORT

Danish support to decentralisation, particularly to the municipalities, introduced an approach that deals with overlooked pressing challenges such as the environment and climate change, that impact considerably on poor populations and affect the municipalities in a disproportionate way, due to their limited resources. Most of the technical knowledge that was provided in environmental, climate change and waste management issues stems from the technical assistance and knowledge brought by Danish aid, according to interviewed stakeholders from municipalities and donors partnering with Denmark to support decentralisation.

The epitome of the added value of Danish support to municipalities that have a focus on environment and climate change issues, is the case of Ilha de Moçambique, that 10 years ago had serious problems of sanitation (open defecation), poor infrastructures, erosion and management. Currently, the quality of the infrastructure improved, fecalism reduced considerably, the level of awareness on climate change is high in both branches of the government: the municipal council (the executive) and the municipal assembly, and the technical staff in areas of water & sanitation, urban physical planning and financial management trained and hired with the support of the municipal development programmes are still in their positions. The instrumental role of promoting an environment perspective to reach out to municipalities with very limited sources of income worked well in the context of Ilha de Moçambique. The technical capacity building on environment issues also build the administrative and management capacities of the municipality. This was a context where the impact of environmental degradation and the negative effects of climate change could easily be observed by the local population and the increased awareness and agency by the local politicians and municipal officials granted them credit among their constituencies. The local decentralisation process was strengthened at the same time as real environmental and climate change challenges were addressed.

Denmark has contributed to strengthening PFM in municipalities, and provided technical support to the municipalities to create and sustain their capacity to mobilize and manage their scarce resources efficiently. Technical assistance was also provided in general and urban planning, land management, and in improving the revenue collection of own-source revenues. This contributed to the increased capacity of municipalities to retain qualified staff and create conditions to plan, manage, finance and efficiently deliver services, hence contributing to reduce poverty.

4.9 Education

Sector	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
Education	Project support										DSESSP														

Programme support to the education sector strategic plan (DSESSP) 2002-2011 was partly suspended in 2005 due to mismanagement which occurred in Zambezia province. The funding was resumed from 2007 through project support and technical assistance to Tete and Cabo Delgado provinces.

Partner: Ministry of Education, national level and in the provinces of Tete, Zambezia and Cabo Delgado

HIGHLIGHTED RESULTS

- Through support to the pooled fund FASE, Denmark contributed to increase the gross enrolment rate, recruitment of new teachers, new school constructions, distribution of free textbooks, and the expansion of the activities related to prevention of HIV/AIDS.
- Construction during the period 2005-2011 of four new teacher training colleges and the expansion of one existing college, eleven Educational Resource Centres and six District Education Service Centres, 87 new schools, 52 rehabilitated schools, approximately 120 classrooms as well as the provision of equipment and vehicles.⁸⁵
- According to the programme assessment made in 2007, there was an ambitious harmonization and alignment agenda between the more than 20 donors in the FASE MoU. Most progress was visible on aligning the financial aid.

ADDED VALUE OF DANISH SUPPORT

Sector support during 2002-2005 contributed significantly to developing and implementing strategic tools for providing access to education for a growing proportion of girls.⁸⁶ Donor harmonization and the alignment agenda contributed to an alignment in financial aid. The review team of

85 Format for Representation's Assessment of Country Programme, End October 2004 to end October 2005, MFA & Danida, November 2005, Assessment of Country Programme 2007, Period covered: October 2006-September 2007 and Review Aide Memoire, RAM, March 2010, 104.Mozambique.813. The classrooms were constructed with the cooperation of the CSO ADPESE.

86 Review Aide Memoire, RAM, March 2010, 104.Mozambique.813.

the Review Aid Memoire 2010 concluded that Danish support through FASE enhanced the aid effectiveness of the programme. Support to the sector is thus another early example of Danish alignment to GOM policies and priorities and efforts to coordinate with other donors.

4.10 Health

Sector	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
Health	Phase I				Phase II				Phase III				Phase IV				Phase V								

1992-1995(1996) Rehabilitation and strengthening of health services in Tete Province Phase I; 1996-1999 (2001) Health SPS Phase II; 2002-2007 Health Sector Programme Support, Phase III; From 2003 funding through PROSAUDE health common fund; 2007-2011 HIV/ AIDS and Health SPS Phase IV; 2012-2017 Health, Nutrition and HIV/ AIDS Programme Support Phase V.

Partners: Ministry of Health/MISAU national and Tete province, SETSAN/Ministry for Agriculture and the eight line ministries involved in the multi-sectoral nutrition initiative PARMDC central level and provincial Gaza and Tete, and civil society mechanisms.

HIGHLIGHTED RESULTS

- The 2008 evaluation concluded that there was substantial evidence that Danish support had contributed considerably to the improvement of the operation of the health system both at the national level and in Tete and in improved health outcome indicators.
- The current evaluation finds evidence in reports and through information provided by key informants in the sector, that the distribution of resources to the district, including human resources, equipment and medicines, have improved considerably. The SBS and the decentralised PFM are assessed by concerned stakeholders as the main reasons behind this result. The SBS and the increased use of e-SISTAFE have provided the provincial health system with funds when bottlenecks in the national system have delayed the disbursement of the provincial health budget. However, the evaluation found various examples of continuous challenges with the system, particularly in relation to delays in registering the budget, to procurement, but also to the lack of access to the limited computers linked to the system at the district level. There is thus still a need to improve the user-friendliness of the system, continue with staff training on the application of

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the different functions of the system, as well as distribution of appropriate equipment to the districts. E-SISTAFE is now set up in nine out of 15 districts in Tete province. In relation to PARMDC, results-based planning and budgeting is now introduced in all districts in Tete.

- The MTR from 2015⁸⁷ assesses that technical assistance to the PFM and PROSAUDE was relevant and that the combination of financial and technical support has contributed to the functionality of the system though sustainability continues to be a concern (dependence on external TA). The support to capacity building in the PFM has played a key role. Interviews with former and current health advisors and the provincial health department confirmed this and the interviews also provided information on the role TAs had played in increasing the planning and monitoring capacities at local district level.
- The SRHR agenda has been given increasing priority in the annual plans through a broad health systems approach. The MTR assessed the approach towards SRHR and access to quality health services as innovative.
- The issue of sustainability and the dependence on the TA was raised by the provincial health administration in Tete. The interviewees highlighted the progress that had been made during the last years in output based planning, with increased skills to analyse the factors behind the results and reallocate and negotiate for more resources. They had concerns on how to maintain these gains with the exit of Denmark from the sector.
- The interviews with health stakeholders in Tete gave information on some considerable progress of health indicators related particularly to reproductive health⁸⁸, with an increase of clinical attended births from 64.5% in 2015 to 71.3% in 2016, improved obstetric care⁸⁹, leading to a decrease of maternal mortality rates from 84/100,000 births at clinics in 2015 to 69/100,000 in 2016. Over the period of the fifth phase, from 2011 to 2016, maternal mortality decreased by 40%. The use of family planning has increased drastically from the earlier rate of 15% of users, there

87 Review Aide Memoire Danida Bilateral Mid Term Review of Mozambique Health and Nutrition SPS, HN-SPS Phase V (2012-2017). July 2015.

88 Relatório de Prestação de Contas, I seemstre, 2016 Direccção Provincial de Tete. Governo da Província de Tete, Julho 2016.

89 Among other measures by improve the management of prolonged labour using appropriate conservative interventions to accelerate labour.

are now nearly 30% current users of family planning in the province.⁹⁰

- An evaluation from 2014⁹¹ assessed that Danida's mix of different strategies and readiness to test new areas and methods has led to results. Denmark made use of programme support instruments to HIV/AIDS systems at the central level (common fund, funding for capacity development, support to research, and long-term technical assistance).
- Since the PARMDC initiative started, chronic malnutrition has decreased from over 40% to 36%, the progress is important but slow. The target is set to 20% and until 2020, which will be difficult to achieve with the current pace and the available resources for the national plan to reduce the chronic malnutrition.
- The experience from Tete shows that a mix of different awareness raising strategies⁹² are reaching whole communities with messages on nutrition. Capacity building introducing new agricultural products, coupled with the distribution of seeds, have convinced individual farmers and their associations to focus on nutritious crops. Through the support to the University of Lúrio, Nampula, the number of nutritionists has increased by 100%, and masters level training is ongoing.

ADDED VALUE OF THE DANISH SUPPORT

Danish support has been very comprehensive over the years. Denmark has contributed to creating and increasing the administrative and technical capacity at provincial and district levels in Tete, as well as providing substantial support to health infrastructure, including the provincial hospital in Tete city. The advisors at central and provincial levels have also had an impact on the national HIV/AIDS strategies, the approach towards SRHR and the strategic actions to counteract chronic malnutrition and food insecurity. The advisors have worked as promoters of new approaches and strategies between different levels of the health system, including influencing the willingness of decision-makers to allow a more bottom-up approach between the different levels of the health system, where the districts identify the needs and priorities. The sector is one of several examples where the Danish focus on strategic planning, planning and monitoring, and PFM systems, have built real

90 Interview with health advisor. Years in the comparison not known.

91 Evaluation of the Danish Strategy for the Promotion of Sexual and Reproductive Health and Rights 2006-2013, Country Study Report Mozambique, MFA, Evaluation 2014.03, July 2014.

92 E.g. teaching in schools, model mothers at local level that voluntarily share culinary demonstrations with their communities, child-led peer educators reaching out to other children, their families and neighbours.

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capacity leading to more efficient and qualitative service delivery. Health stakeholders also said that the Danish support had fostered a culture of research.

The consistent focus of Denmark on developing and strengthening governmental financial systems has contributed to speeding up the decentralisation of planning and decision-making to health units at the district level. However, capacity gaps at district level continue to be a barrier to an efficient and effective decentralisation process.

The long-term and consistent support to develop clinical, administrative and health system capacities has contributed to strengthening the health institutions and the human resource base for the sector. Close donor coordination in SWA and different pooled funds, in combination with the use of both GBS and SBS for Tete, has also contributed to strengthening the GOM health institutions and their ability to provide services. Here it is worth mentioning the cross-cutting issues, where RDE's strategic choices for the last programme phases to a great extent have been aligned with the Danish gender, HIV/AIDS and SRHR policies. This has contributed to strengthen the focus of the health institutions on women's access to health care, in particular to reproductive health. The MTR 2015 highlights that the SRHR agenda has been given increasing priority in the annual plans through a broad health systems approach, though it was at the time of the assessment too early to see a significant change in outcomes. It mentions the uptake of family planning, but notes that it is difficult to say whether this would have happened also without Danish support. Furthermore, the MTR stresses that: "The approach towards SRHR and access to quality health services is innovative in the focus on evidence-based planning and implementation of interventions. This is materialising in, for example, efforts to introduce health staff to research methodologies and use of research design in implementation."⁹³ This was something that health stakeholders in Tete also mentioned as an added value of the Danish technical assistance.

Denmark has contributed to special nutritional competence and has played a key role in rolling out the Multi-sectoral Initiative on Chronic Malnutrition. The only examples of implementation of the plan at both provincial and district levels, in Tete and Gaza provinces, can be attributed to Danish support. It is also the only donor that funds the full plan, and not only components of it as other donors do (through project or programme funding). The core funding to SETSAN is based on the institution's annual plan and is such a very flexible funding that it has helped SETSAN to carry out the plan also when there have been funding gaps from other donors. The support to SETSAN is another example of

93 Review Aide Memoire Danida Bilateral Mid Term Review of Mozambique Health and Nutrition SPS, HN-SPS Phase V (2012-2017). July 2015.

Denmark showing willingness to provide funding for innovative initiatives and where other donors have shown less interest and where the funding modality fused by Denmark favours institutional support, thus allowing the partner to develop its work according to its overall strategy, rather than selecting specific components for its support.

4.11 Justice and legal reform

Sector	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
Justice	Project support										ProJustica I					ProJustica II					Project support				

Assistance to *Human Rights and Democracy programme* and construction of the new district court buildings; to the Ministry of Justice on the strategic planning for the sector; ProJustiça I (2002-2007) with emphasis on strategic planning, law reform and support to civil society to make access to justice more viable. ProJustiça II (2008-2013, extended to 2016,): Support to the implementation of the Integrated Strategic Plan (PEI II). Focus: Improve service delivery through state sponsored legal assistance; strengthening the link between formal and non-formal justice; legal reform; training; improving legal assistance to the poorer; strengthening planning, monitoring and financial management capacity of the PEI II, and infrastructure development at district level.

Partners: Ministry of Justice, Institute for Legal Representation and Assistance (IPAJ), Centre for Legal and Judicial Training (CFJJ), Law Faculty at the Eduardo Mondlane University (UEM) Attorney General's Office, the Supreme Court, National Assembly, UNDP, Association of Mozambican Women for the Juridical Career (AMMCJ), AGIR, Aquino de Bragança Social Studies Centre (CESAB), Human Rights League (LDH), Panos Institute Southern Africa (PSAf), ProPaz, JustaPaz, Center of Research and Support to the Informal Justice (CEPAJ).

HIGHLIGHTED RESULTS

- The Supreme Court, the IPAJ, the Attorney General's Office, and Administrative Court became strong institutions served by well-trained Justice professionals. Under the 1996-1999, many district courts were created, which increased the outreach of justice services to the citizens, by the Danish support.

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- Denmark contributed to the increase in the coverage of legal assistance to the poorer through IPAJ, which now covers 145 districts out of 153 in the country.
- Through the comprehensive funding of CFJJ, the Danish support to the centre contributed to the presence of judges and legal professionals all over the country. The support to infrastructure resulted in that courtrooms exist in all provinces and many districts. As one of the interviewees expressed: “Denmark is probably not even aware of the impact this has had on the country”. The CFJJ approach where different legal actors were trained together contributed to a shared understanding and a common view on access to justice and the rule of law. Although after the withdrawal of Danish support, the CFJJ experienced a financial crisis, the culture of quality training remains and is influencing the present struggle for the institutional sustainability.
- The institutional development programme strengthened the capacity of Ministry of Justice to better attend its core functions, which is the coordination of the whole Justice sector. The legal reform conducted by the Technical Unit for Legal Reform (UTREL) updated the legislation, most of it elaborated during the colonial period, and produced the necessary legislation to ensure the relative independence of and separation of powers within the Mozambican Justice sector. With the legal reform, the justice institutions became more efficient, as the powers of the first instance courts had been expanded. This has resulted in more cases resolved at local level.
- The review conducted in 2013⁹⁴ assessed the progress of the results to be mixed, the expansion of IPAJ delegations was on track and the number of corruption cases investigated had increased, while the performance of the judicial courts was more disappointing since the targets of the increase in the number of cases sentenced had not been met. The two Justice Palaces in Nampula and Manica provinces included an integrated model for providing care and support to women and children victims of gender-based violence. However, the visit in Tete during the evaluation field mission, showed that the women had to report the abuse at IPAJ’s overcrowded office, which was one single room with no privacy. Positive results were evident in the increased access to free legal assistance and synergies between IPAJ and CSOs were noted. The support to the informal justice system within the programme and the data-base on Community Courts were assessed as highly relevant by the 2013 review team.

94 RAM 2013.

ADDED VALUE OF DANISH SUPPORT

Denmark has been a persistent and key partner to the Justice sector. As one of the few donors willing to support the sector Denmark has been a key strategic partner to the institutions and organisations active within the sector. The Danish support to the justice domain contributed to improve the presence of the state at the local level, and created internal technical capacity. The exercise of bringing the different justice actors together to jointly plan the strategy of the sector, which required regular meetings of the heads of the legal and judicial sector institutions, restated their recognition that the principles of independence and separation of powers also require mechanisms of inter-institutional coordination.

The capacity building within the framework of CFJJ, to higher education institutions and to CSOs, contributed to well-trained lawyers and legal professional and human rights advocates, strengthening both the rights-holders and duty-bearers. In addition to this, civil society has become more active in supplying information to the public regarding the legal and judicial sector, and on raising awareness on human rights, particularly for the most discriminated rights-holders. The Danish partnership with the different justice institutions and actors has played a significant role in justice reforms and increased capacities of judges, prosecutors and other legal professionals, as well as providing conditions for improved access to justice for Mozambican citizens.

4.12 Support to public sector reform: Public financial management

1997-1999 Support to strengthen the Provincial Directorate of Planning and Finance of Tete, as a component and/or approach in all sector programmes during the last decade accompanied with Technical Advisors. Denmark has been among the lead donors of the System of State Financial Administration – SISTAFE, created by the Government in 2002, was the second donor to support the Technical Unit for State Financial Administration Reform (UTRAFE) after its creation in 2001 and an active partner in promoting the idea of PFM among other donors and its use to channel development support. The support continued when UTRAFE was turned into Centre for Development of Information Systems for Finance (CEDSIF) in 2010, joining with the Centre of Data Processing. The core support to CEDSIF has been extended to 2020.

Partner: UTRAFE/CEDSIF.

HIGHLIGHTED RESULTS

- Denmark contributed to the creation of the electronic application of SISTAFE, the e-SISTAFE, to its roll-out, and in promoting the idea of using government systems and particularly e-SISTAFE to other partners.
- 80% of the districts are linked to e-SISTAFE and more than 90% of the public servants' salaries are paid through e-Folha through their bank accounts. The payment of public servants, goods and services through the banking system was made swifter and more transparent, since it is easy to track in the e-SISTAFE. The expansion of this system contributed to accelerate the use of the financial systems nation-wide, and stimulates savings. SISTAFE has accelerated the process of decentralisation of budget management up to the district level, as the budget is allocated to the level where activities are to take place. The activities are planned through a needs assessment at each level and once the plans are approved, and the budget disbursed for approved activities, the funds are managed by the unit/level implementing the activities.

ADDED VALUE OF DANISH SUPPORT

Denmark has been a key partner to the GOM in supporting the development of governmental systems, with the persistent support to SISTAFE being the most prominent example. The beneficial effects of the system and the increased transparency of the PFM are cross-sectoral. The use of e-SISTAFE in the different sector programmes provided by Denmark have demonstrated that the SISTAFE contributed to decentralise the management of public funds and that a comprehensive use of the functions of the system can improve the financial reporting and increase access to detailed information (both for the GOM and the donors). The focus of the Danish technical assistance has been at central level (UTRAFE/CEDSIF) and within the environment sector, but other sectors, such as Health and the support to SETSAN, have benefitted from the technical expertise. Danish support had a lot of elasticity in the different phases of the country's development and in moments of crisis, it reaffirmed its defence of the strengthening of PFM. Denmark has been one of the donors defending that e-SISTAFE, despite its weaknesses, had the potential to prevent corruption and misuse of funds and increase transparency. The technical assistance has promoted the use of e-SISTAFE, strengthened the capacity to use the system at central and local levels through on-the-job coaching, and contributed to developing the system as such, including new applications. Denmark has received financial reports from its governmental partners directly retrieved from e-SISTAFE, which has been an example of further harmonisation with the GOM's system. This has attracted interest from other donors.

4.13 General budget support and donor coordination

Sector	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
GBS									Joint macro-finance progr.				MoU GOM and PAPs												

Denmark provided GBS between 2000 and 2004 and from 2004 to 2014 as part of the MoU between the GOM and the PAPs. Denmark has been an active actor in the coordination with other donors and development partners to the GOM, both in early sector specific coordination mechanisms, often even before the establishment of SWA, and in the coordination within SWA and GBS. Denmark has promoted the aid effectiveness agenda within the donor community with a particularly commitment to; align with governmental policies and systems, providing budget support, and promoting mutual accountability through support to the introduction of development Performance Assessment Frameworks (PAF).

Partner: GOM through Treasury Single Account (CUT), Ministry of Finance.

The importance of GBS has been stressed by the GOM since 2001 (PARPA I), which formed the background to the adoption of a performance assessment framework (PAF). This framework is based on the indicators in the poverty reduction strategies and plans and the annual Economic and Social Plan (PES).⁹⁵ The MoU between the donors and the GOM, outlines the rules of the partnership, the assessment of performance and circumstances of breach of the agreement and related sanctions.⁹⁶ The PFM reforms stimulated the use of government systems aimed at improving planning and predictability of flow of resources. At its highest point of GBS, 19 donors channelled their resources through this mechanism. Currently, this number is reduced to 14. Denmark ceased its GBS in 2014 due to the debt crisis.

95 PARPA I 2001-2005, PARPA II 2006-2009, PARP 2010-2014, currently, the reference is the Five-Year Government Plan.

96 It is worth noting that sanctions were more unfavourable to the recipient of aid than to donors, since there are no sanctions for the latter, as some government officials argued.

The GBS evaluation report⁹⁷ highlights two important results envisaged for this modality: the improvement of predictability of aid disbursements and the increase of aid managed through the national country systems. A third element to be considered is the contribution of the modality to the country development objectives, in this case poverty reduction.⁹⁸ The GBS evaluation report argues that predictability of disbursements in the period 2005-2012 was close to 100%, mostly due to the MoU between the PAPs and the GOM. In 2014 only 25% of partners were disbursing within the month, other 25% within the quarter and 50% were disbursing out of the agreed schedule.⁹⁹

ADDED VALUE OF DANISH SUPPORT

Denmark has played a pioneering role in many processes, willing to test new methods, bringing other donors along. Denmark has also delegated its support to other donors' initiatives and taking lead in others. According to two former Mozambican ministers, Denmark has a historical role in the harmonisation of development aid by being among the partners that created the joint donor programme for the macro-financial support to Mozambique with other actors in 2000. This initiative built valuable experiences of donor coordination and dialogue with GOM for the coming GBS processes. Eventually this group became strong and had an important role in the GBS.

The joint perception among consulted governmental stakeholders of Denmark leans towards a more positive image than the PAF ranking system presents. Denmark's performance is mixed, in general ranked as an average donor in the in relation to other donor's performance. It is only towards the end of the period that Denmark is singled out as one of the top donors. In 2005 Denmark's predictability was particularly low due to the lack of bilateral agreement with GOM from spring of 2004 to December 2005".¹⁰⁰ In 2014 the last year of GBS, Denmark disbursed after the agreed month and quarter. However, its general performance was considered very good in 2013 and 2014, since the overall disbursement reached 93% of the committed funds, the information to the database ODAMOZ was provided timely, the use of national systems was close to 100% of the funding provided.¹⁰¹ Denmark performed well

97 IADE, ITAD & COWI. Independent Evaluation of Budget Support to Mozambique, 2005-2012. East Sussex: ITAD. 2014.

98 Idem.

99 Ministério de Economia e Finanças, 2 Avaliação do Governo de Moçambique ao Desempenho dos Parceiros de Apoio Geral ao Orçamento em 2015: Revisão Anual 2016. Relatório Preliminar.

100 Ernst & Young, 2006, page 14. In the Country Assessment 2006, the RDE states that Denmark has a "more cautious approach to providing GBS as compared with some other donors", Assessment of Country Programme 2006, Period covered: October 2005- October 2006.

101 República de Moçambique, 2014; Ministério de Economia e Finanças, 2015, pages 41 and 42.

in terms of predictability and reduction of transaction costs.¹⁰² This improvement was not the general trend among the PAPs. Despite being a strategic partner, Denmark was considered a mid-sized donor, with an average annual disbursement below USD 70 million, and a contribution to ODA of approximately 3%.¹⁰³ This has implications on the impact that can be expected in poverty reduction. The overall positive image of the Danish contribution and role in the G19 (and its predecessors) can be said to have more to do with Denmark being a pioneer and strong advocate of GBS, and the kind of dialogue that Denmark engaged in with GOM, than the actual size of the funds or the rating of the different PAF indicators over the years.

Denmark was singled out as a strong promoter of PFM, both on its own and in collaboration with other key actors, as for example the long-term close collaboration with IMF on PFM. Although a mid-sized donor, Denmark played an important role in the process of aid effectiveness by being a supporter of PFM and a mobilizer of other donors in the use of the government systems, such as CUT, procurement and audit. According to one interviewee, Denmark was important in conveying the vision of the GOM, the use of national systems and to test them and make them more efficient. This supports the assumption of Denmark being a predictable partner to GOM, something that was evident in 2015 and 2016, after the crisis of public debt and the withdrawal from GBS, when Denmark continued disbursing funds to PROSAÚDE and for PFM, via the CEDSIF, through CUT.¹⁰⁴ The Danish position was that the trust in the systems of management was not undermined. The debt problem was not due to the weakness of the financial management systems, but of the overall political system per se. The PFM system Denmark helped to set up, is according to all consulted key stakeholders, still reliable. The debt contracted illegally by-passed the system.

Danish stakeholders, but also other donors, informed on the increasingly more difficult dialogue with the GOM the last five years of the period evaluated and that it has been difficult at some time to get a coordinated position among the donor group. In this context, Danish informants raised the issue of commercial interests interfering with a frank and open dialogue, and where the different agendas have divided the group. The same interviewees claim that this has not been the case of Denmark. This statement was also confirmed by consulted representatives of the GOM, who said that this in general was a feature

102 See also Annex F for more detailed summary of the comments on Denmark's annually performance in relation to the different indicators and explains the differences between different years.

103 Ministério de Economia e Finanças, 2015.

104 Ministério das Finanças, 2009, page 13; Ministério da Economia e Finanças, 2016b, page 18, República de Moçambique, 2017.

of the Nordic donors. Denmark maintained focus for its partner dialogue on building strong governmental systems and institutions.

4.14 Civil society

Support provided from before independence. Grants were provided to Danish CSOs, within the so called, framework agreement between the Danish organisations and MFA managed centrally, sometimes with additional local grants managed by the RDE. Support via existing civil society mechanisms in Mozambique, set up by other donors and multilaterals. There have been a few direct supports to Mozambican CSOs. Civil society components were included in ASPs, ESP I and II, and several Health programme phases.

HIGHLIGHTED RESULTS

- Denmark has supported civil society engagement over four decades, mainly by funding CSO implemented projects and programmes to reconstruct the country in different sectors, and to provide social services at local levels. Some of the Danish CSOs have been active even before independence. Former development workers from e.g. Ibis and Mellefolkeligt Samvirke, played a crucial role as advisors in the bilateral cooperation at the beginning of the period evaluated. The links between the Danish CSOs, the RDE and the MFA have remained throughout the years through the human resource base where the same persons have occupied different functions in these institutions. For the main part of the period the support has been instrumental in addressing lack of service and technical capacities at local level, where gap-filling and the long-term presence of advisors and development workers have been justified. The absence of a strong local and/or national organised civil society during the beginning of the evaluated period meant that real partnership between the Danish CSO and Mozambican counterparts was difficult and consequently much of the Danish support to civil society has been implemented by mainly the Danish CSOs. However, the Danish aid, mainly through the Danish CSOs and other donor civil society support mechanism, has contributed to the mobilisation of rights-holder and the development of local and national organisations into stronger and more vocal actors towards the end of 2016.

ADDED VALUE OF DANISH SUPPORT

The support to the Danish CSO has been part of the portfolio since the start of the cooperation with Mozambique and has covered many different sectors. In the 1990s Danish support to civil society was channelled through intermediaries and apart from some few exceptions, was not part of the country programme. The support to the Justice sector, as support to HIV/AIDS organisations within the health sector programmes

were some of the early examples of a changed approach in the beginning of the 2000s where the RDE channelled direct support to the civil society.¹⁰⁵

Given the development of a better organised Mozambican civil society, towards the end of the period evaluated, the Danish support, through Danish CSO with framework agreement with Danida, civil society mechanisms or through direct partnerships with national CSO, has shifted towards a perspective of the civil society as an important development actor, both in providing services but more importantly representing and voicing the demands of the rights-holders and holding duty-bearers accountable. This has entailed an emphasis of building a strong national and local civil society representing the interest of their members and constituencies. This is also aligned with a Human Rights-Based Approach (HRBA) where the civil society plays a crucial role in pushing the Government to honour its human rights commitments.

It is fair to say that many of the recent and ongoing CSO contributions direct or indirect are in synergy with the SPS in the sense that they include advocacy of specific rights and monitoring by the rights-holders of the policy implementation and performance of duty-bearers. This is in line with both the Partnership Policy 2012-2015 and the policy 'Right to a better life' (2014), Denmark's development cooperation strategy up to 2017 that outlines the need for support to both rights-holders and duty-bearers.

The shift in focus of the role of the civil society was parallel to the demands from social groups of transparency in the management of the oil and gas resources, related to the procurement process, taxation as well as the management of the revenues from the mining and extractive sector. The RDE opted for example to support CSOs working on public finance management and transparency in the public sector, as in the case of the advocacy work of the Center for Public Integrity, CIP, or the research and publications of IESE. Denmark also took the lead, in coordination with the Nordic donors and key CSOs to organise the first Nordic-Mozambican conference on "Inclusive growth. Opportunities for Mozambique: Sharing Nordic Experiences" in 2012, where the Nordic embassies together with the GOM hosted this forum for critical multi-

105 In the country assessments 2005-2007, the RDE only mentions support to CSOs in the justice sector. It is only from 2008 and onwards that the role and status of the Mozambican civil society is mentioned in the country assessments.

4 PORTFOLIO ANALYSIS

stakeholder dialogue on inclusive growth¹⁰⁶ In addition to the presence of civil society; Government, private sector, and academia, participated. In short, Denmark became a visible and vocal promoter of accountability and transparency issues, inviting the civil society to take an active part in a critical dialogue. Interviews with CSOs confirmed that this meant a great difference from earlier relationship and that the RDE became an interactive partner to the CSOs working on accountability issues.

While the Mozambican civil society still suffers from fragmentation, the coordination between the more vocal CSOs improved and national advocacy campaigns became better organised during the last decade of the period evaluated. There was an increasing interest in supporting civil society development by donors such as for example Sweden, Ireland and UK and several civil support mechanisms were established. This was coherent with international development trends and a response to global civil society claims raised within the frame of the Aid Effectiveness agenda. At the same time as the Mozambican civil society needed donor support to develop its advocacy and monitoring role, the duty-bearers needed to develop their capacity to engage in new relations with civil society and respond to the demands on accountability dialogue. The shift in the Danish country programme in relation to the roles of the CSOs was a response to these needs.

However, key informants stated that despite this shift during the last decade of the period evaluated, Denmark was still not sufficiently proactive in promoting the accountability work of the civil society or sufficiently analysed the dynamics within the Mozambican civil society, including the analysis of the enabling environment and the response of the duty-bearers to the accountability claims by the civil society. The support to the civil society was more articulated and was no longer limited to support to service delivery performed by CSOs in SPS. However, Denmark did not take the front seat, but opted to support mechanisms initiated by other actors, and then only some components and as a silent partner, as in the case of AGIR for example. The funding has been characterised by a hands-off approach, but with a readiness to support management and other capacity development. The principle has been to support full plans or strategies and align to the partners. Having said this, it should be noted that Denmark was described both by Danish

106 Elements for inclusive Growth Elements for an Inclusive Growth Process in Mozambique, Key Messages from the Nordic-Mozambican Conference/2012, Produced by The Nordic embassies in Mozambique, March 2013; A second conference on Inclusive Growth, also organised by the Nordic donors, was held in October 2015 with the aim the aim of the conference is to discuss and share experiences on a variety of key issues within the broader context of inclusive growth, with a view to identifying which policies and measures are needed to increase the chances of a sustainable development process for Mozambique in the long run and in an inclusive manner, given Mozambique's progress in the development of the oil and gas sector.

and Mozambican CSO as an important dialogue partner since 2011 and onwards, and was supportive in providing opportunities and space for the civil society to engage with the GOM and other actors. Danish CSO and their partners increasingly emphasised accountability work, a development that was supported by MFA funds through the framework agreements. Civil society stakeholders stressed however that the strong alignment with the Aid Effectiveness Agenda and the multiple support to the GOM policies to certain extent was difficult to combine with a strong support to CSO claiming accountability and the right to be part of the development agenda. These statements support the claim from other respondents that Denmark did not sufficiently read the development of the enabling environment and the shrinking space for social accountability work.

5 FINDINGS

This chapter summarizes the findings regarding Denmark's response to the changing needs of Mozambique, the contribution to development results and key process of change, and the strategic choices made by Denmark throughout the period evaluated. The assumptions on predictability, persistency, flexibility and focus on state-building are tested and discussed in relation to Denmark's added value as a partner. Finally, the chapter briefly discusses the relation between the decentralised mandate to the RDE in Maputo and policy directions from the MFA in Copenhagen as well as the on-going exit process.

5.1 Transition from fragility and response to changing needs

Donor support to state-building in the early years of the period evaluated was dominated by a needs-based support, with focus on building institutions, reforming a conflict stricken society and create stability. The transition process, the relative stability and the continuous development was based on a political system favouring one party's control over the state and the economy. The alignment principle of the Aid Effectiveness Agenda entails that donors support the policies of and institutions governed by the governments and the majority in parliament in the recipient countries. This principle is built on the assumption that poverty reduction and development strategies are developed in an inclusive and participatory way, allowing voice and influence of different segments of the population and sectors in the society. The poverty strategies were developed in rather extensive consultations with citizens all over Mozambique, but the PARPA 2001-2005 had limited participation of the civil society, private sector actors and did not involve the parliament or political parties in the process.¹⁰⁷ The participation of these actors was stronger in the consecutive strategy development processes. However, in the case of Mozambique, as in many other developing countries where the donors' alignment has been practiced and where the same party holds the power over consecutive elections, the alignment to

107 PRSP Institutionalisation Study: Final Report, Chapter 7: The Poverty Reduction Strategy Process in Mozambique. An independent study commissioned by Norad and Sida as part of the study of PRSP processes in eight African countries, prepared for the Strategic Partnership with Africa, Hans Falck, Lund University, Kåre Landfald, M4 Network Oslo, Norway with the assistance of Pamela Rebelo, Maputo, August 2001.

governmental strategies and priorities, has, as many consulted stakeholders stressed, contributed to strengthening the dominance of the ruling party.

Despite the strong focus of the GOM on poverty reduction and pro-poor policies, there has been a discrepancy between the rapid economic growth and the stagnation of the progress of increased incomes in poor households from 2003 up to 2014.¹⁰⁸ Rather than bridging the gap, the steady economic growth experienced by the country and the recent natural resource boom, have increased the gap between the population living in extreme poverty and the economic elite in the country. The 2014 household budget survey,¹⁰⁹ showed geographic and regional discrepancies in wellbeing, with rural areas better than urban ones and the centre and northern regions with lower levels of wellbeing and sometimes even decreasing.¹¹⁰

The evaluation findings confirm that Denmark as a donor has responded to the needs and the most stressing priorities of the country during the different phases of the period evaluated. Poverty reduction remained the point of departure for the choices Denmark made in dialogue with the GOM. The focus on poverty has been central in the partnership as formulated in the poverty reduction strategies during the period evaluated. The support to, for example, Agriculture, Agri-business, Rural Roads, Health, including HIV/AIDS, Education, Justice sector and legal reform, municipalities in the Central and Northern part of the country, and the initiative on nutrition, as well as the support to the Danish CSOs working at local level in under-served areas, are evidence of Denmark's concern and commitment to poverty reduction, as well as the strategic choice to tackle governance problems and address regional and geographic imbalances. The focus on agriculture and smallholder farmers, and its linkage with rural roads, either from the perspective of improving food security or developing agri-business, was explicitly chosen to consider the centrality of this economic activity in providing employment and its potential to develop business with a realistic chance of success. There was also a successful effort to establish synergies between the sector programmes, for example the linkages between agriculture and rural roads to boost agricultural commercialization and between the support to develop SISTAFE and promotion of the use of the e-SISTAFE and the improved financial management at local levels in sectors supported by Denmark, among them environment and health at provincial level.

108 [www.dst.dk. MZ-2014-09-IOF-module-of-INCAF-Analysis-\(P6\)-Lars-Lundgren.pdf](http://www.dst.dk/MZ-2014-09-IOF-module-of-INCAF-Analysis-(P6)-Lars-Lundgren.pdf).

109 Ibid.

110 Accelerating Poverty Reduction in Mozambique: Challenges and Opportunities, World Bank, 2016.

Having said that, the evaluation has no evidence to claim that the different supports have substantially impacted the level of multidimensional poverty of the most marginalised and discriminated segments of the population. To be able to assess the impact of Danish support the evaluation would have needed access to impact studies on Denmark's programme support on the poverty levels. No such evaluations were available.

The evaluation also finds that the phasing out of the sector programme supports, such as agriculture, has been driven by Danish development cooperation policies rather than the poverty reduction strategies and priorities of the GOM. The RDE has managed to balance this dilemma fairly well by keeping focus on rural development in the private sector programme for instance, by continuing support to the energy sector through soft loans, and by maintaining a close dialogue with the GOM on how to make the necessary priorities. However, some of the lessons learned from earlier contributions were not possible to integrate in new programmes due to short phasing out periods of some SPS. For example, lessons from the agriculture SPS showed that a more holistic value chain approach for agri-business was needed to secure that all key processes, including the small holders' production, were funded either by Denmark or other donors. The phase-out did not allow to secure for such an approach. In other cases, ideas how to capitalize on good results in new programme phases had to be dropped due to the decision by the Danish government to rapidly end the country programme.

GENDER AND HIV/AIDS PERSPECTIVES

In relation to the multidimensional poverty, the promotion and implementation of HIV/AIDS and gender perspective are particularly important in Mozambique given the depth of the gender inequality and the relatively high HIV prevalence. Mozambique has formally committed to the human rights instruments protecting the rights of women and girls and the country has a progressive legislation, but one of the main challenges that the recent Gender Profile study¹¹¹ raised is the lack of implementation of these frameworks and laws. The understanding and capacity among duty-bearers on how to put gender policies into practice is low, resulting in continued discrimination and lack of actions that target the root causes of women and girls being overrepresented among the people living in poverty.

The evaluation finds that the Danish support has contributed to the development of both HIV/AIDS and gender equality strategies in many sectors, including support to the GOM in establishing Gender Focal Points and Gender Units in a number of ministries, as well as

111 Perfil de Género de Moçambique, Ministério do Género, Criança e Acção Social, 2016.

institutional support to the Ministry of Women and Social Affairs and most of the SPS have included components to improve women's living conditions. This has been strategic and aligned with both Danish policies and the needs of the country. Denmark has been strong in supporting the formulation of policies and strategies. However, the monitoring of the implementation of the policies and the strategies has been weak.¹¹² As the sector reviews and completion reports show, the partnering governmental institutions have been extremely slow in putting the strategies into practice and the desk review and the consultations show little evidence of Denmark giving particular attention to this problem.¹¹³ The only sector that demonstrated evidence of a more comprehensive gender and HIV/AIDS work was the health sector, particularly the last two phases with their strong focus on SRHR. Even if the health sector programme is singled out in its gender and HIV/AIDS perspectives, the MTR 2015 stressed that: "There is still a need to understand how to move from the strategic plan elements of SRHR to operationalisation. Systematic evidence on innovative approaches to implementation is scarce; much is known about what to do, much less on how to do it efficiently."¹¹⁴ The same report also concluded that: "A main shortfall when it comes to implement gender sensitive and human rights approaches is linked to lack or unavailability of tools, limited contextual analysis and lack of well-defined qualitative or quantitative indicators or outcomes. As part of the conceptual framework to address gender and rights issues specific tools and methodologies can be defined and reported upon by implementers. In this context, the experience of using Community Score Cards and Community Report Cards for the citizen engagement can be used to leverage concrete entry points to address and monitor gender and right based issues and budget allocation."¹¹⁵ The challenge for key staff to put strategies into practice was also confirmed by consulted stakeholders within the health sector.

The analysis of the portfolio shows few strategic supports to women's rights organisations or movements. The special initiatives to promote women's empowerment, though strategic for the participating women,

112 Denmark has, however, been one of the donors pushing for the inclusion of sex-disaggregated indicators in the annual PAF Reviews.

113 The PCR and RAM for different SPS do not mention how to address this challenge and the RDE Country Assessments 2006-2014 only mention a mapping exercise of all gender initiatives (2007); national gender plans and policy commitments, but not what possible impact these gender equality commitment might have had on women's lives and life conditions (2008), and, in 2009 lists the allocated budget for gender equality (20 million DKK) and planned projects, one on women's economic empowerment in Ilha de Mozambique, one the involvement of female drivers in the collection of solid waste (Tete) and one on the support to the Maputo Bus Public Company on the recruitment of female drivers. The country assessments do not discuss the lack of progress in the implementation of gender policies and strategies.

114 MTR 2015; page 4.

115 Idem, page 16.

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have in most cases been locally based reaching a limited number of women.¹¹⁶ The Promotion of Primary Health Care and integrated support services to Gender Based Violence (GBV) victims, developed in Beira with Danish funding, had however a broader effect and is the one example that singles out to be of more strategic character. The project aimed to contribute to the prevention and mitigation of violence against women and children in Beira, providing emergency medical treatment and counselling to victims in one single place, providing several support services: report the crime to the police, promote their referral to court and prevent the incidence of new violence. This type of primary health centre was the first centre of its kind in Mozambique and served as an inspiration to the Multi-Sectoral Mechanism of the Integrated Service for GBV, which was approved by the GOM in 2012. Today, seven integrated Service Centres for the victims of gender-based violence have been established in the country.¹¹⁷

The main approach has thus been to promote the mainstreaming strategy but without assessing if the strategy has been effective in addressing gender inequalities within the different SPS.

HUMAN RIGHTS

In some cases, lack of broader results stemmed from the complexity of the problems of the sectors or areas. For example, Denmark's support to the justice sector and legal reform contributed to improve the quality of human resources and the country's legal framework, including in the organization of the judiciary and in the promotion of public sector ethics. However, this support was not enough to revert structural problems of governance, such as the lack of independence of the judiciary and the ruling party control over the state. The possibilities of this to occur, are rather in long-term processes that include not only the strengthening of the state, but also support to the civil society in its role to claim accountability by the duty-bearers and the Rule of Law. Likewise, it is necessary to raise awareness of the citizens on their rights and obligations. To

116 The RDE highlights for examples the project Education Scholarship Fund for Young Women with the purpose of promoting the economic empowerment of young girls by professional or academic training that equips them with employable skills. Since its launch in 2011, nine girls have graduated and in the current academic year, 14 girls are enrolled in a BSc and four in a MSc; The ACUMIM Project in Ilha de Mozambique used the existing women's dancing and singing groups to empower ACUMIM members (through literacy training of members, scholarships for members and their daughters, income-generation activities, choreography training of dances and capacity building of ACUMIM). and thus, enhance their capacity to participate in the development of the Island of Mozambique; The publicly-owned Maputo Bus Company, TPM requested for an affirmative action project to employ more women in their very male dominated staff. As a result of this project 25 female drivers were recruited and trained, bringing the total numbers of female drivers to 26 and an increase in female fare collectors.

117 Information provided by the RDE. The evaluation did not have access to reports on this initiative.

expect this huge mission to be performed by a single donor would be unrealistic and unfair. What can be said about Danish support is that a better coordination and/or integrated monitoring of the support provided in the various areas would have potentially produced better or more visible results. Danish support remained mostly state-centred during the four decades of support to the country, thus, its impact was much more visible in the state institutions and consequently dependent on the level of commitment by the duty-bearers to transform the institutions. In the last decade of the period evaluated, the support to civil society and private sector increased, with a stronger focus on rights-holders and the watch-dog role of the civil society particularly during the last five-six years, which signals a change in the approach mentioned above, but this was at the final stage of Danish support, and the follow up and results of this support are uncertain.

POST-CONFLICT PERSPECTIVE

After the Peace Agreement in 1992, Denmark had focus on rebuilding the country and to respond to the huge needs of basic services, not on the underlying causes of the conflict that led to the civil war. Reconstruction was for obvious reasons the priority. Reconciliation processes were not in focus right after the peace, and very few development actors, including international civil society organisations were interested in promoting any dialogue with Renamo or its supporters, nor deal with the traumas from the civil war. Development partners to the GOM did thus not have an explicit conflict sensitive approach to the needs and the different development interventions during the transition period. However, the Danish focus on contributing to build solid state institutions able to deliver services to the citizens, that is reconstruction of institutions, or rather construction in some cases, was an important support to create conditions for a peaceful development. This was particularly true for the support to Tete province where the early support during the period evaluated played an important role in decreasing the negative view provincial actors had of the central state and the Frelimo government.¹¹⁸ The support to municipalities under the governance of the opposition was also a way to support different side, but the first programme targeting these municipalities started after the transition period (in 2009) when it was assessed that his kind of support was feasible.

The support that can be singled out in terms of reconciliation is the contribution to the Justice Sector that involved processes to strengthen local conflict resolution (traditional justice system) and support to the poorer, through the National Institute for Legal Assistance IPAJ, that provides free legal assistance to citizens.¹¹⁹ These institutions allowed

118 Evaluation of Development Cooperation between Mozambique and Denmark, 1992-2006, 2008.

119 The evaluation where not able to follow-up on the effects of this support.

people to have increased access to local conflict resolution. However, the evaluation did not find any strong evidence that Denmark supported processes or institutions in ways that allowed people to bring their grievances from the conflict into the public domain and ensure a reasonable degree of redress.

The conflict perspective was not a salient component of development policies in general in the 1990's, but it has gained increasingly more attention during the last 10-15 years of the period evaluated among many donors in general as well as in Mozambique. The integration of a conflict perspective in development interventions was partly driven by the evidence that a low-intense conflict remained in the country spurred by political and geographical divides, and that the state continued to favour the regions where Frelimo had a strong popular support. The conflict perspective was integrated in some SPS but not in others in the Danish country portfolio.¹²⁰ Though it is fair to say that the focus on decentralisation and the support to municipalities challenged the existing power relations, the risks of the increasing distance of the ruling elite from the people was, in the view of the evaluation, something that the donor community, including Denmark, could have highlighted more. Another aspect that was somewhat overlooked in the conflict analysis was the risks related to the shrinking space for the civil society. In response to the shifting role of the civil society from service provider to monitor the accountability of duty-bearers, the relations between GOM and the more vocal CSO became more tense. The fact that large segments of the population remained in poverty, or extreme poverty, at the same time as the ruling elite could increase its power, should have called for more caution and a critical approach to the state-building. Once again, Denmark was not unique in not having a more critical conflict perspective sensitive to the political development of the country.

120 The RDE Country Assessment 2007, stated that *"the country programme in Mozambique can be considered one of Denmark's most important contributions to conflict resolution and prevention"*, but does not exemplify what this means. In regard to mainstreaming *"of prevention of violent conflicts concerns in Danish-supported programmes"* the 2009 Country Assessment informed: *"The objective of effective access to justice, aims at reducing the violent conflicts, at least those related to torture, lynchings and popular justice. [...] Danida Support to legal reform and legal assistance aims to bring more confidence to the people in all systems of justice administration. When the courts decide timely concerning any case related to ordinary people, the citizens also reduce popular justice and lynchings."* No reference is made to other SPS.

5.2 Development results 2006-2016 and key processes of change

The evaluation period spans different trends of rise, decline, disintegration and reintegration of donor coordination.¹²¹ Thus, the results of Danish support should almost always be assessed as a combination of efforts of different donors (contribution and not attribution). This is also applicable even after the demise of the GBS and the provision of more fragmented support, because Denmark continued coordinating its efforts with other partners.

Among the key development results in the period are the reduction of the poverty rate from 51.7% in 2009 to 46.1% in 2014, and the creation of the conditions for the rule of law, through the legal reform and support to the justice sector. The legal reform contributed to the modernization of key legislation, such as the Commercial Code, the Penal Code and the creation of the legislation of public integrity. The support to the training of magistrates for the Public Prosecution offices and judicial courts in the CFJJ, was equally important and a relevant and strategic choice by Denmark that still needs more time to show its full impact. Through the support trained judges and other legal professional were placed in all provinces, and at district level in several cases, which was combined with the support to infrastructure for the justice sector at provincial and district levels. As mentioned above, these measures did not change structural aspects of the organisation and relations of the state powers in Mozambique, which go beyond the scope of a single donor. However, the support to IPAJ and human rights defending CSO have contributed to increased access to free legal assistance to citizens who previously did not have access to the justice system.

Denmark is among the few donors that supported legal reform and the justice sector. This was a deliberate decision to support improved governance by promoting the division of powers and to increased Rule of Law and access to justice by the citizens. Danish support included the revision of legislations, the construction of Justice palaces to bring together different areas of the sector in the same place and the provision of legal assistance to the poor, through IPAJ. As explained in previous chapter, the support to CFJJ was among the most influential initiatives in the qualitative and quantitative change of human resources in the justice system, to which is credited the allocation of trained public prosecutors and judges in all districts of the country.¹²² It is possible to attribute an important part of the expansion of legal services and the

121 As defined by Richter, 2017.

122 Consulted stakeholders stressed the importance of CFJJ in improving the competences of the key staff in the sector and that Denmark's contribution was crucial in this process.

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professionalization of the legal sector to the Danish support, due to its size and long-term and holistic approach to the professional trainings and justice service centres.

The mainstreaming of environment and climate change as cross-cutting issues in planning at all levels, during the last decade, established the foundations for a systematic focus on sustainable development in government processes, leading to more awareness about the need of stronger environmental policies and an increased awareness among both governmental and other actors, including civil society.

Support to Tete province, particularly the education and health sector contributed to improve the province indicators in these areas. In the health sector of this province, Denmark supported the creation of capacity for results-based planning and monitoring, which contributed to adoption of results-based management in the sector. The quality of service delivery was reported to improve at district level as a result of improved planning and implementation capacities, but also as a result of the capacitated health staff and a stronger focus on empowering the health staff in their clinical roles.¹²³ Though still incipient, the support to the strategic focus on Chronical Malnutrition and Food Insecurity, has contributed to draw greater attention to this serious hindrance to development and deprivation of fundamental rights to health of many Mozambican children. The progress so far is promising, and provided that the PARMCD continues to get support for the role-out at district levels, the GOM might have a good change to reduce the stunting.

Denmark was one of the donors that chose to focus its support to one particular province. Although the country programme included support to other provinces, e.g. Zambezia and Cabo Delgado, the support to Tete province was the most comprehensive. The long-term and multi-sectoral support to the governmental institutions in Tete, first at provincial level, and later at district level has benefitted from a predictable funding and technical assistance. The Danish support contributed to build basic conditions for the administration and management of the service delivery to the population, through large contributions to infrastructure initiatives (e.g. department buildings, teacher colleges, court rooms, residence for students and district staff, dams and rural roads), and a persistent focus on capacity development. Strategic advisory support facilitated the development of provincial and district plans in health and environment sectors, in the fight against the malnutrition and in private sector development. All consulted stakeholders in Tete stressed the importance of the long-term presence of Danida, both through the

123 Consulted district and provincial health staff and management, as well as technical advisors. Relatório de Prestação de Contas, I semestre, 2016 Direção Provincial de Tete. Governo da Província de Tete, Julho 2016.

funds to sector programmes and the support from the technical advisors. The provincial focus also created room for the testing of new ideas stemming from experts at the RDE, that later have evolved in sector initiatives and programmes.

The evaluation also finds that, though the overall state-centred approach prevailed throughout the period evaluated, Denmark also contributed to the creation and/or consolidation of a critical thinking and production of knowledge on poverty, development, extractive industries and governance, with its support for the creation of capacity for poverty analysis in the Ministry of Planning and Development, eventually turned into the Ministry of Economics and Finance, support to the Institute of Economic and Social Studies, the Centre of Public Integrity, and We Effect and Oxfam-IBIS, under the AGIR Programme. AGIR combined academic research and civil society activism on governance (accountability and transparency) and development issues and have contributed to the public debate and influenced government policies and decisions in these areas.

5.3 Key processes of change

The change processes supported by Denmark range from building capacities of key institutions of the state and public sector reform, through the creation of government systems, sector capacity development, to the revision of legal framework and the development of strategies and policies. Equally important was the support to initiatives with the potential to distribute power between institutions and different levels of decision-making as well as the recent increased focus on social accountability.

CONTRIBUTION TO STATE-BUILDING AND DECENTRALISATION

The PFM reforms, particularly SISTAFE, had a considerable impact on the transformation of the state institutions and its relations with other actors. In this regard, SISTAFE was instrumental in increasing transparency and support the process of rolling out the PFM to the institutional levels where the implementation of the funded interventions was meant to take place. This changed the relations between donors and government, by improving the horizontal accountability among state institutions and by reducing fiduciary risks and contributing to the decentralisation of the budgetary decision-making on service delivery to the citizens. In short, GBS and the increasing donor alignment and mutual accountability benefitted from a more transparent PFM system. Decentralisation of budgetary decision-making power to the local levels, as was the case of the environment sector, was possible because of the reduced risks of e-SISTAFE. The system speeded up the production of financial reporting, such as budget execution reports and the CUT, to be submitted to the parliament for approval, hence improving horizontal

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accountability. The possibilities of detection of financial fraud and other types of irregularities contributed to the fight against corruption. Although weaknesses in the justice sector meant impunity for many people involved in corruption.

ISTAFE is an example of Danish support to a strategic area that for its systemic nature allowed for changes in other sectors, hence rendering possible the creation of state capacities in many areas and levels, as well as improved governance. In this regard, Danish support to PFM had a very high transformational effect in the state and its relations with other stakeholders, donors and citizens alike, hence, contributing to improved governance. It is reasonable to attribute part of these positive changes to the Danish cooperation, through its consistent and vocal support to the development and the roll-out of the system. By being on board from the initial phase of the development of the system and by providing both long-term financial and technical support, Denmark was known among other donors to have a deep insight of the system and thus as a trustworthy advocate.

As mentioned, e-SISTAFE was important to promote deconcentration, allowing the district level to manage directly their allocated funds within different SPS instead of funds being disbursed to them through central level or provincial departments. The system was also key to being able to provide direct funding to the province of Tete. There were limitations to this influence though, more specifically with regards to the decentralisation or devolution. Despite its influence in PFM and its support to the municipalities, Denmark was not able to successfully build synergies between these areas and convince the Central Government to approve the Municipal Management System (SGM) developed under P13 and PDA. One potential explanation is that PFM, and particularly management systems tend to promote centralisation to avoid fiscal imbalances. In the case of Mozambique, apart from these technicalities, the centralist character of the state probably played its role.

Municipalities are battlegrounds of power sharing between central level and local level elites of the ruling party, and are the most viable arenas for alternation of political power between the political parties in the country. Even despite these intricacies of national politics, Danish support to decentralisation through P13, PDA and PRODEM included opposition-controlled municipalities. Thus, it can be said that Denmark, together with the other donors supporting the municipalities in these programmes, or other municipalities in similar donor initiatives,¹²⁴ made its contribution to more inclusive governance or power-sharing in the

124 P13 was a Joint Municipal Programme funded by Denmark, Swiss Cooperation and Austrian Development Cooperation. PRODEM is co-funded by Denmark, Sweden, Switzerland and Ireland. Other donors that have supported municipalities are e.g. USAID and DFID.

context of the rather narrow windows of opportunities in Mozambican politics for actors non-aligned with the ruling party.

Strengthening of municipalities in financial and land management, climate change mainstreaming, and development of mitigation plans and investment in infrastructures under the above-mentioned programmes contributed to mitigate the consequences of unequal distribution of resources between central and local level, as well as between ruling and non-ruling coalitions.

Finally, support to civil society – from the RDE – was done through the existing mechanisms mostly structured by other donors, such as AGIR, MASC and direct support to research institutions as IESE and NGOs involved in social accountability such as CIP. The transformational effect of this support is difficult to ascertain, mostly because of the multiple funding these organisations have. However, these organisations are playing an important and visible role in the public debate on issues related to extractive industries, public financial accountability, natural resources and public integrity, and as such the choice to co-fund these mechanisms and institutions was relevant and valid.

Therefore, despite the existence of structural constraints for effective state building, among them the strong centralisation of power, Danish supported programmes can be credited with contributing to substantial changes in key governance and development processes in the country, some of them, with a high potential of sustainability even after the end of Danish development aid to Mozambique.

5.4 Support modalities

Throughout the period, Denmark has used multiple modalities to provide support, among them GBS, sector support, project support and technical assistance. The evaluation which covered the period 1992-2006 highlighted that the rationale behind the combination of aid modalities in different sectors was not always easy to understand and the report also raised issues on the unusually strong application of long-term technical advisors. The use of a mix of modalities has continued also during the last decade of the period evaluated. This evaluation finds that in most cases, the changes in modalities or the combination of different modalities in different sector programmes are logical and well founded.

PREDICTABILITY, ALIGNMENT AND DONOR COORDINATION

The strategic decision to align with the policies and priorities of the GOM enabled Denmark to participate in the political dialogue and in strategic decision-making processes. As an early supporter of GBS, Denmark was among the donors considered to show strongest commitment to align with government systems. Ironically, this is not fully reflected

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in the early PAPs performance assessment, in which only at a later stage of the process, Denmark has a good performance assessment. Denmark performed well in setting up and advocating for the system, but with a mixed assessment of its performance according to the set PAF indicators. Alignment with government systems and programmes was important to strengthen state institutions but also to some extent contributed to consolidate the centralist nature of the party-state.¹²⁵ Thus, while commitment to aid effectiveness was high, and according to the tenets of the development aid agenda functional to state building, at least in term of increasing government capacities, it also had the side-effects for the democratic governance. Thus, alignment, to some extent, reduced the space for the support of a broader transformational agenda voiced by actors outside the state, among them the civil society, private sector and opposition parties. The focus on supply-side, is not a particular weakness of Danish development assistance, rather, it can be seen as a flaw of the development aid agenda and how the development partners to the GOM providing GBS made use of their potential influence in the political dialogue. This is an issue that in the context of the Busan Partnership and the Sustainable Development Goals is being addressed, with the monitoring of participation of non-state actors. It is also worth mentioning that, in the context of the deteriorating democratic climate in Mozambique in the last five years and loss of donor leverage in the political dialogue, Denmark was among the few donors providing “moral support” to civil society, taking strong positions on corruption and demanding accountability on governance issues (i.e. on the public debt). Though the Danish policy on HRBA was introduced at that time, with its

125 The annual RDE Country Assessment 2006-2014 reflect the fact that the administration is becoming increasingly politicised and that Frelimo, used state assets to outmanoeuvre the opposition, but the commitment to GBS and alignment remained. Prior to the elections in 2007, 2008 and 2009, the RDE stated in its Country Assessment 2006 that: *“The continued contribution to GBS enables Denmark to participate in the policy dialogue on the key reforms that are most likely to lead to enhancement of efficiency and accountability in the public sector. However, particular attention must be paid in the coming period to GOM performance on governance, to its handling of upcoming elections and to exploring options for responding in the case of deteriorating performance. The embassy has engaged in a dialogue with a group of donors on the possibilities for establishing a graduated response mechanism under GBS, which would enable donors to react collectively in a measured way to underperformance in key areas.”* The Country Assessments 2011 and 2012 further claimed that *“Generally speaking the lacking separation between state and party continues to raise concern as FRELIMO strongly dominates all spheres of the administration. Also, the slow pace of legal reform and the overall slow development of a strong and independent judiciary is an issue.”* (2011) *“It is also an issue of concern that, as stated in the Constitution, key appointments are all made by the President of the Republic. This fact raises doubts about to what extent there is independence of these organs in relation to the government. A revision of the Constitution, proposed by the ruling party, is underway but none of the issues mentioned above are included in the proposal.”* *“The electoral process led donors to raise concerns about a possible breach of the underlying principles of budget support. As a result, the Government has implemented a number of actions. These actions relate to election reforms and anti-corruption actions.”* (2012).

stronger focus on supporting organised rights-holders in their claims on the fulfilment of democratic and human rights principles, this stance by the RDE, should also be seen as stemming from the personal position of the mission leadership.¹²⁶

Civil society stakeholders consulted by the evaluation noted that the view of the civil society as a key development actor not limited to providing services but also to claim rights and accountability of the duty-bearers, was something that came at a late stage in the support provided by the Danish CSOs and in the RDE approach towards the Mozambican civil society. The civil society stakeholders also saw the potential conflict between the very strong alignment to governmental policies and the strong link to GOM institution and the support to the civil society as voice bearer claiming accountability of the duty-bearers. Nonetheless, the civil society has a positive perception of Denmark as a promotor of human rights in general, and CSO stakeholder representing Danish CSO and partner to the same, stressed the importance of the provided support by the RDE from 2011 and onwards. Within the country programme Denmark's support to the supply-side was also concerned with the strengthening of internal state checks and balances, as well as societal ones, with its funding to the Justice Sector and legal reform, and the limited but however important funding of civil society organisations, and the private sector. Denmark has been a strong supporter, but also a critical partner, of the GOM, being among the most vocal ones on governance and public integrity issues, particularly since 2011, through its increased engagement in the discussion related to accountability and transparency, as both respondents from GOM, the donor community and RDE/MFA stated during the consultations. The Danish commitment to the alignment agenda and being a partner providing GBS created leverage in the discussion with the GOM enabling a more open and critical dialogue.

The strategic decisions on the use of modalities was thus a critical point in terms of Denmark's capacity to participate in the political dialogue and in decision-making. Denmark decided to stop GBS in 2014, in a phase of the decline of the donor coordination on GBS, and crisis in the GOM and PAPs partnership, with the unveiling of the first illegal loan (of the tuna fishing company EMATUM). When donors decided to resume the G19 as part of their strategy to create more leverage in the dialogue with the Government,¹²⁷ this allowed Denmark to return to the dialogue table with the GOM, and to influence donor coordination decisions.

126 This was highlighted by many of the consulted civil society actors and donors.

127 The MFA informed that Denmark strongly advocated against abandoning the G19 for a more limited GBS-only platform. The RDE produced several papers for the dialogue trying to influence decisions that were widely debated.

PROVISION OF TECHNICAL ASSISTANCE

Denmark provided important technical assistance (TA) in several of the key sectors it supported, among them environment and PFM. This modality of assistance was seen positively by government stakeholders, since it was considered that it consisted of people with profound technical knowledge of the sector area and of the country. But technical assistance was not always effective in building sustainable capacity in the sectors and often advisers sometimes worked as gap-filler, and reduced ownership of the processes by the technical staff. As earlier discussed the technical advisors were instrumental in developing strategies and systems for strategic planning. However, the supported institutions continued to depend on external assistance and consulted stakeholders questioned the sustainability of the assistance. This was particularly true for capacities of more strategic and analytical nature. As some of the consulted stakeholders mentioned, the set-up for the technical assistance was often not adaptable to a more tutoring approach. It had a broad outreach approach, aiming to build capacities of a large number of units and staff members at the supported institutions, as a response to the pressing needs of increasing the knowledge in basic management, planning and monitoring skills. A tutoring approach is more intensive and either requires more advisors or a focus on a few key staff members and functions. In fact, the advisors confirmed that they many times had a very gap-filling role due to lack of national staff, or overburden of work on national staff, but also because management would not always prioritise learning and capacity development processes but rather use the advisors to support them to deliver e.g. reports, analyses and strategies.

The evaluation also found that the lessons learned from the TA remained at an individual level, and at its best, within the team where the advisor was working, but that the MFA did not have an evaluative learning approach to the modality. A few of the advisors had had their contracts prolonged even beyond the MFA regulations, and there was not a system in place for cross-learning between assistance in different sectors. The number of technical advisors decreased considerably during the last decade (from around 40 in 2005 to six at the end of the period). The effect from the large number of advisors posted has not been assessed at any overall level, and the sector specific lessons have not been documented. The evaluation, however, assessed that the recent and remaining advisors had played a key role within their sectors and that the choice to provide in-house technical assistance on a long-term basis was strategic.

In sum, though many of the advisors contributed to relevant and interesting progress, the evaluation finds that the modality has been used with little strategic steering from the MFA or the RDE. It has been dependent on the advisors own planning, and it was unclear how and if the advisors reported results. Many stakeholders stressed the leverage

Denmark had through the presence of “their” advisors, giving the RDE valuable insight on processes and the actual functionality of systems when dialoguing with the GOM. The evaluation find it as likely that the RDE, as a rather informed donor, has made use of the knowledge and information the technical advisors could provide the embassy staff with. These flows of information seemed to have been of a more informal character and not systemised. It should be noted that some of the advisors stated that they had practically no contact with the RDE.

The RDE has in some cases opted to contract consultancy firms as intermediaries or as implementers of programmes. This can be a valuable choice regarding cost efficiency and to simplify procedures that would be more complex if the RDE or a governmental body would manage the funds. However, when delegating the responsibility to private firms it is important to pose explicit expectations on the need of coordination and sharing of information when the contractual partners operate in the same area or sector supported by Danish funds, and the evaluation finds that this in some instances did not happen.¹²⁸

5.5 Denmark’s added value as a partner

Based on interviews and desk review of the portfolio documents and related sources, the evaluation analysed the added value of Danish support, either questioning the informants on pre-defined areas in the ToR and defined assumptions in the inception phase – persistence, predictability, flexibility and donor coordination – or analysing project and programme documents vis-à-vis other donors.

Denmark as a donor has long experience from several sectors, such as agriculture, health, justice and legal sector and governance. This is well reflected in the country portfolio in Mozambique. For example, in the case of the health sector Denmark has through strategic expertise and funding supported five phases of sector programmes and in the case of Tete has contributed to an impressive progress of the provincial health sector. The long-term commitment has resulted in well capacitated key actors within the health sector, institutional development, the presence of important infrastructure and the improvement of distribution systems and resource allocations at local level. Denmark was one of the few donors with a comprehensive and long-term approach to the Justice institutions. The commitment to the Justice and Legal Reform, is another illustration of the added value of the Danish support. The Danish cooperation through its consistent support to law reform processes, justice institutions, the training of judges and prosecutors, free legal assistance

¹²⁸ Environmental Sector Program Support II 2011-2016 Lessons Learned, Final Report, 2017.

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and awareness initiatives targeting rights-holders, had a decisive influence on the development of the sector and the Rule of Law.

PERSISTENCE AND PREDICTABILITY

The desk review and the interviews give support to the assumption that Denmark as a partner to the GOM has been persistent, and, in most SPS and generally over time, has been a predictable and persistent donor. There have been cases where Denmark has not fulfilled its commitment to GBS¹²⁹, and for some line ministries it has been difficult to understand the decision to phase out specific SPS. However, various sectors such as agriculture, health and justice, but also environment and Private Sector, have benefitted from uninterrupted Danish cooperation over longer periods, with financial and technical support. In some cases, specific components in programmes being phased out, have continued under new initiatives, as was the case of support to the agri-business that spanned three programmes in the agricultural and private sectors. The Danish country strategies from 2000 and 2012 were also well aligned with Mozambican strategies and priorities. These examples illustrate how changing overall priorities of the Danish government development cooperation policies have been adapted by the RDE to create stability and continuity in the partnership with Mozambique.

The Danish cooperation has had a deliberate strong systematic approach, particularly during the last decade, focusing on planning processes, strategy development and financial management. The consultations also show an increasingly technical focus on monitoring and an evaluative approach to planning. It is worth noting that this evaluative approach has mainly been practiced by RDE/MFA during programme implementation and not so much as a practice in evaluating the effects and lessons learned from earlier supports.¹³⁰ The focus on system and institutional development was a strategic choice based on Denmark's policy that contributing to strong institutions and functional systems is important in building an effective and democratic state. Denmark's governmental partners could thus count on this kind of support, both through funding of strategy planning and technical support. The evaluation can confirm that sector specific technical advisors funded by the MFA and RDE senior advisors have been instrumental in strengthening systems and strategies in at least the following sectors and initiatives: agriculture, health, food security and nutrition, environment and climate change, the promotion, use and development of the SISTAFE and the CUT. The commitment by Denmark to the Aid Effectiveness Agenda has promoted a focus on supporting governmental systems, institutions and the functions of the state. The evaluation 1992-2006 also highlighted Denmark's role in the early support to the public sector

129 See the section on Donor Coordination below.

130 This will be further discussed in the chapter Conclusions.

reform programme¹³¹, where this systematic approach was illustrated in the support to the initial set-up for the Technical Unit for Public Sector Reform (UTRESP) and additional support for later phases of its activities.

However, one of the unintended effects of the alignment, as mentioned in Chapter 4, was that the alignment to the government plans led to the scattering of activities in many sectors and geographical areas and posed challenges for coordination and monitoring from MICOA/MITADER.¹³² The interviews with technical advisors also showed that the RDE had preferred a stronger geographical focus for its support to the roll-out of SISTAFE (Environment programme) and the nutrition plan, PARMDC, to districts in Tete, to provide a more comprehensive support and deepen its effects and then expand based on the lessons learned from “pilots”. The partnering ministries had a different view and Denmark aligned to the policy of the governmental institutions to have a broad outreach to the districts.

Denmark has been a predictable donor in its preparedness to support large investments in infrastructure (rehabilitation and new installations) in the energy, education, justice, health, and agriculture sectors, and its support to equipment and vehicles to the same. The willingness to invest in infrastructure was highlighted by many of the governmental stakeholders as particularly important since this support has provided basic conditions for the work in the sectors. In short, the Mozambican counterpart could count on Denmark to support GOM’s priorities. By enabling the governmental institutions to perform their key functions, it also built the foundation for sector and project support from other donors.

Furthermore, Danish support was characterised by a strong engagement and commitment at an individual level among advisors, technical staff and diplomats. There are many examples of persons that have returned to Mozambique on several occasions in new functions. The MFA has provided opportunities for these predominately Danish actors to be engaged over long periods and to use earlier experiences in new positions within the different programmes. This has created a critical mass of embassy staff and advisors with deep knowledge of the country and its challenges, with specialised skills and a good overview of different sectors and development processes. However, as mentioned before, in some cases long-term resident TA hampered ownership by functioning as gap-filling in the sectors. Persistent TA in the same areas also raised questions about sustainability after the end of support.

131 Denmark was the lead of PSR in the G19 during several years during the last decade of the period evaluated.

132 Lessons Learnt Report of the ESP II, 2017.

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Moreover, the existence of technical advisors working directly with the governmental systems, such as the SISTAFE, and the high level of engagement by the RDE staff in promoting this system, provided Denmark with leverage in the policy dialogue with the GOM and in the coordination with other donors. Consulted donors stressed that it was clear that Denmark had an advantage in its in-depth knowledge of the system and that also gave credit to the Danish “advocacy” for the use of SISTAFE.

The interviewees, most of them with recent experience from the Danish support, saw Denmark as a partner willing to try innovative ideas and supporting institutional strategies and plans through core support. There are examples of Denmark being a predictable donor and providing support to specific needs, like supporting the health sector under budgetary stress, providing funds for the integration of new nurses in Tete province, and continuing to use government systems to fund CEDSIF even after abandoning GBS and the suspension of aid due to the debt crisis. On the other hand, Denmark has had a clear stance on transparency issues with demands on anti-corruption focus and compliance with agreed priorities for the partnership.

In line with the above, stakeholders representing the institutions of the state, commented that Denmark, just like the other Nordic development partners have maintained a proactive, direct, and in general, constructive dialogue with the GOM. It is worth noting that when asked about Denmark’s partner approach, the interviewees preferred to respond about the characteristics of the Nordic donors, stressing that these development partners jointly were singled out by their approach and it was difficult to see much difference between them. The uniqueness of Denmark, as stated in the ToR¹³³ for this evaluation, was thus contested.

Denmark’s long trajectory of sector and general budget support, its contribution to the founding of GBS in Mozambique, the decision to support PFM and blaze the trail in new sectors such as environment, put Denmark in a position of a champion of donor coordination, not only as a coordinator as was the case in PRODEM and the environment sector, but also as a promoter of the use of coordination mechanisms. However, there are examples where Denmark did not prioritise coordination. For example, in 2005 Denmark decided unilaterally to suspend GBS, after a case of corruption surfaced in the management of funds in the provincial directorate of education in Zambezia. This unilateral decision was seen by other donors as inadequate and a breach of the partnership. Danish performance in terms of alignment was measured as average

133 The ToR for the evaluation states that “*The partnership approach applied by Denmark has been praised by development partners in government and civil society as unique and useful for achieving results.*”

in a considerable part in the period when PAPs assessment were made, from 2004 to 2010, and only in the last two years of its participation in the GBS, in 2013 and 2014, Denmark became a top performer.

Despite these minor problems, the role of Denmark as a champion of donor coordination is acknowledged by government and donor stakeholders. In the environment sector, for example, Irish Aid and the European Union decided to channel their funding through Denmark and remain as silent donors, as the acknowledgment of its expertise in the sector as well as its commitment to coordinate its efforts with other partners.

FLEXIBILITY

The 2008 evaluation concluded that Denmark had been a flexible donor. As one of the assumptions in this evaluation, this issue was followed up in the consultations with sector specific stakeholders. While the assessment of the support to the different SPS showed Denmark's willingness to fund new strategic areas and support pilot initiatives, in combination with an overall openness to include different forms of modalities in the SPS, the consulted stakeholders had different views on the degree of Denmark's flexibility as a donor. The evaluation finds that this is partly due to how flexibility is perceived by the partnering sectors and to the context in which the support was provided. Some of the consulted stakeholders found Denmark to be a rigid partner that stressed a formal approach to the partner agreement while other stakeholders saw Denmark as rather flexible, within reasonable parameters, and particularly in its willingness to try new ideas and supporting institutional strategies and plans through core support.

The issue of flexibility was also raised by GOM stakeholders in relation to when different SPS had been phased out and new priority areas had been introduced by the initiative of the MFA. Though these stakeholders recognised that the RDE had engaged in close dialogue with the GOM on how to proceed with these instructions from Copenhagen, the decisions to limit the number of SPS, or to introduce new policy areas, were not up for discussion. Similar reflections were shared by the same stakeholders on the decision to phase out the country programme. In this sense, the flexibility was manifested in how the consequences of the MFA decisions were managed by the RDE in its partner dialogue.

5.6 Decentralised mandate

During the first 11 years of the period evaluated the composition of the country portfolio was formally steered from the MFA in Copenhagen. In 2003 the management and decision-making was decentralised to the Danish embassies and the RDE in Mozambique became the entity that decided the direction of the country programme. As noted in Chapter 3

only one country strategy was developed after the decision to decentralise the mandate, namely the Partnership Policy 2012-2015. This policy was developed in close dialogue with the GOM with a strong alignment to the priorities of the Mozambican counterpart. The evaluation also finds that development of new phases of sector programmes during the last decade have been decided by the RDE and the present expert advisors, including the planning of phases that will not materialise due to the decision to phase out the support to the country, as in the case of the planned increased proximity between the Private Sector and Environment programmes. Many of the decisions of direction have also clearly been initiated in Maputo, as the freezing of funds of the education sector programme, the support to UTRAFE and CEDSIF, and consequently the long-term support to the SISTAFE system, the focus on the area of HIV/AIDS, and the inclusion of nutrition and the support to SETSAN in the portfolio, to mention a few examples. However, several of the major overall decisions have been driven from the MFA in Copenhagen and not by the RDE. The decision to work with fewer sectors was decided centrally as a general direction for all country programmes as part of a 'lean' process and the RDE had to make the choice between health and education. In fact, the RDE asked the GOM to make this decision, i.e. to choose either health or education. The GOM gave priority to the health sector where Denmark had been a partner for a longer period. The focus on environment and climate change, as in the case of private sector development, are also directions steered from the MFA and were introduced not because of the country poverty and context analysis but as high priority issues of Danish development assistance in general. In coherence with the decision to limit the number of sectors in the country portfolio, the agriculture sector programme was phased out to give room for the Growth and Employment Programme. Thus, the actual scope of the decentralised mandate can be questioned, where the RDE has had to balance demands from Copenhagen with alignment with the priorities of the GOM. In general, the RDE has managed well to stay firm with its commitment to align the support to the GOM strategies. However, the phased-out support to energy, agriculture and education, where all prioritized sector by the GOM. In the case of the education sector, the GOM was however asked to select between support to education or health, and the choice was to continue to receive Danish support to the health sector. Likewise, the GOM has been engaged in the priorities necessary for the current exit strategy.

The decentralised mandate did of course not mean that central policies for the Danish development cooperation no longer would be relevant for the country programmes, on the contrary, these should be adapted and contextualised to the different programmes. The evaluation has analysed how high-profile cross-cutting issues for the Danish aid such as HIV/AIDS, gender equality, SRHR, environment and climate change, and human rights (later HRBA), have been adapted and addressed in the different SPS. The evaluation find that they have mainly been addressed

at a formal level with focus on mainstreaming strategies and documents and in planning processes, and with less focus on the monitoring of the results of this support to the sectors. This is particularly the case with gender, while HIV/AIDS include both targeted and mainstreamed support to multiple sectors. Environment and Climate Change has been the cross-cutting issue where Danish support has showed major results. This Danish high-profile policy issue has been translated both into targeted actions and mainstreaming strategy. Denmark has played the role of champion and it is possible to claim Danish attribution to the environment mainstreaming in many other sectors and in municipalities. The health SPS also shows stronger results in the areas of HIV/AIDS, SRHR and gender, since the first two areas were identified as focus of the programme, and the sector priorities have targeted women's reproductive health. Apart from this sector, the evaluation did not find evidence of actions that would counteract the slow progress in gender equality and the lack of commitment in many institutions of putting the developed gender strategies into practice. This has undoubtedly had negative consequences for the poverty reduction given the severe poverty of women in the country.

The Danish Human Rights-Based Approach is only relevant since 2012. Since then, there has been a stronger focus on the accountability and transparency issues of the governmental institutions, as well as on the role of the organised rights-holders through civil society. This development has also been driven by the changing context in Mozambique where the civil society has experienced a shrinking space as a response to its more vocal accountability claims. Like other countries in the region, the GOM has showed a more restrictive approach to civil society and implementation of the NGO-legislation.¹³⁴ Earlier support to civil society focused on implementation of service delivery, where CSO played a complementary role rather than monitoring the performance of the duty-bearers. The introduction of civil society support components in several programmes is a response to the need to focus more on the demand side and accountability and transparency aspects. The Rule of Law and the honouring of the human rights commitment have also been addressed earlier through the long-term support to the justice sector, where the CSO component was introduced already in ProJustiça I programme in 2002. The HRBA should be understood both as an end goal and as a process, and this implies that both programme goals and strategies should be designed taking the HRBA principles of participation, accountability, non-discrimination and transparency, into account.

134 Mozambican human rights defenders (HRD) report on limitations in freedom of expression and the right to peaceful assembly, as well as harassments and intimidations against CSO leaders and other HRD. See civicus.org and The Republic of Mozambique, Joint Submission to the UN Universal Periodic Review. 24th Session of the UPR Working Group, Civicus and Joint, 22 June 2015.

The evaluation finds that so far, the HRBA has been applied mainly formally and as an end goal, rather than focusing on the HRBA principles in the implementation process of the different sector supports.¹³⁵

5.7 Exit process

The phasing out of the country programme is a decision made centrally by the Danish Government based on the overall reduction of the Danish ODA. This decision was not expected by the actors involved in Mozambique, including the RDE, which indicated that the decision was not informed by an analysis of the country context or the progress of the Danish aid to Mozambique. The newly appointed ambassador had to develop an exit strategy instead of the planned new country strategy.

The decision of the exit caught all the consulted Mozambican stakeholder by surprise, and they all regret it, not because the continuation was taken for granted, but due to the limited knowledge or awareness about the Danish policy process behind development aid and the reasons of this decision. The current critical moment in the Government and donor relations is conducive to speculations about the linkage with the debt scandal as the most obvious explanation for the exit. Information to Government and civil society about the reasons for the exit has necessarily been more generic. This has contributed to fuel expectations that the phasing out is rather an interruption of aid than a complete withdrawal without a perspective of near return to Mozambique. Civil society organisations particularly expressed their concern for the lack of discussion of the exit process.

Having said that, it is important to stress that the exit process per se, from a formal point of view, is well-structured and was communicated to the partners. The embassy hired a consultant to facilitate consultations, mostly with the Government, and to draft a consistent exit plan, based on consultations. A programme document, with a detailed plan,

135 The RDE Country Assessment 2007, mentions the application of HRBA with focus on access to specific rights and not the HRBA principles or how to guard that the implementation process is governed by these principles. The 2012 Country Assessment template is guided by specific questions about the HRBA. The RDE responded that: *"The Programme elements were generally formulated prior to the issuance of the guidance note, however, the four principles are already widely reflected in the programme. At the general level transparency and accountability are at the core of the political dialogue between GBS donors (currently chaired by Denmark) and the Government of Mozambique. Participation and non-discrimination is an issue in the support to the health sector where interventions are underway to support CSOs in improving equal access to services. Also, support to CSOs is included in all sectors covering natural resource management policies, Growth and Employment as well as the Justice Sector. Furthermore, targeted support to especially civil society organizations is directly promoting Human Rights, not least support to the Human Rights League."* Country Assessment, 2012.

monitoring matrix, proposed management structure and budget was designed, and it has already been signed by the Government and the RDE. Thus, the process of formulating the exit strategy has been developed in close coordination with the GOM and the RDE has proposed the possible focus areas based on the priorities the GOM has made given the fact that not all sector programmes or processes can continue to receive funds during the phasing out period.

Whilst the process is set to run smoothly, some questions remain unanswered, among them the rationale for departure from a country still facing daunting development problems, but at the same time in a context of good economic prospects in the near future, in which a long-time and reliable partner would probably play a key role in contributing to the country development through development aid as well as economic cooperation and business opportunities.

If this evaluation exercise will shed light on Danish contribution to the development of Mozambique, it is important to draw lessons not only from the long-term support provided to the country but also on the conditions that make an exit from a country justifiable. It is also important to communicate these lessons and the rationale to the national partners.

6 CONCLUSIONS AND PERSPECTIVES

6.1 Results

The evaluation analyses the last 24 years, with emphasis on the last decade, of a partnership that has lasted for over four decades. The long-term commitment by Denmark, including Danish non-governmental actors, has played an important role in the development of the Mozambican society. The consulted stakeholders highlighted particularly the role of the Nordic partners and their in-depth understanding of the needs of the country given their presence and support since the very beginning of the independence.

Denmark's long-term commitment with Mozambique has had poverty reduction and support to a democratic development as the points of departure for the choices Denmark has made in dialogue with the GOM. The partnership has been characterized by willingness to provide support to many of the priorities of the GOM, including a readiness to test new modalities and fund key institutions for sector public reform. The findings confirm that Denmark as a donor has responded to the needs and some of the most pressing priorities of the country during the different phases of the period evaluated. The years after the Peace Agreement in 1992 focus was on reconstruction of the country that had suffered immensely from the civil war, with extreme levels of poverty and devastated basic services, with support to important sectors such as agriculture, education, health and energy, as obvious choices. Once the transition period developed towards a more stable situation, and the first poverty reduction strategy was developed in 2001, the support to sectors was guided by the priorities made by the GOM. The PARPA I and the following strategy papers were however developed in close dialogue with the donor community, so it is possible to claim that the analysis on the priorities were based on an interaction between the GOM and the major development partners. However, in some cases, such as the option to support the environment sector, the choice was made by the MFA rather than built from local level discussions and considerations on priorities. Other actors, like the civil society or the private sector, were at the time of the first poverty strategies, though formally consulted, not sufficiently vocal and strong to have an impact on the definition on national priorities.

The different SPS during the period evaluated contributed to concrete development results, such as increased electrification, access to educa-

tion and to health services, improved network of rural roads as well as improved capacities in planning and strategizing in many partnering governmental institutions. The main contributions of the Danish cooperation can be traced to processes related to state-building through the consolidation of the PFM system. PFM reforms and particularly the roll-out of e-SISTAFE to the local level, improved the capacity of the state at local level to deliver services. The improved service delivery has most probably had its effect on the poverty reduction since 2009 to 2014, from 51.8% to 46.1%. Danish support to alignment with GOM programmes and priorities is undisputable and part of these results can be attributed to this.

Denmark's focus was on strengthening state-institutions and less on the role of non-state actors in the building of the state, although more attention was paid to these actors during the later stage of the period evaluated. The strong focus on the governmental institutions and the alignment to governmental policies also had the unintended consequences during the last years of the period evaluated to further strengthen the elite in power. This support was provided in a context where the root causes of the lack of democratic consolidation and reconciliation had not been sufficiently addressed and the distribution of resources favoured regions where Frelimo had a strong popular support. Denmark, as many of the likeminded donors, had actively supported the independence struggle and had been a partner to the GOM since the independence in 1975. In retro-perspective it is possible to claim that this long-term partnership coupled with the strong commitment to the Aid Effectiveness Agenda of the donor community in fact favoured the elite. However, in the last decade of support Denmark started to pay greater attention to municipalities where the opposition had strong support and to the role of the civil society as voice for increased accountability by the duty-bearers and influence by the rights-holders on the development agenda.

The key support to the justice sector and legal reform is a considerable contribution to the rule of law and an area where the Danish contribution has been highly significant. The evaluation concludes, based on interviews with key stakeholders in the Justice sector and consultations with external actors, that increased access to justice for people living in poverty and the improved Rule of Law noted during the last 15-20 years can to a large extent be attributed to the Danish partnership with the institutions and actors within the sector. The choice to provide persistent and comprehensive support, although not large in terms of disbursed funds, was a strategic and highly relevant choice. This support is also singled out, as an early strategic example, that Denmark did focus on securing a division and separation of state powers and to counteract the centralised state.

6 CONCLUSIONS AND PERSPECTIVES

Support to the environment and the mainstreaming of climate change in the government plans at all levels strengthened the perspective of sustainable development in government policies and strategies. Danish support was also important in knowledge production to feed public policy and public debate on poverty, governance and development, with funding to the policy analysis and studies unit in the Ministry of Planning and Development and eventually of the Ministry of Economics and Finance, the think tank IESE and the Centre for Public Integrity. However, Denmark did not develop a strong information or knowledge base to analyse the impact of its own programmes in the country, which limits the possibility of a more strongly-evidenced assessment of its contribution to poverty reduction.

The evaluation finds that at an overall level the focus of Denmark's country programme over the period evaluated has been *relevant* and that the choice to focus on the Tete province allowed Denmark to provide a more holistic support that rendered important effects on the development of the province and the improved service delivery, particularly in the health sector, but also strengthened the development of the education sector and the quality of teacher educations. The willingness to test new approaches and to focus on areas where few other donors were prepared to take the risk to invest funds, like the development of SISTAFE, the training of judges and prosecutors at CFJJ and the core support to SETSAN also proved to be very relevant choices, though at an initial stage these choices were more driven by personal commitment and conviction of the value to support these initiatives, than a deliberate strategy from the RDE. However, the support to CEDSIF and the development of SISTAFE and Justice sector, were soon institutionalised and integrated in the long-term strategies of Denmark, and nutrition became a focus area of the last health sector programme.

The evaluation did not include an in-depth assessment of the *effectiveness or impact* of the different sector supports. Based on earlier reviews and the stakeholder consultations, all programmes demonstrated important results as discussed in the earlier chapters and illustrated in the Portfolio Analysis (Annex F), either at an overall programme level, and/or of specific programme components. The period evaluated has been characterised by less focus on project support and special programme grants and an increased focus on sector wide approach, donor coordination, joint funding mechanisms, and general budget support (that towards the end of the period evaluated dominated the country portfolio). It is therefore difficult to assess attribution in most cases, but Denmark as a mid-sized donor has definitely contributed to the positive progress in the regions and the sectors in focus for the Danish support. Likewise, Denmark shares the responsibility with the GOM and other involved donors in the slow or no progress of some of the sector supports (e.g. the ProAgri). The evaluation concludes that the progress of the justice sector, and particularly to the professionalization and the

national outreach of justice institutions, the mainstreaming of environment perspective in many sectors, the roll-out of e-SISTAFE, the first full implementation of PARMDC in the Tete province and the progress of health indicators and the institutional development of the health sector in Tete, as well as the development of environment and climate change and HIV/AIDS strategies, can be partly attributed to the Danish partnership with these sectors ministries and their institutions.

Regarding *efficiency* the Danish contributions have made use of governmental systems and increasingly channelled the development aid through the Treasury Single Account, CUT, promoting the use of the e-SISTAFE, harmonising the funding with existing systems and procedures, which have meant less administrative burden both for the partnering ministries and the RDE. Denmark has also coordinated most of its support, particularly during the last decade of the period evaluated, with other donors, through SWA, joint donor funds and mechanisms, delegated partnerships (being both the lead donor in some supports, e.g. PRODEM and the support to municipalities, and silent partner in others, e.g. the civil society and social accountability programme AGIR).

The evaluation presents a broad overview of 24 years of cooperation and as in the case of assessing effects the discussion of *sustainability* of the different supports highly depend on earlier reviews and evaluations. The portfolio demonstrates several cases where new sector programmes or new programme are developed based on earlier support, securing at least in theory the sustainability of some of the achieved results and the promotion of best practices. The general long-term and persistent support programmes have also allowed for processes of change to develop over time and through that allow institutions to mature and to progressively take responsibility of the development of plans and strategies. However, the dependency on external expertise has been extremely high in the case of Mozambique, due to the exceptionally low rate of staff with higher education. Denmark has responded to this situation by providing a high number of technical advisors and other forms of technical assistance, which has been a relevant and necessary strategy to enhance the professionalization and the know-how of the partnering institutions. It has been difficult to build in a real sustainability approach given the extensive needs of capacity development at central, provincial and district levels. This was also something several of the consulted stakeholders raised as a concern. In the view of the phasing out of the Danish aid, they asked how they best can maintain achieved results, particularly in relation to institutional development of the supported governmental institutions, and how lessons learned from pilots and strategic supports can be integrated into new programme phases or initiatives in other provinces and regions.

6.2 Added value

Denmark has responded to the needs and the most pressing priorities of the country during the different phases of the period evaluated. Poverty reduction has remained the point of departure for the choices Denmark has made in dialogue with the GOM and this was a guiding principle in most of the sectors supported by Denmark. In general, the RDE has managed well to stay firm with its commitment to align the support to the GOM strategies. However, the phased-out support to energy, agriculture and education, were all prioritized sector for the GOM. In the case of the education sector, the GOM was asked to choose between support to education or health, and the choice was to continue to receive Danish support to the health sector. Likewise, the GOM has been engaged in the priorities necessary for the current exit strategy.

There was also a successful effort to establish synergies between the sector programmes, for example, the linkages between agriculture and rural roads to boost agricultural commercialization and between SISTAFE and the sectors supported by Denmark, among them environment and health at the provincial level. Denmark has been a predictable donor in its preparedness to support large investments in infrastructure (rehabilitation and new installations) in the energy, education, justice, health, and agriculture sectors, and in its support to equipment and vehicles to the same. These areas were shunned by most of the donors, despite the still relative weakness of the Mozambican state.

The Danish cooperation has had a strong systematic approach, particularly during the last decade, focusing on planning processes, strategy development and financial management. The evaluation finds this as a valid and highly relevant choice where the Danish expertise and experience combined well with the needs of the governmental institutions and the public sector reform of the GOM. The contribution to the institutional development of the supported sectors was evident, though the sustainability of the gained capacity development was questioned by several stakeholders since it was highly dependent on the provided technical assistance and challenged by high staff turnover within the institutions. The broad outreach approach of the TA also limited the scope of developing analytical in-house skills for the analysis of the progress of the sector plans and strategy development. This weakness must be viewed in the light of the lack of well-trained and well-equipped senior staff within the state institutions during most of the period evaluated. A different approach to capacity development will be possible in the future because of the increased number of public officials with academic degrees. However, this development is recent, and only occurred towards the end of the period evaluated.

Denmark also took a stance and risk in supporting sectors with less visibility or knowledge, such as PFM and environment, or challenging

sectors where few donors were ready to commit themselves as in the case of the Justice sector. This willingness to take risks and engage in pilot development phases was found to be one of the most relevant features of the Danish cooperation during the last decade. In the case of PFM reform, its success provided the cornerstone for more alignment of development aid, when the country was more stable, and moved from emergency to the pursuing of its development goals. In the case of environment, support started in the 1990s and eventually, due to the environment and especially climate change challenges that the country faced, became a key area for the country development. The Danish support influenced the progress in the justice sector, and the actual existence of skilled professionals countrywide and the increased access to justice for citizens encouraged other donors also to invest in the sector. However, the challenges are still huge, and the sector is underfunded.

Decentralisation was one of the cornerstones of post-war politics in Mozambique, because it provided the opportunity for sharing power at local level. It is also a process that has enabled reconciliation to take place through power sharing, though it took a long time for these initiatives to gain support by donors and the GOM, and the decentralisation process still receives relatively little funding. Municipalities were the only realm where alternation of power occurred in Mozambique. The Danish support to municipalities of the central and northern regions, where some have been controlled by the opposition, contributed to the power-sharing and to some extent to ease the tensions in a conflict-prone country as Mozambique. The programmes also contributed to introduce an environment and climate change approach to challenges affecting the poor populations in the targeted municipalities. Most of the technical knowledge on environmental, climate change, waste management issues stems from the technical assistance and knowledge brought by Danish aid.

The model of technical assistance, based on long-term advisors working in the sectors, was assessed very positively by government stakeholders, although in some cases it was considered more critically, as gap-filling and non-effective in sustainable capacity development in the sectors. The advisors funded by Denmark have been instrumental in launching new approaches and implementing new methods, and in some cases, they have been the only available technical expertise that stayed over time contributing to the continuation of strategic processes and the institutional memory in departments with high staff turnover. The capacity development approach of the technical assistance has focused on planning and implementation on a large out-reach covering many levels and units and less on building in-depth and analytical skills. Technical skills are relatively easier to develop together with national colleagues, while the capacity to analyse and think outside the box to find alternative solutions would require another approach for the advisory services. The sustainability of the technical assistance, as noted

above, is contested by many of the consulted stakeholders, and the evaluation concludes that though the TA has contributed to relevant and key changes in many sectors, a deeper analysis on how to best use this modality and learn from the experiences of the different advisors has been missing.

Denmark has proven to be a strong advocate and been committed to donor coordination and alignment with government programmes and national systems, that even stood up to the test of critical moments, when Denmark abandoned GBS or reacted strongly to the debt crisis. The focus on alignment and bilateral support to the GOM has however also meant that priority has been to the supply side and that Denmark as a donor has been less visible on the support to the demand side of building an accountable and transparent state and promoting participatory development processes.

6.3 Lessons learned

There are many lessons learned to draw from the specific sector programmes and the processes of developing and phasing out these programmes but that is not the focus of this evaluation. Some sector and aid modality specific issues have already been raised above. The lessons learned in focus here are on the Aid Effectiveness and alignment, the exit process and on evaluative and learning processes.

Alignment has been very important in increasing ownership of government programmes and addressing national needs as they arose. In this sense, the coherent implementation in Mozambique of the Aid Effectiveness Agenda played its intended role. Denmark contributed to state-building and effectively aligned its modalities of support accordingly. The principle of harmonisation to governmental systems and greater coordination between donors was also successfully put into practice by Denmark. However, state-building and development pose challenges that demand a critical thinking to unveil and address the structural problems that can hinder the achievement of the defined goals. In this regard, the alignment principle of the Aid Effectiveness Agenda and the discussion of ownership should be systematically confronted with the core values that underpin development cooperation, posing high demands on development strategies and governmental policies to be based on real participatory and inclusive processes that include in-depth discussions both on the supply and demand side of state-building and democratic development. This has been a challenge for the Aid Effectiveness Agenda in general. In the case of Mozambique, the flip-side of state-building, the development of a democratic culture with independent institutions, free press and a vibrant civil society, might have received too little attention in the process. Whilst restoring state functions in a post-conflict country like Mozambique was a matter of

undeniable importance, as these functions were restored, more attention should have been devoted to the checks and balances within the state and to non-state actors and processes. As several consulted donor stakeholders stressed, this lesson is not for Denmark alone, but for other donors as well. Mozambique has been one of many show cases in the region and elsewhere of the dilemma that many civil society organisations voiced as a concern when the Paris Agenda was launched in 2005: If the development strategies in a country have been developed in an insufficient participatory and inclusive manner by a government with limited opposition or even limited popular support, (or for that matter in an autocratic or less democratic country), is the alignment to governmental policies a step towards “local ownership”? If the decision-makers do not put a democratic and rights-based development as their first concern, and if the economic growth does not benefit the people living in poverty but rather increases the gap between the privileged elites and the poor communities, what does alignment then mean? These concerns raised by civil society actors are in the view of the evaluation, still very valid questions.

The Aid Effectiveness Agenda is currently contested by many of the development actors that until recently were its strongest advocates, and there are many lessons to be learned from the approach to building strong governmental institutions in countries with democratic deficit. Some donors have opted, just like Denmark, to increase their support to non-state actors, to counterbalance this negative effect. However, the increased focus on civil society takes place in a global context with an increasingly shrinking space for civil society and citizens’ liberties and security, with more restrictive NGO-legislations and restriction in freedoms of speech and assembly in many countries, including Mozambique. This shrinking space is also manifested in an increased number of threats and attacks against journalists and human rights defenders (particularly in relation to extractive industry issues and the defence of natural resources).¹³⁶

PERSPECTIVES FOR FUTURE DEVELOPMENT COOPERATION

The process of supporting state-building needs to be addressed in a comprehensive way, combining state-building and society emancipation, based on a power relations and conflict analysis. Alignment policies need to be problematized and reviewed from a rights-based perspective and in dialogue with both state and non-state actors, and submitted to the test of adequacy to the core values of cooperation, as well as securing that the country strategies and their priorities have been developed in an inclusive and participatory manner with all key actors in the society.

136 See for example Human Rights Defenders under threat – A shrinking space for civil society, Amnesty International, 2017, and Civic space under threat in extractive industries transparency initiative countries, Civicus August 2017.

6 CONCLUSIONS AND PERSPECTIVES

Focus of the bilateral cooperation between Denmark and Mozambique was on strengthening state-institutions. Within this focus, Denmark and other likeminded donors addressed governance issues in its dialogue with the GOM. During later years of the period evaluated, the Danish support to the participation of rights-holders and civil society rights and accountability demands increased. While civil society initiatives were supported throughout the period evaluated, Mozambican civil society has only in recent years developed its capacities to influence governmental policies and to monitor the performance of state institutions. However, civil society continues to struggle with fragmentation, institutional challenges and lack of funding for advocacy work. The discussion of alignment of development assistance in countries with a weak and fragmented civil society needs to continue and there are lessons to be learned from the Mozambican experience. Whilst restoring state functions in a post-conflict country like Mozambique has been a matter of undeniable importance, as these functions were restored, more attention could have been devoted to develop the capacities of civil society and other non-state actors. Finding the right balance between building state capabilities and at the same time support a vibrant and diverse civil society is an important discussion also for the future of Danish development efforts.

Denmark has invested 40 years of development cooperation in Mozambique and contributed to state-building of a fragile country to a country that may be about to unleash its potential of development, with the natural resources discoveries. There are still governance and capacity challenges to ensure that natural resources can boost development. There are also opportunities for another phase of cooperation with a country poised to transition from a low-income country to a mid-income country that can be lost. The decision to exit seems to be detached from national dynamics and a prospective view of cooperation. The process of exit has been well communicated and planned. However, it was not well-explained, and this fuels speculation about the reasons, as well as expectations that this decision might be reverted. In future, decisions about exit should not only be well-communicated but also well explained. There are lessons for both sides. For Denmark, it is important at the level of the RDE to communicate and include in the political dialogue with the partnering government and other key actors in the society, the implications of Danish national politics in development cooperation. From the government side, there should be a demand of reciprocity in the political dialogue. In other words, if development partners and government are involved in political dialogue, this dialogue should be bi-directional, meaning that it should discuss political issues of both sides. This would contribute to build a long-term and consistent vision of the partnership, well-founded on the sound knowledge of the context of both parties. This is something that should be considered in the partner dialogue in the current and future bilateral agreement between Denmark and prioritized partner countries.

Finally, this evaluation process has been challenged by the absence of summative analysis and evaluations in several of the SPS, including sectors that have had support spanning over long consecutive periods.¹³⁷ The MFA and RDE identified several of the most interesting processes of change during the evaluation's inception, and there is no doubt that there is a great awareness and knowledge about this support among current and former MFA and RDE key staff members. However, an in-depth analysis of the effects and lessons learned from Danish support to the different sector programmes is insufficiently documented. There are annual assessments made by the RDE, and in most cases programme phases have been documented by final reports, and there are sector evaluations commissioned by line ministries, other donors and different donor groups. Whilst these are all valuable contributions to learning, the evaluation finds that the extent to which Danish experiences and contributions have been evaluated has been weak. This is also illustrated at another level in the emphasis on planning and strategizing in the different SPS, whilst at the same time a focus on monitoring the implementation and the outcomes is lacking the same. A more articulated evaluative and learning approach to Denmark's role and added value as a partner would benefit current and future development cooperation

This evaluation is one of several evaluations of country programmes that are currently being phased-out, when analysing the findings from the evaluations, the Danish Ministry of Foreign Affairs could use this opportunity to discuss how final evaluations could be better built into new SPS.

137 In some cases, the evaluation did not have access to project/programme completion reports.

EVALUATION OF DANISH ENGAGEMENT IN MOZAMBIQUE 1992-2016

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