

MAY 2019  
MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

# Mid-term Review of Inclusive Growth in Mozambique - Scaling up Research and Capacity Programme 2015-2020

FINAL REPORT

**COWI**



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## LIST OF ABBREVIATIONS

|           |   |
|-----------|---|
| ACIS      | The Trade, Industry and Services Association, Mozambique  |
| CEEG      | Centre for Economic and Management Studies, UEM   |
| CEPPAg    | Center for Food Studies and Programmes (Centro de Estudos e Programas Agroalimentares), UEM                                   |
| CIP       | Centre for Public Integrity, Mozambique (NGO)   |
| CTA       | Confederation of Economic Associations Mozambique   |
| DEEF      | Directorate of Economic and Financial Studies (Direcção de Estudos Económicos e Financeiros), Ministry of Economy and Finance |
| DERG/KU   | Development Economics Research Group, University of Copenhagen  |
| DfID      | Department for International Development, UK  |
| DNEAP     | National Directorate for Studies and Policy Analysis, Mozambique (forerunner of DEEF)   |
| HCB       | Hidroeléctrica de Cahora Bassa, Mozambique  |
| IESE      | Institute of Social and Economic Studies, Mozambique  |
| IMD       | Institute for Multiparty Democracy Mozambique   |
| INE       | National Statistics Institute   |
| LFA       | Logical Framework Approach  |
| MASC      | Civil Society Support Mechanism Foundation, Mozambique  |
| MDG       | UN Millennium Development Goals   |
| MEF       | Ministry of Economy and Finance, Mozambique   |
| MTR       | Mid-term review   |
| OMR       | Observatório do Meio Rural, Mozambique  |
| Soico     | Sociedade Independente De Comunicação, Mozambique   |
| ToR       | Terms of Reference  |
| TVM       | Television of Mozambique  |
| UEM       | University Eduardo Mondlane   |
| UNU-WIDER | United Nations University - World Institute for Development Economics Research  |
| WLSA      | Women and Law in Southern Africa – Mozambique   |



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# 1 Executive summary

This Mid-Term Review (MTR) of the programme "*Inclusive Growth in Mozambique – Scaling-up Research and Capacity*" is taking stock of progress in programme implementation. It recommends that planning for a Second Phase is initiated and includes recommendations, which can be implemented within the current programme period to further improve relevance, effectiveness and efficiency. Sustainability of results, in particular in relation to capacity development of beneficiary institutions, is the main challenge facing the programme, which has an overly complex management and implementation structure that does not promote national ownership.

The Programme was designed 2014 – 15, when prospects for economic growth appeared to be excellent. However, in 2016 Mozambique was hit by a financial crisis which among other things led government to cut the budget and implement a freeze on new recruitment.

The Programme is implemented jointly by the Directorate of Economic and Financial Studies (DEEF) in the Mozambican Ministry of Economics and Finance (MEF) and the Centre for Economic and Management Studies (CEEG) at the University Eduardo Mondlane (UEM), with substantial technical assistance from UNU-WIDER and the Development Economics Research Group at the University of Copenhagen (KU-DERG).

The development objective of the Programme is to support inclusive growth that substantially improves the living standards of the majority of the Mozambican population.

## 1.1 Main conclusions

The main conclusions of the MTR are the following:

- a) The Programme is highly relevant, also beyond 2020;
- b) Research presented by the Programme is of high academic quality;
- c) The major challenges are national ownership and sustainability;
- d) There is a potential for making better use of programme outputs.

## 1.2 Efficiency

The Programme has a well-designed results framework and the programme document states that gender balance of participants is sought at all levels of intervention (research, training, output production and conference participation). It has also considerations about gender disaggregated data, and equal employment opportunities for men and women.

The Programme was planned to start in 2015, but the start was slower than anticipated and the programme only started in 2016. During the first two years, 2016-17, the two Mozambican programme partners only spent 29% of what they had been allocated, while their Northern partners spent 14-15% more than budgeted. The Consolidated Financial Status report as of 31 December 2018 shows that UNU-Wider and Copenhagen University spent what was budgeted, while DEEF and CEEG spent only a third of the budget. In the first three years (2016-2018) the percentage spent on administration was 14% which seems reasonable.

A major activity in CEEG has been a Call for Papers it launched in 2018, targeted to faculty employed in department of economics in UEM. This has initiated research activities though the average quality of the papers is not that high. A second call for papers has now been done on a similar basis.

A revised approach would make more sense in future. A lot of support is likely to be needed to develop research capacity and this is more feasible by conducting this on a smaller scale, and restricting applicants from UEM to only one project. At the same time, it would also be highly desirable to seek applications outside the Faculty of Economics in UEM, extending to employees of DEEF but also to other Universities in Mozambique, including those outside Maputo, requiring these to meet the same quality thresholds.

The programme has mostly worked with two departments within DEEF: Population Studies and Macro Studies. The Programme has helped the first analysing the 2014/15 national household budget survey. This Department will be able to process and analyse the next round of household budget surveys conducted under the supervision of and support from a significant amount of technical assistance.

The Macro department had an outdated macro model, which has been re-built by the programme. However, two of the staff members who took part in building the model have left DEEF. Application of this model remains largely dependent on the UNU-WIDER technical assistant placed in DEEF, as well as one of the trainees who works on the model. A tax-benefit simulation model, MOZMOD, has been developed and the staff of the Macro department has been trained in using this model. They are able to use the MOZMOD with some support from the technical advisor.

The Programme has recruited a group of seven trainees; CEEG currently has four and DEEF another three. The trainees are articulate, highly motivated and are working on interesting and relevant issues. They are developing a very good

level of skills and many would be well placed to be future students on MSc programmes. That said the question of the longer-term career options for these trainees within or outside the programme is one that needs to be carefully considered.

The programme has run training courses as part of its capacity building efforts. In an e-mail survey sent to all participants in the training courses, almost all who responded (however, only one third did) felt they learned useful skills and found the courses were relevant in some ways, even if not necessary for their current areas of work. Nearly 80% found the courses to be appropriate and 75% considered them to be of good quality.

A large number of research papers have been prepared and presented by the Programme. The overall academic quality of the work is good, and it has been conducted on a timely basis.

The structure of the Programme is complex: three donors (potentially four) providing funds through different modalities; four implementing partners each one managing their 'own' part of the budget. It is governed by a Steering Committee meeting twice a year and it has a Project Director, the National Director of DEEF, who is over-burdened. The Project Coordinator, who has developed relationships with Mozambican institutions and high-level policy makers over decades, has been able to ensure a rather smooth implementation of the programme despite residing in Europe. Staff of embassies have been very supportive. The current approach works, and the administrative cost does not seem high. However, the current arrangement is not ideal neither for setting overall priorities nor for promoting national ownership.

### 1.3 Effectiveness

The mini-survey conducted as part of the MTR found that there is a reasonable knowledge and use of the research produced by the Programme. Over half of the respondents had knowledge of the Programme. The majority of those who know the Programme also use the research results in their work. Knowledge of the Programme and its research is mainly acquired through participation in conferences and other events, as well as access to the website, where the research is publicized. The academia outside Maputo, the media, and the private sector do not seem well informed about the Programme.

The topics covered in the Call for Papers did not respond to DEEF priorities and CEEG's work programme is not informed by DEEF policy priorities. There is no trace of dialogue between DEEF and CEEG about DEEF's research needs. Furthermore, the research undertaken by CEEG and the Faculty of Economy at UEM is not yet of sufficient quality to be used for advising government.

DEEF can be regarded as a 'centre of competence' within the Government structure, but it has very few senior Mozambican staff members. The competence does to a large degree depend on the technical advisors of the Programme.

Whether and to what degree the advice and the analysis produced by the Programme is being used by high level policy makers is a difficult question. However, the macro and the tax-benefit models are obviously used as an input to planning within the MEF and for policy discussions with IMF. The poverty analysis is widely used: it informs government initiatives and donor programmes, in that most of such documents refer to it, though it is difficult to point at exactly how it is used. However, the poverty data are explicitly used as part of the basis for one important policy: the allocation of financial resources (the intergovernmental transfers) to provinces, districts and municipalities partly depends on their poverty index.

The anchoring of the Programme in UEM/CEEG and MEF/DEEF should continue within the current phase. However, in the preparations for a second phase alternative options and the pros and cons of a broader engagement with additional stakeholders should be considered.

There is room for improving knowledge and use of the Programme's research by stakeholders, particularly among a wider range of civil society organisations and universities outside Maputo. Several options could be considered, including closer collaboration with other organizations with well-established channels of communication to audiences in the provinces. In the longer run the Programme could establish a user group with representatives from organizations using the research and organizations which can channel information to broader audiences.

## 1.4 Aid Effectiveness

The question of ownership is complex. The Programme is on the one hand based on dialogue and collaboration between institutions in Mozambique and Northern institutions, which has taken place over decades, which is an indication of ownership from both sides, South and North. On the other hand, KU and UNU-WIDER have been the ones drafting the programme and the ones taking initiatives to ensure that decisions are made and that the Programme progresses according to the plans. Mozambican institutions are duly consulted, and therefore it can be said that the Programme operates in accordance with wishes expressed by Mozambican institutions.

At present, there is not sufficient capacity in DEEF and CEEG to make full use of the support provided by the Programme. The absorption rate in the beneficiary institutions is low and this is also reflected in the low rates of budget execution.

The MTR learned that other international development partners, including the World Bank, also using funds to be provided by DFID, have advanced plans to support the same institutions (DEEF/MEF, CEEG/UEM) as the Programme under review. This finding raises questions related to harmonization of donor approaches, division of labour, the risk of duplication, and the aid management capacity of the Government.

## 1.5 Sustainability

The Programme aims at building capacity of CEEG and DEEF. However, the financial crisis and Government’s measures to cut expenses undermine the sustainability of this capacity.

Staff at DEEF is attracted to positions outside Government, where salaries are higher and service conditions are more attractive. As a short-term measure, the trainees at DEEF, who are paid by UNU-WIDER, could in principle replace the staff that has been lost. However, their contracts with UNU-WIDER will expire, some of them as early as June 2019. UN regulations bar UNU-WIDER from extending their contracts further. Thus, unless immediate action is taken to retain the trainees, DEEF is likely to become more and more understaffed and more and more dependent on external technical assistance.

A longer-term solution to be considered would be to increase salary levels and improve service conditions at DEEF to ensure a higher retention rate. Non-monetary motivational factors should also be considered. Interviews with current and former employees at DEEF indicated that they were highly motivated by their possibilities to be trained and develop new skills, by the analytical work that they find interesting, by being of service to their country and by being recognised by their colleagues and superiors. It seems that more could be done to bring these factors fully into play. Some respondents were unsure about their future work and did not know whether there was a plan for developing their technical area. Furthermore, individual plans for training and career development had not been made.

## 1.6 Summary table of main findings, conclusions and recommendations

Table 1-1 *Main findings, conclusions and recommendations*

| Findings  | Conclusions   | Recommendations  |
|---|---|--|
| <b>Recommendations related to a Second Phase</b>  |   |  |
| The Programme has achieved positive results in the form of relevant research of good quality, building capacity within beneficiary institutions and training of trainees ready to join the institutions | It will be relevant to continue the Programme beyond 2020 | 1) Programme partners should plan a Second Phase given the positive results achieved so far and the need for further development of capacity in this area. |
| DEEF is unable to retain core staff and it is unable to replace the staff it loses due to the freeze on new recruitments. The future of trainees is also not clear.                                     | The capacity built by the Programme is not sustainable    | 2) DEEF/MEF must address the issues related to sustainability of results, in particular with regard to retention and recruitment of staff.                 |

| Findings  | Conclusions  | Recommendations   |
|---|--|---|
| <p>The Central Bank and the Revenue Authority have autonomous status and provide compensation packages that enable them to retain key staff</p>   | <p>DEEF needs a similar status within the government structure</p>   | <p>3) DEEF/MEF and the donors should assess the alternative option of developing capacity for economic policy analysis and research on inclusive growth in an autonomous government institution outside MEF during the next phase of the programme.</p>   |
| <p>The programme structure is complex. But the current approach works, and the administrative costs do not seem to be excessive.</p>  | <p>The current structure makes it difficult to set priorities and it does not promote national ownership</p>   | <p>4) Programme partners should consider a simpler management structure for a possible Second Phase. This could be based on a common fund managed by DEEF, which will promote national ownership, but which also depends on Government being able to re-build trust; or a common fund managed by UNU-WIDER or another Fund Manager.</p> |
| <p>There are very few female researchers and analysts in economic policy research. The Programme has taken measures to address this imbalance, but it does not have an explicit gender strategy.</p>        | <p>The current male dominance in this area will be replicated and prevail, unless a more systematic approach to counteract the imbalances is adopted</p>                         | <p>5) Programme partners should ensure that a possible Second Phase includes an explicit gender strategy.</p>   |
| <p>The Programme aims at inclusive growth focused on creation of jobs and business opportunities for the poor. However, research on small-holder agriculture was not included in the current programme.</p> | <p>Small-holder agriculture and the informal sector, where women are predominant, have not been given the priority they deserve considering the objectives of the Programme.</p> | <p>6) Programme partners should ensure that development of small-holder farming is one of the inquiries in a possible second phase of the programme.</p>  |

| Findings   | Conclusions  | Recommendations   |
|--|--|---|
| <b>Efficiency</b>  |  |   |
| Most of the research at CEEG is not relevant for DEEF. The "Call for Papers" has stimulated the interest for doing research not only in CEEG, but in the Faculty as a whole.   | A lot of support is needed to develop research capacity at CEEG and this is more feasible, if conducted on a smaller scale.  | 7) CEEG should apply a more focused process in the call for papers where DEEF is involved in the formulation of research topics. This would lead to fewer and more policy relevant papers.  |
| Up to now only members of the Faculty of Economics at UEM have been able to respond to calls for papers. However, there is also a resource base outside UEM.   | It would be desirable to seek applications outside the Faculty of Economics in UEM, extending to other Universities in Mozambique, including those outside Maputo. | 8) CEEG should allow a wider audience to apply to call for papers, including researchers residing in provinces.   |
| Female researchers are under-represented in the research done by CEEG  | Some positive discrimination measures should be introduced   | 9) CEEG should seek to prioritise opportunities for female researchers.   |
| <b>Effectiveness</b>   |  |   |
| CEEG's work programme is not informed by DEEF policy priorities, and there is no dialogue between DEEF and CEEG about DEEF's research needs. Furthermore, the research undertaken by CEEG and the Faculty of Economy at UEM is not yet of sufficient quality to be used for advising government. | The potential for synergies between DEEF and CEEG is utilised only to a very limited extent.   | 10) DEEF and CEEG should have regular technical meetings to strengthen collaboration and discuss programme priorities and joint activities.   |
| There is room for improving knowledge and use of research outputs by stakeholders, particularly outside Maputo.  | There is a need to collaborate with organizations with well-established channels of communication to broader audiences, including audiences in the provinces       | 11) The Programme should collaborate more closely with organizations/actors with a broad outreach to ensure that policy briefs and research results in general reach a broader audience and stimulate public debate (including media, civil society, parliament and academia at the province level) |

| Findings  | Conclusions   | Recommendations   |
|---|---|---|
| Research outputs and policy briefs are not targeted to different audiences  | A user group might provide channels of communication to broader audiences and it might help the Programme to adapt the information to different target groups   | 12) The Programme should in the longer run establish a user group with actors able to provide advice on how and what to communicate and able to channel some of the products to a broader audience. |
| Top policy makers often do not take part in long conferences open to the public. Some prefer smaller audiences of high-level policy makers and their close advisors.      | Alternative arrangements/venues for top policy makers should be considered  | 13) The programme should consider smaller, closed sessions on the same topics targeted at high level policy makers, in addition to conferences, which are open to the public.                       |
| <b>Aid effectiveness</b>  |   |   |
| The World Bank is currently preparing a project co-funded by DFID which is to provide support to the Faculty of Economics at UEM, the MEF/DEEF and the Revenue Authority. | There is a potential for synergies but also a danger of duplication   | 14) DEEF/MEF and CEEG/UEM should call for a joint meeting with parties providing or planning to provide support to DEEF and CEEG to ensure they all collaborate effectively.                        |
| <b>Sustainability</b>   |   |   |
| The trainees are an essential resource for both research and building the future sustainability of the programme.   | The trainees at DEEF could in principle replace the staff that has been lost. The trainees attached to DEEF are paid by UNU-WIDER. However, their contracts with UNU-WIDER will expire, some of them seem to expire in June 2019. UN regulations bar UNU-WIDER from extending their contracts further. Thus, it is urgent to find another solution. | 15) DEEF and the Programme should in the immediate future make a concerted effort to associate trainees with DEEF until such time where they can join the regular staff of the Ministry             |

| Findings   | Conclusions   | Recommendations   |
|--|---|---|
| <p>The employees at DEEF were highly motivated by possibilities to be trained and develop new skills and by being recognised by colleagues and superiors.</p>  | <p>There is a potential for bringing non-monetary motivational factors into play</p>  | <p>16) DEEF should strengthen non-monetary motivational factors by agreeing with staff members on career plans and/or training plans; and by taking specific measures for retention of female staff</p>                     |
| <p>Some employees at CEEG and DEEF were unsure about their future work and did not know whether there was a plan for developing their technical area. Furthermore, individual plans for training and career development had not been made.</p> | <p>There is a need for clarifying future perspectives for the employees both at the organizational level and in individual career plans</p> | <p>17) CEEG and DEEF should prepare clear plans for the career development of the trainees, which may include masters level study in some cases and sustained future work opportunities within CEEG, DEEF or elsewhere.</p> |



## 2 Introduction

### 2.1 Rationale and Purpose of the Review

The Terms of Reference (ToR) of the Mid-Term Review (MTR) state that "the main rationale of the MTR is to provide recommendations which would feed into planning for a possible extension or a second phase of the Programme.

Secondly, the MTR shall assess if any immediate changes or modifications are needed to improve the efficiency, effectiveness, or the use or sustainability of the results during the implementation of the current phase."

In line with this purpose the MTR is to draw up the perspectives and make recommendations for future cooperation beyond 2020, i.e. to:

- 1 Assess whether support after the current period is merited?

And if so:

- 2 Analyse and discuss what could tentatively be priority activities including research themes.
- 3 Discuss what forms and modalities, including additional international partners, might be appropriate for a possible, continued cooperation and support to Development Economics Research and Capacity Building.

The Team has borne this in mind throughout the review process. The MTR has on the one hand analysed the results of the programme achieved so far, while it on the other hand has been forward-looking by assessing how far the support should be continued and if so, whether changes should be made.

### 2.2 Implementation of the Review

The ToR list a number of issues to be addressed and review questions in relation to DAC evaluation criteria. The Team has used these questions/issues to develop the review matrix presented in Appendix I. For each of these questions the

Team has indicated the approach and methodology applied to respond to the question.

The review process started on 4<sup>th</sup> of March 2019 and had three major phases: inception with a desk study, field with interaction with stakeholders in Mozambique, and reporting as shown in the table below.

Table 2-1 *Review phase*

| Schedule      | Actions   |
|---------------|---|
| 04.03 – 12.03 | Desk study, preparation of draft inception report   |
| 19.03         | Kick-off meeting at Finland’s Embassy in Maputo   |
| 18.03 – 29.03 | Field work in Maputo  |
| 29.03         | Presentation of preliminary findings and recommendations to the Implementing and Development Partners in Maputo |
| 01.04 – 10.04 | Writing of draft report   |
| 10.04 – 26.04 | Comments from the Implementing partners and the Development partners  |
| 29.04 – 03.05 | Writing of the final report   |
| 08.05 – 2019  | Presentation of the final report  |

### 2.3 Methods for collecting and analysing data

The Team applied a conventional inductive method for data collection and analysis. Data from various sources were triangulated. One of the methods applied was a validation workshop/ debriefing at the end of the field phase, where the Team’s preliminary findings were presented.

The Team conducted two surveys: 1) a questionnaire survey on knowledge and use of products from the Programme among the representatives from stakeholder institutions, and 2) an e-mail-based survey sent to all participants in training courses conducted by the programme.

In the first survey, respondents were representatives from stakeholders’ institutions listed in Appendix C, which is a purposively selected sample of a wide range of stakeholders.<sup>1</sup> The Team made a simple statistical analysis of these survey data. The results of the survey are described in Appendix D. The second survey is described in Appendix E.

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<sup>1</sup> Persons belonging to the implementing organizations (DEEF, CEEG, UNU-WIDER, and KU) were not included in the ‘Knowledge and use survey’.

## 3 Programme and context

### 3.1 Context

Following independence from Portugal 1975, Mozambique attempted a socialist system and centrally planned economy until 1986 and went through a devastating war from the late 1970s until 1992. It entered a transition period to a market-oriented economy from 1987. Since 1992, when the peace accord was signed, Mozambique achieved considerable momentum with respect to overall economic growth. In the period 1997 to 2015 the average GDP growth rate was 8%.

The economic growth has been accompanied by a substantial decrease in poverty. The headcount of consumption-based poverty decreased from 70% in 1996, to 53% in 2002, 52% in 2008 and 46% in 2014. Thus, Mozambique came a long way to meeting MDG goal number one (reducing the poverty rate with 50%). However, there are still substantial challenges related to persistent poverty in rural areas (72%) and in the centre (64%) and north (68%) of the country, which underlines the need for a more inclusive and balanced economic growth strategy.

The huge gas finds at the beginning of the decade made policy makers and observers expect a boom. Some expected Mozambique to become a middle-income country in not much more than a decade. However, the gas projects have been delayed compared to earlier plans — it will take time, therefore, for the revenues from the sector to flow in. Furthermore, the inflated expectations of huge revenues contributed to premature, undisclosed public sector borrowing, which led to a debt crisis. Especially state guaranteed loans at USD 2 billion to three private enterprises owned by the security services (Ematum, Proindicus and MAM), where the money cannot be accounted for, has attracted critique. When the undisclosed loans came out in 2015 the IMF and several other international development partners suspended their programmes in Mozambique and stopped further disbursement of development assistance via the Government of Mozambique. Thus, after 2015 Mozambique experienced a severe financial crisis and the GDP growth rate fell to 3-4% - barely above the population growth. The cost of purchasing a basic basket may have risen

between 55 per cent and 70 per cent from 2014 to 2016 and the national poverty rate may have risen to 55–60 per cent of the population, from 46,1 per cent estimated in 2014/15.<sup>2</sup>

Government reacted by cutting expenditures and implementing a freeze on new recruitments (except within priority areas, such as health, education and the police force). Staff leaving government service could not be replaced, only when three staff members left, one replacement could be recruited.

## 3.2 Predecessors to the current programme

The support to economic analysis units in Mozambique originated in the political and economic situation in Mozambique after the first democratic elections in 1994. The country faced challenges in reformulating its economic policies and lacked capacity to carry out the tasks. The Government of Mozambique recognised the need to improve economic planning and increase the capacity to formulate and implement an economic reform programme. In particular, it wanted to be better prepared in the negotiations with the IMF, the World Bank and the donors. Thus, in 1997, a unit, called the *Gabinete de Estudos* (GEST) was set up within the Ministry of Planning and Finance to provide policy advice directly to the Minister of Planning and Finance. Shortly thereafter, a contract for technical assistance from Harvard Institute for International Development (HIID) was concluded. The Harvard team was charged to assist with capacity building through on-the-job training within GEST as well as training and supervising at the University of Eduardo Mondlane over a five-year time horizon. Due to a variety of factors, especially the dissolution of HIID, support to GEST from Harvard University ended in December of 2002.

In January 2005 the Ministry of Planning and Finance was divided into a Ministry of Planning and Development and a Ministry of Finance and a new unit, Directorate National Directorate of Studies and Policy Analysis (DNEAP), was established under the Ministry of Planning and Development. Concurrently in January 2005 a new project, entitled 'Monitoring and Reducing Poverty: Policy Analysis and Training in Mozambique' and managed by the International Food Policy Research Institute (IFPRI) started its activities in DNEAP.

From 2007 to 2013 a project with the purpose to improve capabilities and practices within DNEAP was implemented. The technical assistance was provided by an international consortium originally lead by Purdue University. From 2008 University of Copenhagen-Development Economics Research Group (KU/DERG) assumed leadership of the consortium.

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<sup>2</sup> WIDER Working Paper 2018/61.

### 3.3 The Programme

The current Programme "*Inclusive Growth in Mozambique - Scaling Up Research and Capacity*" was designed 2014 – 15, when prospects for economic growth appeared to be excellent. It was meant to start in 2015, but due to delays it started in 2016 just when the financial crisis hit the country. It was originally a four-year programme; however, a fifth year was added, and it is now scheduled to continue to the end of 2020. The Programme is currently funded by Denmark, Finland, and Norway. Switzerland has also expressed interest in contributing.

The Programme consists of a series of activities that aim to add up to a comprehensive and consistent package of evidence-based policy responses, addressing the overriding development question of how to create better jobs and income earning opportunities for women and men in Mozambique.

The Programme is implemented jointly by the Directorate of Economic and Financial Studies (DEEF) in the Mozambican Ministry of Economics and Finance (MEF), the Centre for Economic and Management Studies (CEEG) at the University Eduardo Mondlane (UEM), with technical assistance from the Helsinki-based UNU-WIDER and from the Development Economics Research Group at the University of Copenhagen (KU-DERG).

DEEF was created in 2015, when the Ministry of Economy and Finance (MEF) was established. DEEF assumed all roles and responsibilities of DNEAP, plus important responsibilities previously exerted by the Directorate of Investment and Cooperation (DIC) of the former Ministry of Planning and Development, and by the Directorate of Studies and Economic Analysis (DEAE) of the former Ministry of Finance.

CEEG was originally founded in 2010 by members of the Economics Faculty of the Eduardo Mondlane University (UEM). It sought to promote research in primarily economics and business linked to international development and seeks to promote partnerships for this work. This is in a context where faculty members have relatively little time for research; and where relatively few faculty members have a PhD.

The development objective of the Programme is to support inclusive growth that substantially improves the living standards of the majority of the Mozambican population. Four key goals are to contribute to the overall objective: (i) employment creation and protection of vulnerable groups; (ii) maintaining long-run macro-economic balance; (iii) furthering structural transformation; and (iv) improving socio-economic information systems for monitoring and evaluation.

It is recognised in the Programme Document that these objectives are ambitious, but that the Programme will contribute to these. However, the following outcome objectives are considered within reach of the Programme.

1. Develop productive, forward looking and high-quality collaboration between the Government of Mozambique and the University Eduardo Mondlane through active and professional engagement between DEEF and CEEG.

2. Establish DEEF as an effective centre of competence within the Government of Mozambique for policy formulation and the elaboration of national and sectoral strategies leading to employment creation and protection of vulnerable groups, maintaining long run macroeconomic balance, structural transformation, and improved information systems for monitoring and evaluation.
3. Generate high quality advice and analysis accessible and used by high level policy makers within and outside the Government.

The programme consists of four inter-linked components: (i) inquiries; (ii) regular research and policy support; (iii) dissemination and communication; and (iv) training and capacity-building.

## 4 Main Findings of the MTR

The Terms of Reference is very clear about the main issues to be addressed by the MTR. In the following, an analysis is made of these issues and the major findings of the MTR-team are presented.

### 4.1 Relevance

All persons interviewed agreed that the current Programme is highly relevant and will continue to be relevant for years to come. This conclusion was confirmed by the team's own analysis of the economic situation and the development challenges facing Mozambique. It will continue to be critical for the Mozambican government, other high-level policy makers and the public at large to have easy access to high quality independent economic analysis and research that can influence public debate and policy making, in particular to move the country towards more equitable, inclusive and balanced economic growth.

#### 4.1.1 Do Programme objectives and strategies reflect the needs and priorities of Government and beneficiary institutions?

It is a major responsibility of DEEF to provide economic advice based on solid scientific evidence and one of its main activities is to assess poverty and inequality trends. The Programme aims to support DEEF in undertaking this task including by building the necessary capacity. That the Programme corresponds to the needs and priorities of DEEF has also been reflected in the dialogues between DEEF staff and the Team, where many have emphasized that the Programme is very important for them. Our discussions with CEEG and the Faculty of Economics suggest that they also find the programme aligned with their priorities.

As noted above, CEEG's primary focus is to carry out research in important development issues for Mozambique (the following areas are mentioned in the Inclusive Growth website: rural development, poverty analysis, business economics, labour market and macroeconomic policy). CEEG has an important role in capacity building in relation to Economics Faculty in UEM and its own trainees and has been involved in important data collection initiatives. The

programme is more specific than the objectives of CEEG, but CEEG's objectives are included among the programme objectives. Furthermore, stakeholders with in the information produced by the programme have all agreed that the research themes are relevant. This includes the organisations described as beneficiaries in the Programme's Research Uptake Strategy (IESE, CIP and OMR).

#### 4.1.2 Do research themes match changes in the context?

The four inquiries, or the four policy areas identified for the programme are all relevant. Indeed, any crisis makes poverty/inequality a still more important issue; macroeconomic balance remains essential; employment if anything becomes a bigger issue; and the need for good quality data becomes more important. The current focus also seems quite ambitious enough and it would not make sense to add new elements in the current phase, but rather to follow up on results of the current analysis.

The research areas and topics defined by the Programme have taken account of the current economic crisis. One publication analyses the current trends and concludes that there will be 'a bust before the boom' and another paper analyses the possibilities for diversifying the economy in a situation where foreign investors develop extraction of natural resources while local economic resources remain scarce.

What might be needed is to be more responsive to the results of the findings. The fact that growth and even poverty reduction has not been particularly inclusive over the latest period for which data is available is something the work agenda might respond to; which it would seem the Programme is already doing with for example a number of studies on inequality. The work done so far on natural resources seems very good and highly relevant in stressing that benefits that Mozambique may obtain from natural resources may accrue in the future and not in the short to medium term; and also, that there are many uncertainties associated with this.

Also following from the analysis, a greater focus in future on agriculture is warranted, and also more analysis of the geographic diversity of development, where remote rural areas are clearly left behind. The major part of the rural population will, as mentioned in the programme document, have to remain dependent on agriculture for a long time. In line with this the Programme aims at inclusive growth focused on creation of jobs and business opportunities for the poor, with particular care to smallholder agriculture and the informal sector where women are predominant. Agriculture features strongly in the five-year plan of government. Nevertheless, Government and many donors regard agriculture as problematic. They are 'disappointed' by the lack of results in the field of agricultural development and reluctant to invest in agriculture because their repeated attempts to make small-holders apply 'modern and more productive techniques' have largely failed. However, this Programme could approach small-holder agricultural development from a more realistic angle by emphasizing the importance of incentives, market access and trade.

### 4.1.3 Are cross-cutting themes considered?

Climate change is addressed only in the Appendices of the programme document,<sup>3</sup> in relation to the summary of main outcomes of support to DNEAP 2011-2014. It mentions research of impact of climate change in smallholder agriculture. Climate change is also featured in the note on inclusive growth of the Group of Technical Advisers. It focused on climate change as a global challenge and the strategic importance of global decisions on it to Mozambique, as a structural importer of oil and exporter of coal, gas, and electricity.

Inequality, on the other hand is mentioned throughout the programme document, in the following sections: contemporary challenges; institutional context; programme objectives and impacts, specifically in the monitoring and evaluation area; programme activities and outputs, in the dissemination activities; in the impact indicator section of the logical framework; the summary of main outcome from support to DNEAP 2011-2014; and the note on inclusive growth of the Group of Technical Advisers. It is safe to say that inequality is a main focus of the programme.

Gender is considered by the Programme in a number of ways. It is particularly mentioned in relation to monitoring and evaluation, with an aim generating and utilizing gender disaggregated data, *where feasible*. However, women feature as an interest group in other policy areas as well. On research on employment creation and protection of vulnerable groups, the document specifies that "specific attention is to be paid for creating equitable employment for women." Research on structural transformation is expected to produce a case for investment programmes beyond resource extraction, while paying particular attention to women as both entrepreneurs and job-seekers where opportunities arise. Within the programme there has been gender balance on the selection of trainees; more males than females have attended the training courses though this reflects the fact that there are more male than female economists in Mozambique.

The current five-year development programme of the Government has five priorities. The second priority is the development of human and social capital where the fifth strategic objective is to: "promote gender equality and equity in the different spheres of economic, social, political and cultural development, assuring the *protection and integral development* of the child and guarantee social support to veterans and poor and vulnerable people." These aspects, which we can also find in the Inclusive Growth Programme document, suggests that the programme objectives, as well as the gender considerations are very much in line with the government own development agenda.

According to the programme document, the Programme applies a rights-based approach. The Finnish MFA categorizes interventions as human rights blind, human rights sensitive, human rights progressive and human rights transformative. Based on this the Programme should be categorized as human

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<sup>3</sup> According to UNU-WIDER it was expected that IFPRI was going to fill this space. Thus, climate focus was not a focus of the Programme.

rights progressive due to its overall concern with reducing inequality, focus on vulnerable people and gender. The Programme is focussed on the right to information and is building the capacity of government as the duty the bearer. However, the programme has less focus on rights-holders like civil society and the general public. In the section on effectiveness we argue that the Programme should engage with a broader range of stakeholders and based on this we have two recommendations to that effect.

#### 4.1.4 Contribution to Finland's Country Strategy in Mozambique

The Good Governance impact area of Finland's Country Strategy in Mozambique is aimed at promoting "evidence-based policy-making and public debate through the availability of quality research and improved accountability, and transparency in the management of natural resources by supporting elected representatives' oversight capacity in national and local level parliaments in selected provinces."<sup>4</sup> This impact area also aims to "to assist Mozambique, through informed and participative decision-making, in making the best possible use of its natural resources for inclusive and sustainable development." Similar goals can be found in the strategies adopted by the other development partners, financing the programme.

The Programme is clearly contributing towards these goals. It produces research with the aim of promoting public debate and more evidence-based economic policy making and it has set for itself to promote knowledge of the role of the natural resource sector within the economy and energy sectors.

## 4.2 Efficiency

At this stage it is not possible to arrive at definite conclusions on the efficiency of the programme. During the first two years, spending by the Mozambican institutions was low but high by the two institutions providing technical assistance. This is a normal pattern in this type of programs, and it is likely to be more balanced when the Programmes come into its final years. The programme management and administrative structure is complex, but perhaps necessary to ensure a smooth implementation. There is a need to find arrangements, which promote national ownership to the Programme.

### 4.2.1 Programme design

The Programme has a well-designed results framework. The intervention logic is clear in the sense that each underlying level clearly produce/contribute to objectives at the higher level. The objectives defined at the highest level can be seen as (too) ambitious. However, this is in line with the original ideas behind LFA: the overall objective provides the overall direction and the intervention will

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<sup>4</sup> Ministry of Foreign Affairs of Finland. (2017). COUNTRY STRATEGY FOR DEVELOPMENT COOPERATION MOZAMBIQUE 2016-2019. SBN 978-952-281-511-8.  
<http://formin.fnland.f/developmentpolicy>.

only be able to contribute to achieving this.<sup>5</sup> At the lower levels, where the Programme is (more or less) in control, the Programme also seems to have set quite ambitious targets.

The definition of outcome objectives is, relatively speaking, the weakest part within the results framework. The outcome objectives are less clearly defined. E.g. DEEF and CEEG have to develop 'productive, forward looking and high-quality collaboration' and DEEF is to become 'an effective centre of competence'. The indicators defined for these objectives are rather unspecific assessments, which the Programme has used for providing a baseline. However, this weakness is clearly recognized by the programme document and the Team agrees that it is not easy to define clear and objective indicators in this field. Gender and women aspects are reflected in impact and output indicators. They are absent from the outcome indicators.<sup>6</sup>

The Programme document identifies attraction and retention of highly qualified professionals and researchers at both DEEF and CEEG in a very competitive labour market as a main challenge and risk. The strategic response from the Programme to mitigate this risk is to 'invest every year in a sufficiently large number of newly recruited young professional, men and women, to allow for the minimum needed at MEF and UEM-FE in addition to those moving elsewhere.' (page 31).

The Programme has prepared a specific Strategy for the Sustainability of the Programme. The strategy identifies the major risks and state how they will be mitigated. However, when it comes specifically to ensuring sustainability the strategy could be clearer and more specific. As the capacity building strategy to a large degree is staff training the beneficiary institutions' ability to attract, employ replace and retain staff that has been trained is crucial. In line with this the paper states that that the programme tries to attract good people, give them the necessary tools to function and then to retain them. But what the programme will do to retain trainees is not specified. It is also stated that the programme will attract young recruits and seek to provide an institutional framework that enables a period of service within government. But it is not detailed what is done to provide an institutional framework, the only concrete measure described is that that students will be required to work at DEEF or at CEEG during and after their studies and that their wage costs will be fully supported by the project. This is a pragmatic measure financed by the programme to enable DEEF and CEEG to retain students. However, it is a weakness that the strategy does not consider how DEEF and CEEG could maintain their capacity (without the programme helping it to replace lost staff) after the programme period.

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<sup>5</sup> The LFA approach has gradually been eroded by 'a bureaucratic mindset' according to which the programme should never be seen to promise something it is not certain it can deliver.

<sup>6</sup> UNU-Wider has stated that in their opinion none of the outcomes can be achieved without gender balance.

#### 4.2.2 How far is gender considered in the design?

The programme document and progress reports refer to stakeholders in groups (parliament, media, civil society), without specifying type of organization, while the Research Uptake Strategy is more explicit about the stakeholders. Civil Society Organisations are part of secondary audiences, and four organisations focused on economics have been targeted, namely IESE, CEPPAg, CIP, OMR. This means that women's organisations, who traditionally focus on rights and not economics, were not considered as target groups.

The contextualization of the programme document mentions women twice, in relation to literacy and in relation to life expectancy. Otherwise, it tries to keep a balanced discourse when mentioning beneficiaries of the programme and researchers, who should be women and men. Despite these considerations, the programme document falls short of acknowledging that women are particularly affected by the social and economic context of the country. For example, their lower levels of illiteracy compromise their access to the formal market. Or the fact that they comprise the majority within the informal sector and agriculture, sectors of major interest of the programme, is not sufficiently stressed. However, it should be acknowledged that subsequently there have been studies that have addressed precisely the issues of determinants of women's participation in the labour force, gender inequality in employment and the gender divide in agricultural productivity in Mozambique.

The programme document states that gender balance of participants is sought at all levels of intervention (research, training, output production and conference participation). It has also considerations about gender disaggregated data, and equal employment opportunities for men and women.

#### 4.2.3 Budget and use of resources

The Programme was designed as a four-year project starting in 2015 and with a budget of USD 10,488,657. However, the Programme only started in 2016, though one of the implementing partners, UNU-WIDER initiated some activities and spent a small amount already in 2015).

The donors later made more commitments, which increased the budget to USD 12,994.700 and a fifth year was added. The Programme budget, which was revised in December 2017 is in the table below.<sup>7</sup>

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<sup>7</sup> The budget for KU is larger in 2019 and 2020 than in the preceding years because from January 2019 the Programme coordinator is no longer WIDER director but part of the KU group and the time he puts into the programme will mainly be charged to KU. In addition, a series of research/survey activities will be implemented through KU. Finally, an extra post doc has been recruited to make sure the Programme can deliver on key activities.

Table 4-1 Revised Programme Budget (in USD)

|       | 2015    | 2016      | 2017      | 2018      | 2019      | 2020      | Total      |
|-------|---------|-----------|-----------|-----------|-----------|-----------|------------|
| DEEF  |         | 499,600   | 649,933   | 651,953   | 453,993   | 453,993   | 2,709,473  |
| CEEG  |         |           | 260,000   | 385,853   | 442,046   | 447,102   | 1,535,000  |
| KU    |         | 505,117   | 354,784   | 398,123   | 1,068,224 | 1,018,613 | 3,344,859  |
| UNU-W | 121,032 | 555,081   | 1,272,393 | 1,339,582 | 1,143,539 | 1,143,539 | 5,405,368  |
| Total | 121,032 | 1,559,789 | 1,990,923 | 2,968,489 | 3,353,989 | 3,000,468 | 12,994.700 |

The Consolidated financial status report as of 31 December 2018 shows that the northern partners spent what was budgeted while the execution rate of the Mozambican institutions was much lower; they spent only a third of what was budgeted. KU-DERG spent 8% more than budgeted for the first three years and UNU-WIDER spent 4% less than budgeted (refer to Appendix F with the detailed data for KU and UNU-WIDER).<sup>8</sup> The two tables below on DEEF’s and CEEG’s expenditures shows that they had spent much less than budgeted during the first three years. DEEF spent 38% of the funds budgeted. This was mainly due to underspending on long-term training, which is the major budget line (62% of DEEF’s budget). At the end of 2018 CEEG had only spent 27% of the revised budget. This is an indication of low absorptive capacity in the Mozambican institutions. The low absorptive capacity seems basically due to management not being able to sort out issues in time: in DEEF the management function is overburdened and in CEEG implementation was initially hampered by a conflict between CEEG and the Faculty of Economics. Underspending by the Mozambican partners was also a problem for the projects preceding the current Programme.

Table 4-2 DEEF’s revised Programme budget and expenses 2016-18 (USD)

|                        | Budget    | Spent   | Balance   |
|------------------------|-----------|---------|-----------|
| Research - Consultants | 88,805    | 71,711  | 17,448    |
| Equipment and inputs   | 62,069    | 134,518 | -72,449   |
| Vehicle                | 80,000    | 90,008  | -10,008   |
| Short-term training    | 139,805   | 130,733 | 9,072     |
| Long-term training     | 1,120,000 | 81,492  | 1,038,509 |
| Travel                 | 90,000    | 71,054  | 18,946    |
| Dissemination          | 111,007   | 0       | 111,007   |
| Administration         | 79,800    | 90,523  | 10,723    |
| Contingency            | 30,000    | 12,435  | 17,565    |
| Total                  | 1,801,486 | 682,080 | 1,119,406 |

<sup>8</sup> The budget in the contract covers the full programme period – it is not annualised. There are many reasons for small variations in relations to the yearly budget plans including exchange rate fluctuations, salary fluctuations etc.

Table 4-3 CEEG's revised Programme budget and expenses 2016-18 (USD)

|                                     | Budget  | Spent   | Balance |
|-------------------------------------|---------|---------|---------|
| Research based on thematic projects | 46,081  | 0       | 46,081  |
| Research based on CEEG outputs      | 292,567 | 73,821  | 218,746 |
| Equipment and inputs                | 13,234  | 13,127  | 107     |
| Travel                              | 12,948  | 10,230  | 2,718   |
| Short-term training                 | 92,450  | 12,617  | 79,833  |
| Long-term training                  | 80,000  | 1,396   | 78,604  |
| Administration                      | 78,248  | 45,250  | 32,998  |
| Contingency                         | 30,326  | 16,755  | 13,571  |
| Total                               | 645,854 | 173,197 | 472,657 |

UNU-WIDER charges a standard rate of 13% on all expenses. KU charges a rate of 20%, but only on salaries and benefits, which amounts to a rate on all expenses similar to the one charged by UNU-WIDER.<sup>9</sup> When comparing the administrative costs to actual expenses the Mozambican institutions have charged rates of the same magnitude, thus, for the whole programme the percentage spent on administration was 14% in relation to actual spending in the period 2016 – 2018. This seems reasonable.

#### 4.2.4 Programme implementation within CEEG

CEEG was involved in the Inclusive Growth programme as a key partner from the beginning. In the 2016-17 period it spent relatively little of its own budget. Up until the first trimester of 2016, it had a grant from the Africa Capacity Building Foundation. But its primary activity over the 2016-17 period was collecting the data for the Enterprise and University to Work Transition Surveys, the costs of which were covered by the UNU-WIDER budget. As these are major outputs of the programme, CEEG's organisation and conduct of the data collection was clearly very important. It was also clearly very time consuming, allowing less time for the then CEEG director to focus on supporting research activities. These data also provide opportunities for future research.

CEEG currently has four trainees and DEEF another three. There are three different groups of trainees that started in February 2017, March 2018 and September 2018, hosted by both Mozambican partners. The CEEG /DEEF trainees were paid for from the UNU-WIDER budget. Of the first four, two have graduated from the programme and are currently employed on a consultancy basis, and the two others are enrolled in the Pre-Masters Programme in Economics at Essex, pursuant of a master's degree. There are currently another five CEEG/DEEF trainees. The trainees were selected from among the best

<sup>9</sup> We have been informed that KU normally charges 40%.

graduates from UEM; four of them are female. In addition, one of the two trainees on a two-year master's programme in the University of Essex is female.

The CEEG/DEEF trainees have participated in different training courses run by the programme. They have researched in different areas including the school to work survey education, health, macroeconomics, the labour market and the impact of the crisis on poverty. Some have also been involved in data collection activities. They present their work to each other in seminars and most have presented their work in conferences and/or as posters. They seem to receive good supervisory support from the resident UNU-WIDER research fellows, and some have had the opportunity to work with them. It would be good also to create more opportunities for them to develop expertise in engagement with policy makers, including training on preparing policy briefs and on communication to policy audiences.

The trainees are articulate, highly motivated and are working on interesting and relevant issues. They are developing a very good level of skills and many would be well placed to be future students on MSc programmes (in Portuguese or, with more time in some cases, in English).

This is a clear important success of the programme. That said the question of the longer-term career options for these trainees within or outside the programme is one that needs to be carefully considered. Some might be able to continue to positions in DEEF if hiring opportunities can be made available, but in the current climate thought needs to be given to what will happen if this is not the case. Also, there should be potential for some of these trainees to obtain positions on a longer timescale in the Economics Faculty in UEM. This will clearly require them to complete international master's programmes (and ideally PhDs in the future). Some of the trainees would seem to have very good potential for this.

A second major activity in CEEG in 2018 was the Call for Papers it launched, targeted to faculty employed in department of economics in UEM. 49 papers were received on which 35 were accepted; some individuals submitted more than one paper. Papers were invited in a wide range of areas; peer reviews were conducted to decide which papers to accept. Good guidance seemed to be given in terms of how to prepare a research paper; and a training course was also conducted on this. The level of payment for an accepted paper varied depending on the seniority of the applicant but averaged around \$6000. The paper was to be completed within a period of five months.

The review process was conducted quite carefully and well, and useful feedback (and basis for decisions) provided in most cases. It is important to recognise that reviewing is also a skill that faculty may need to learn how to do. The process succeeded in identifying more promising papers. Some cases of plagiarism or self-plagiarism were identified and excluded. The accepted papers cover a wide range of topics. The papers were often dated in terms of approach and sometimes even in relation to the research questions; and they were frequently dated in terms of the literature referred to and used. This though probably reflects the limited research experience of faculty members; and this is

very much a capacity building exercise. Similar challenges arise in other exercises of capacity building in Africa.

There was also a good process of review of submitted draft papers and of revision of the papers. The average quality though is not that high; it is unlikely that many of the papers will be of sufficient quality to be brought out as WIDER working papers but hopefully quite a few can be brought out, often with further revisions, as CEEG working papers in Portuguese.

The call for papers was a first test to be able to judge the capacity to conduct research among members of the faculty of economics. Another call for papers has now been done on a similar basis.

There are likely to be important lessons to learn from the first experience. First this was a major expense, with 35 accepted papers at an average cost of \$6000 each. A more limited and targeted approach would make more sense in future, and with applicants being limited to only one project. A lot of support is likely to be needed to develop research capacity and this is more feasible by conducting this on a smaller scale. It would also be highly desirable to seek applications outside the Faculty of Economics in UEM, extending to employees of DEEF but also to other Universities in Mozambique, including those outside Maputo. A more limited focus of research questions is also likely to be highly desirable, and this will also make the supervision process more manageable.

Finally, as female researchers are so under-represented, some positive discrimination in this area should be considered. Women, even the highly qualified, often need more mentoring, particularly in writing papers. They also need to be pushed into the spotlight. It should be mandatory that participating researchers produce papers and present in conferences. When it comes to scholarships, it is often important for women that they are able to take their family along when they study. This increases expenses but funds spend on women often go a longer way – also in relation to advancement of careers. Quotas could be considered, but without compromising quality. For women that do not meet the threshold but show potential extra exams could be considered, to see if they have the necessary quality.

It is recognised that by now the call for papers has already been done; but the choice of what projects to support has still to be made and we would suggest that as far as possible the above factors be taken into account in making this choice.

These have been the main activities of CEEG over this period. The data collection, management of the call for papers and supervision of research trainees do demand a lot of management support, which is really only provided by the Director and the resident UNU-WIDER Research Fellow. While this seems to be conducted well, this is a big demand on their time.

#### 4.2.5 Programme implementation within DEEF

DEEF was created in 2015 after the Ministry of Planning and Development and the Ministry of Finance were merged into the new Ministry of Economics and Finance (MEF). DEEF is tasked with the responsibility to provide economic advice to inform policy making, to formulate the Medium-Term Fiscal Framework (CFMP) and to coordinate sector policies. DEEF is in many ways the Ministry's link to the various sectors and to the outside world in general. Thus, there are many competing demands on DEEF and the national director who is heading DEEF.

DEEF is divided into four departments: Macro Studies, Population Studies, Sectoral Policies, and Public Investment. The programme has mostly worked with the first two of these.

There has been a major focus on supporting the Department for Population Studies in the analysis of poverty data. Earlier programmes have helped analysing the different rounds of household budget surveys undertaken by the National Statistics Institute (INE) in 1996/97, 2002/03 and 2008/09.<sup>10</sup> The current programme assisted DEEF in the processing and analysing the household budget survey data collected in 2014/15. In addition, the Programme has introduced the multi-dimensional poverty concept and has helped the department preparing a multi-dimensional poverty profile, which is a useful supplement to the 'traditional' consumption-based poverty profile. Three staff members within the department have been trained to undertake this work of which one has subsequently been lost. Currently there are only two professionals in the department plus one who is undergoing Masters' training in Portugal. However, if no more staff is lost and the Masters' student returns the current staff of the department plus the two past trainees referred to below (who have had advanced training in poverty analysis) will be able to process and analyse the next round of household budget surveys conducted by INE 2019/20 under the supervision of and with some support from a technical assistant when the 2019/20 data from INE will be ready for further processing and analysis in the beginning of 2021.

The Macro department had an outdated macro model for describing the Mozambican economy and predicting the effect of external changes and policy changes. The Programme has therefore re-built the macro model. However, two of the staff members who took part in building the model have left and at present the remaining professional staff members are not able to fully operate the model. Thus, application of this model remains largely dependent on the UNU-WIDER technical assistant placed in DEEF, as well as one of the trainees who works on the model.

The Macro department and the Department for Population Studies have collaborated on building a tax-benefit simulation model, MOZMOD, underpinned

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<sup>10</sup> The household budget surveys in Mozambique are known by their Portuguese acronym, IOF (Inquérito ao Orçamento Familiar).

by the data from household budget surveys.<sup>11</sup> The staff of the Macro department has been trained in using this model. Currently, they are able to use the MOZMOD with some support from the technical advisor.

The programme (through UNU-WIDER) also supported three trainees based on DEEF, working mainly on macroeconomic issues and undertaking good quality work. Two past trainees are currently enrolled in masters level study in the University of Essex.

#### 4.2.6 Are resources used for the intended results?

Key outputs to be produced by the programme were the different large-scale Inquiries, with the following foci:

- > Poverty and welfare
- > Enterprise analysis
- > Structural transformation
- > Labour market opportunities.

The Poverty and Welfare Inquiry is based on the careful analysis of the survey conducted by INE; it was completed in 2016 and extensively discussed within government. It shows success in poverty reduction over the period considered, but with poverty increased in some provinces, notably in the north, and it reports increasing inequality – the opposite of inclusive growth. But it is important to be careful not to draw too strong conclusions from comparisons of two points in time. It has led to follow-up studies on poverty and notably inequality.

The enterprise analysis and labour market enquiries have both been based on surveys conducted as part of the programme. This is an important contribution. A comprehensive report was produced based on the enterprise survey, which followed up on enterprise surveys five years before. The report was published in 2018 and is a comprehensive and thorough analysis of the data. There is the basis for more work based on this data in future. The labour work is based on a survey of university graduates and intends to look at their transitions into the labour market. The baseline survey has now been conducted. This is another important contribution to data and future research in Mozambique, and some work has already been done using the baseline. However, in future it could be valuable to have a similar study on transition from school to work for the large numbers of Mozambicans leaving full time education at much younger ages given its importance for poverty.

The programme reports 50 research outputs on its website, comprising 5 journal articles, 33 WIDER Working Papers, 7 other working papers, 4 reports and one data base. This is an impressive rate of output and is entirely consistent with the

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<sup>11</sup> MOZMOD is based on the EUROMOD model developed over 20 years by the University of Essex and used in over 25 countries in Europe. UNU-WIDER participates in a major research project, SOUTHMOD, which develops tax-benefit simulation models for selected countries including Mozambique.

quite ambitious output targets set in the Programme Document. It also has eight policy or research briefs, produced in the last 12-18 months

In terms of coverage of the topics many correspond to the key themes of the programme. 9 studies look specifically at poverty or inequality in Mozambique (plus 5 more generic studies in this area); 7 focus on agriculture; 6 on industry/manufacturing; 3 on labour, 3 on education and 2 on each of natural resources, tax simulation studies, social accounting matrices, the impact of price changes or shocks, and child health. Many of these also correspond to the four policy areas of the Programme, though some address other issues. Among the four themes there would seem to be less so far on macroeconomic balance and structural transformation, though the last is the focus of an Inquiry which seem to be taking place at present.

The quality of the output can be assessed in different ways, chiefly here in terms of its policy relevance and usefulness and in terms of academic quality. On the latter five papers have been published and others would seem to have potential for future publication. More important perhaps here is the relevance to the policy context in Mozambique. The poverty analysis and the data collection activities offer a lot of potential to have a big policy impact. The poverty work already has had some impact, both in relation to the public policy debate and in more practical terms, for example to develop criteria for allocation of financial resources to sub-national levels of government. Over time there is scope to build on this, for example thinking about policies to address the rising inequality. Other activities like the tax simulation work, the agriculture work and the social accounting matrices could offer important policy impacts though much of this is perhaps not yet seen. The overall quality of the work though does appear to be very good and the work would also appear to have been conducted on a timely basis.

A more detailed assessment of the research outputs is presented in Appendix G.

#### 4.2.7 Assessment of the training – results from a tracer study

The programme has run a number of training courses as part of its capacity building efforts, which have been led mostly by UNU-WIDER Research Fellows and/or researchers from the University of Copenhagen. These training courses were mostly delivered in Portuguese. The programme kindly shared with us the names and email contacts of everyone who participated in one or more training course, which was in the order of 100 people. We conducted an e-mail-based survey sent to all participants in the training courses; we received 36 responses, with a number of respondents from each of the courses run as part of the programme.

The questions focused on the relevance and usefulness of the course, the quality of the course itself and the extent to which it provided useful skills, as well collecting the profile of the respondents. The detailed results are presented in Appendix E in the form of summary pie charts but here we summarise main features of the results.

Respondents were mainly from the Faculty of Economics in UEM, UNU-WIDER and DEEF, though there were others. 30% were female. Trainees, university professors and students made up the largest number of respondents, and almost everyone felt language was not a barrier (often because the courses were in Portuguese). In terms of the assessment of the courses themselves, almost everyone who responded felt they learned useful skills and also found the courses relevant in some way even if not for their current area of work. Nearly 80% found the course appropriate and 75% considered it to be of good quality.

As only about a third of the ones who had attended a training course responded the survey might provide a biased picture. However, the trainees with whom we spoke corroborated the positive assessment. They felt that they did not know enough skills by the end of their first degree and that the training courses helped develop their skills and that they would have liked the training courses to run a little longer. Thus, we will conclude that the training courses are a very positive feature of the programme; they are well received and seen to be valuable.

#### 4.2.8 Management and administrative arrangements

The structure of the Programme is complex: three donors (potentially four) providing funds through different modalities; four implementing partners (two providing technical assistance and two receiving technical assistance) each one managing their 'own' part of the budget. The complex flow of funds is partly due to the crisis of trust caused by the revelation of the hidden loans in April 2016. Thus, programme donors (as well as donors in general) became less willing to provide funds directly to government institutions.<sup>12</sup> Denmark is the only programme donor who has disbursed funds to the Mozambican partners through the treasury account (CUT), while Finland and Norway have only disbursed to UNU-WIDER.

The Programme is governed by a Steering Committee meeting twice a year and it has a Project Director, the National Director of DEEF, who is over-burdened. However, the Programme Coordinator, who has developed relationships to the Mozambican institutions over decades has been able to ensure a rather smooth implementation of the programme despite residing in Helsinki/Copenhagen. It is a definite advantage that he has a stake in both UNU-WIDER and KU-DERG and that there are clear agreements between the two institutions. The Programme has also benefitted from constructive attitudes from the partners involved.

The current arrangements work, but they are not ideal for setting overall priorities. It appears to be a set of ad-hoc arrangements, which have become institutionalised with little move towards enhanced national ownership. It has become a programme which is relying on external technical assistance and leadership. The National Director of DEEF stated that he would prefer a simpler structure based on a common fund, managed by DEEF. The likelihood of a government managed common fund structure in the next phase depends on the

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<sup>12</sup> According to the index from Transparency International corruption has been increasing in Mozambique. The country has decreased from 143 to 158 in the world ranking.

progress and success of government to rebuild trust in its systems and fight corrupt practices. In addition, the low execution rate of the national partners so far is also an issue to be considered when decisions are going to be made with regard to the management of a future Common Fund.

Three modalities could be considered for the Second Phase:

- 1) The current set-up, which is complex but has proved to work, but which makes it difficult to set priorities and which does not promote national ownership.
- 2) A common fund managed by DEEF, which is simpler and promoting national ownership. However, this is based on the condition that government succeeds in re-building trust and that DEEF builds managerial capacity to execute the Programme.
- 3) A common fund managed by UNU-WIDER or another Fund Manager, which is simpler than the current set-up, and where the Programme management becomes able to set priorities and take overall decisions for the whole Programme. However, this set-up should be combined with a deliberate effort to promote national ownership.

### 4.3 Effectiveness

The Programme is effective in the sense that it produces high quality reports on topics of relevance to the inclusive growth agenda. The contributions of the programme to the national poverty assessment of Mozambique is outstanding. In a few other areas the research has influenced the agenda of the public debate, but generally there is a huge so far untapped potential for making better and wider use of the analytical work done, also in provinces outside Maputo.

The Programme Document has defined indicators for all outcome objectives. The MTR Team has made its assessment of 'the value' of each of these indicators, which informs the reports overall assessment of how far the outcome objectives have been achieved. The detailed assessment can be found in Appendix H.

#### 4.3.1 Is the research produced used by stakeholders?

The Programmes communication or outreach efforts have, as shown in the table below, been consistent and increasing since 2016, particularly regarding trainings, ad hoc events, policy briefs and social media presence. Most events are held in Maputo. The exception was the discussion of the poverty report in 2016, presented and discussed in several provinces.<sup>13</sup>

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<sup>13</sup> This section is based on a communication overview document prepared by UNU-WIDER to the Team; a Knowledge and Use Survey conducted with the 21 different user institutions we have interviewed; and a focus group discussion conducted with UNU-WIDER staff, the Finish Embassy and IESE.

Table 4-4 The Programme's outreach 2016 to 2018

|                             | 2016            | 2017             | 2018 | Total     |
|-----------------------------|-----------------|------------------|------|-----------|
| <b>Activities</b>           |                 |                  |      |           |
| Annual conference           | 1               | 1                | 1    | <b>3</b>  |
| Public fora                 | 3               | 2                | 5    | <b>10</b> |
| Trainings                   | 2               | 4                | 5    | <b>11</b> |
| Other events                | 3 <sup>14</sup> | 6                | 8    | <b>17</b> |
| <b>Research outputs</b>     |                 |                  |      |           |
| Reports                     | 1               | 1                | 2    | <b>4</b>  |
| Policy briefs               | 1               | 1                | 6    | <b>8</b>  |
| Working papers              | 12              | 12 <sup>15</sup> | 11   | <b>35</b> |
| Blog posts                  | 3               | 3                | 4    | <b>10</b> |
| Social Media                | -               | 4                | 9    | <b>13</b> |
| Other communication efforts | 3               | 1                | 3    | <b>7</b>  |

The Knowledge and Use Survey conducted by the MTR Team, which is described in further detail in Appendix D, deals with the effect of the Programmes communication by attempting to measure how far the research of the Programme is known and used by the beneficiary organisations and other stakeholders. To assess outreach outside Maputo, we have considered institutions/entities with networks, partners or readers in the provinces as organisations with outreach

The survey found that there is a reasonable knowledge and use of the research produced by the Programme. Over half of the respondents had knowledge of the Programme. The majority of those who know the Programme also use the research results in their work. Knowledge of the Programme and its research is mainly acquired through participation in conferences and other events, as well as access to the website, where the research is publicized. However, the use of the research outputs varies according to institution and thematic area.

The Programme has developed a Research Uptake Strategy, which defines different levels of target audiences for its outputs. Local academics, policy makers, practitioners and the donor community are defined as the primary target group. Indeed, development partners are better informed about the Programme and its results than most other stakeholders. Practitioners have benefited from trainings. Local academics who know the programme, seem to do so through personal acquaintance with the programme implementers. Those not acquainted or outside Maputo do not seem familiar either with the Programme

<sup>14</sup> Including one outside Maputo.

<sup>15</sup> Three working papers produced locally.

or its outputs. Although the Programme has worked with policy makers, they do not seem well informed about the research.<sup>16</sup>

Others regarded as secondary users in the uptake strategy are potentially more important than this, including civil society, the media and parliament.

In terms of thematic areas, poverty and welfare, as well as structural transformation are better-known. The enterprise analysis is mostly known by the development partners. Despite the fact that the manufacturing survey, which is a product of this analysis, was developed in partnership with the Ministry of Trade and Industry, no one interviewed from the ministry seemed to have knowledge about it. In relation to the labour market opportunities theme, it is known only by two development partners and two Civil Society Organisations.

The academia outside Maputo, the media, and the private sector do not seem well informed about the Programme. There are some CSOs that conduct academic research that are not familiar with the programme. WLSA, for example works with CIP and IESE to improve their gender analysis. Both CIP and IESE are privileged stakeholders of the Programme. CTV (Centro Terra Viva), works on environmental issues, from the human rights perspective. It also produces data for academic venues. Both institutions have produced work regarding the extractive industries. CTV has also produced research regarding the effects of climate change on poverty and inequality. MASC, on the other hand, has MoUs with the universities outside Maputo and stimulated different debates in the academic setting, with the students and lecturers alike.

#### 4.3.2 Outcome objective 1: Active and effective engagement between DEEF and CEEG

The first of the Programmes three outcome objectives is defined as: *Develop productive, forward looking and high-quality collaboration between the Government of Mozambique and the University Eduardo Mondlane through active and professional engagement between DEEF and CEEG.*

The topics covered in the Call for Papers did not respond to DEEF priorities and if they did this would seem to have been more by accident than by design. CEEG's work programme is not informed by DEEF policy priorities, and there is no dialogue between DEEF and CEEG about DEEF's research needs. Furthermore, the quality of research undertaken by CEEG and the Faculty of Economy at UEM is not yet of sufficient standard to be used for advising government. The main linkage between CEEG and DEEF would seem to be the research trainees, who meet and interact regularly with each other. In research terms there are no linkages between CEEG and DEEF.

That said, CEEG also needs a broader research focus than just the needs of DEEF, and this it is achieving.

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<sup>16</sup> We see policy makers in a broad sense including ministries, parliament, media as well as civil society organizations lobbying for certain policies.

### 4.3.3 Outcome objective 2: DEEF an effective centre of competence

The outcome objective related to the Programme's support to DEEF is defined as: *Establish DEEF as an effective centre of competence within the Government of Mozambique for policy formulation and the elaboration of national and sectoral strategies leading to employment creation and protection of vulnerable groups, maintaining long run macroeconomic balance, structural transformation, and improved information systems for monitoring and evaluation.*

The Team has assessed the indicators defined in the Programme Document related to this outcome. As far as these indicators can be measured, they show little or no progress (Appendix H). However, based on the fact that DEEF has provided valuable information based on the poverty analysis, the macro model, MOZMOD etc., DEEF can already be regarded as a 'centre of competence' within the Government structure. This competence does, however, to a large degree depend on the technical advisors of the Programme, a fact to which we shall return in the section on sustainability.

### 4.3.4 Outcome objective 3: High quality advice & analysis accessible and used by high level policy makers

The Programme is to inform policy making and therefore the following outcome objective has been defined: *Generate high quality advice and analysis accessible and used by high level policy makers within and outside the Government.*

The poverty analysis is the most well-known and highly appreciated result of the Programme. The analysis has attracted much attention from high-level policy makers within government and in the donor community. As soon as the data collected 2014/15 was ready in August 2016 the detailed analysis was presented to the Minister of Economy and Finance, and subsequently the analysis was presented to the Council of Ministers at a meeting, which was also attended by the President of the Republic. The Team's survey shows that the poverty analysis is also well-known to policy makers at lower levels within and outside government. The results were also presented in some of the provinces.

The work on structural transformation and extractive industries has caught some attention by policy makers, while the other products from the Programme are less known. However, they seem to be known to the more limited groups to whom they are relevant. The results from macro-modelling and tax modelling seem to be known by policy makers and planners within the Ministry of Economy and Finance. The survey on school-to-work transition has recently been presented to the Ministry of Labour, which is considering using the statistics based on it.

The difficult question is whether and to what degree the advice and the analysis is being used by high level policy makers. The macro and the tax-benefit models are used as an input to planning within the Ministry and for policy discussions with IMF<sup>17</sup>.

While the poverty analysis does inform government initiatives and donor programmes, in that most of such documents refer to it, it is difficult to point at exactly how it is used. However, the poverty data are explicitly used as the basis for one important policy: the allocation of resources to provinces, districts and municipalities partly depends on their poverty index (percentage of poor). Up to now consumption-based poverty has been used in this formula, however, the Programme has suggested that multi-dimensional poverty be used, and this is likely to be done from 2020.

*Box 4.1 Formula for budget allocations to provinces and districts*

|  |                                   |
|--|-----------------------------------|
| Central government allocations to provinces and districts depend on the following formula: <sup>18</sup> |                                   |
| Provinces:   | Districts/Municipalities          |
| > Population: 70%  | > Population: 35%                 |
| > Poverty index: 30%   | > Area: 20%                       |
|  | > Ability to collect revenue: 15% |
|  | > Poverty index: 30%              |

### 4.3.5 Collaboration structures

It seems that the anchoring of the Programme around UEM/CEEG and Ministry of Economy and Finance/DEEF will continue to make sense. However, in the preparations for a second phase of the Programme, the pros and cons of a broader engagement with additional stakeholders should be considered, such as:

- a) Provincial Governments that are in a process of getting more autonomy due to the decentralization initiative spearheaded by the recent agreement between Frelimo and Renamo
- b) Civil society organizations, especially the ones working in the field of rural development and promotion of small-farm agriculture (one example would be the debate about the plan for development of farming around the Nacala corridor, Prosavana)

<sup>17</sup> An IMF mission visited Mozambique while the Team was in Maputo. DEEF staff proudly told the Team that IMF wanted to use a GDP deflator they did not agree with. The Ministry argued that their own deflator was based on reliable data and prevailed.

<sup>18</sup> According to Ministério da Economia e Finanças, Direcção de Estudos Económicos e Financeiros (DEEF): Metodologia do Cenário Fiscal de Médio Prazo 2020-2022. Maputo, January 2019.

- c) Women's rights and environmental organizations that have become increasingly vocal - many of these organizations advocate for reduction of inequality.

There is room for improving knowledge and use of research outputs by stakeholders, particularly outside Maputo. Several options could be considered, including closer collaboration with other organizations with well-established channels of communication to audiences in the provinces. In the longer run the Programme could establish a user group with representatives from organizations using the research and organizations which can channel information to broader audiences. Users or a user group might also help the Programme to adapt the information to different target groups. CEEG might use UEM's agreements with the media to better publicize the research outputs. DEEF might disseminate the research outputs through the other ministries' research departments. Universities outside Maputo could become important stakeholders with whom to engage.

Top policy makers often do not take active part in conferences open to the public. Often Ministers give an opening speak and then leave without taking part in the discussion. Some policy makers seem to prefer smaller audiences of policy makers and their close advisors. The Programme has access to policy makers within MEF; however, it should consider alternative arrangements or venues for getting into contact with top officials.

## 4.4 Aid effectiveness

### 4.4.1 Ownership by national institutions

The question of ownership is complex. The Programme is on the one hand based on dialogue and collaboration between institutions in Mozambique and Northern institutions, which has taken place over decades, which is an indication of ownership from both sides, South and North. On the other hand, KU and UNU-WIDER have been the ones drafting the programme and the ones taking initiatives to ensure that decisions are made and that the Programme progresses according to the plans. However, we have been informed that the Mozambican institutions are duly consulted, and it seems clear that that the Programme operates in accordance with the wishes of the Mozambican institutions.

When going into the various aspects of the Programme there would seem to be quite a strong degree of ownership to poverty work. The importance of this is well recognised by DEEF (and the Government more widely), and while this complex work has been done with a very large degree of Mozambique-based and external technical support, DEEF staff have been meaningfully involved in this, including as co-authors. Ownership of the poverty work depends on increasing the capacity of Mozambicans to help deliver this work. Staff turnover in DEEF makes this more challenging but the return of an MSc student currently studying in Portugal and the two staff members currently doing MScs in Essex can hopefully play an important role in helping deliver this.

There is also quite a large degree of ownership of the discussion about the challenges in managing Mozambique's resource wealth, with high profile public events in these areas. The government would seem to recognise the central importance of this issue for future macroeconomic management and development. In other areas of the programme the degree of ownership would seem to be less, such as the enterprise survey and the University to Work transition survey. On the latter though the programme is currently in dialogue with the Ministry of Labour about the value of this work, but it is not obviously how much dialogue there was at earlier stages.

The inclusive growth website reports quite a few international studies on different issues relating to Mozambique (or one on Africa as a whole) by international researchers, but it is not clear to what extent these were done or discussed with Mozambicans or presented there; and it is not clear how strong is the local ownership of these studies. Involving international researchers (including Helsinki based WIDER staff) is a positive feature, but it seems there is scope to increase engagement with Mozambicans.

Building ownership is a gradual process but there would seem to be a scope to move further and gradually reduce reliance on external assistance. This will require, however, that bold decisions are taken to recruit and retain qualified Mozambican researchers and to enable Mozambicans to get into the driver's seat in relation to Programme management.

#### 4.4.2 Is there sufficient capacity in the beneficiary institutions to make use of the support?

As at present, the short answer here is no. The absorption rate in the beneficiary institutions is low and this is reflected in the low rates of budget execution.

The constraints related to the hiring of staff in DEEF is a major impediment to programme effectiveness. DEEF staff have made significant inputs notable in the poverty work; but staff turnover/lack of new appointments lack of staff creates challenges in relation to say macroeconomic modelling and other important work.

#### 4.4.3 Donor coordination

The World Bank is currently preparing a project called 'Economic management of inclusive growth', which is to be co-funded by DfID. This project is to provide support to the Faculty of Economics at UEM, the MEF/DEEF and the Revenue Authority. The Bank is currently preparing a concept note, which according to the National Director of DEEF will be shared and discussed with all partners to the Programme in order to promote synergies and avoid duplication.

SDC is in the final stage of a long approval process related to the Swiss financial contribution to the Programme. This becomes even more important because Denmark will make its final contributions to the programme in 2019.

## 4.5 Sustainability

The Programme aims at building capacity of CEEG and DEEF. In DEEF this is mainly done by providing new or updated tools (macro model, MOZ MOD) and by training the staff. However, the financial crisis and Government's measures to cut expenses undermine the sustainability of this capacity.

Government's allocation of resources to DEEF has gradually been reduced: The budget for activities is cut a little year by year and, more importantly, staff who leave are not replaced due to the freeze in recruitment to government positions.

Qualified staff at DEEF is attracted to positions outside Government, where salaries are higher. The programme document anticipated this, the earlier projects have also lost trained staff, and it was prepared to train new staff members plus graduates from the university that would replace staff lost. However, under the present conditions DEEF continues to lose qualified staff while it is unable to recruit new staff members and thus it becomes more and more understaffed and more and more dependent on technical assistance from the Programme.

The trainees at DEEF could in principle replace the staff that has been lost. The trainees attached to DEEF are paid by UNU-WIDER. However, their contracts with UNU-WIDER will expire, some of them seem to expire in June 2019. UN regulations bar UNU-WIDER from extending their contracts further. Thus, it is urgent to find another solution.

A longer-term solution to be considered would be to increase salary levels at DEEF to ensure a higher retention rate. There are precedents for this, the Central Bank and the Revenue Authority are recognized as undertaking key functions within government. Thus, salaries are substantially higher in these institutions and the staff retention rate is high. Government could take similar measures in relation to DEEF: It could be recognised as a core function and given a more autonomous status.

Non-monetary motivational factors should also be considered. Interviews with current and former employees at DEEF indicated that they were highly motivated by their possibilities to be trained and develop new skills, by analytical work they find interesting, by undertaking functions for the country and by being recognised by their colleagues and superiors. It seems that more could be done to bring these factors fully into play. Some respondents were unsure about their future work and did not know whether there was a plan for developing their technical area. Furthermore, individual plans for training and career development had not been made. Some need training to meet the standard for long-term studies and there is a need of differentiated measures for attracting women as well as men.

CEEG plays an important role in building capacity, especially through the trainees they have employed (funded again by UNU-WIDER) and among whom there is a good gender balance (as with DEEF trainees). This process has succeeded in building capacity but what is not clear is what happens after they

complete their trainee period. As noted, the possibilities for employment by DEEF are currently very limited and extending them on a consultancy basis is not a long-term solution. Many of these trainees could also be well placed in time to study an international master's degree, though in some cases they need to develop better skills in English or else study in a Portuguese speaking environment. Even then though consideration should be given to their future career options after master's level study. One important area would be to see if they can have opportunities to be employed in UEM or another University, initially in a junior capacity.

CEEG has also sought to build capacity to do research of faculty currently employed in UEM through its call for papers. This is a very first step of a long-term process of seeking to invest in research capacity. As noted elsewhere the effectiveness of this might be improved by seeking to do it on a smaller and more concentrated scale. Helping to invest in female researchers would be an important focus here. Female researchers have needs and constraints that differ from their male counterparts. They need to be addressed, if the programme aims at having a gender balance.

Whether Government is prepared to provide funds for calls for papers beyond the programme period is an open question. Most likely it is not. However, even if this process is discontinued the university and DEEF will continue to benefit from the research capacities their staff have acquired through participation in CEEG's research.



## 5 Recommendations

The recommendations are presented in two groups: first the ones that relate to a possible Second Phase of the Programme, afterwards the remaining recommendations sorted by evaluation criteria. Many recommendations are directed to the programme partners by what we mean DEEF/MEF, CEEG/UEM, KU-DERG, UNU-WIDER and the donors (Finland, Norway, Switzerland and Denmark). Other recommendations are directed at the Programme by what we mean the four implementing partners (DEEF/MEF, CEEG/UEM, KU-DERG and UNU-WIDER) and the Steering Committee.

A total of 17 recommendations are provided. Referring to the purpose of the MTR, the Review Team consider five of the six recommendations related to Second Phase to be of high priority. The remaining 11 recommendations aim to enhance effectiveness, efficiency and sustainability of the Programme within the current programme period. They are all important, but four of them have been labelled "of high priority".

### 5.1 Recommendations on a Programme beyond 2020

- 1) **High:** Programme partners should plan a Second Phase given the positive results achieved so far and the need for further development of capacity in this area.
- 2) **High:** DEEF/MEF must address the issues related to sustainability of results, in particular with regard to retention and recruitment of staff.
- 3) **High:** DEEF/MEF and the donors should assess the alternative option of developing capacity for economic policy analysis and research on inclusive growth in an autonomous government institution outside MEF during the next phase of the programme.

- 4) **High:** Programme partners should consider a simpler management structure for a possible Second Phase. This could be based on a common fund managed by DEEF, which will promote national ownership, but which also depends on Government being able to re-build trust with donors. Alternatively, the common fund could be managed by UNU-WIDER or another fund manager.
- 5) **High:** Programme partners should ensure that a possible Second Phase includes an explicit gender strategy.
- 6) Programme partners should ensure that development of small-holder farming is one of the inquiries in a possible second phase of the programme.

## 5.2 Efficiency

- 7) CEEG should apply a more focused process in the call for papers where DEEF is involved in the formulation of research topics. This would lead to fewer and more policy relevant papers.
- 8) CEEG should allow a wider audience to apply to call for papers, including researchers residing in provinces.
- 9) CEEG should seek to prioritise opportunities for female researchers.

## 5.3 Effectiveness

- 10) **High:** DEEF and CEEG should have regular technical meetings to strengthen collaboration and discuss programme priorities and joint activities.
- 11) **High:** The Programme should collaborate more closely with organizations/actors with a broad outreach to ensure that policy briefs and research results in general reach a broader audience and stimulate public debate (including media, civil society, parliament and academia at the province level).
- 12) The Programme should in the longer run establish a user group with actors able to provide advice on how and what to communicate and able to channel some of the products to a broader audience.
- 13) The programme should consider smaller, closed sessions on the same topics targeted at high level policy makers, in addition to conferences, which are open to the public.

## 5.4 Aid Effectiveness

- 14) **High:** DEEF/MEF and CEEG/UEM should call for a joint meeting with development partners providing or planning to provide support to DEEF and CEEG to ensure they all collaborate effectively.

## 5.5 Sustainability

- 15) **High:** DEEF and the Programme should in the immediate future make a concerted effort to associate trainees with DEEF until such time where they can join the regular staff of the Ministry.
- 16) DEEF should strengthen non-monetary motivational factors by agreeing with staff members on career plans and/or training plans; and by taking specific measures for retention of female staff.
- 17) CEEG and DEEF should prepare clear plans for the career development of the trainees, which may include masters level study in some cases and sustained future work opportunities within CEEG, DEEF or elsewhere.



## Appendix A Terms of reference



**Ministry for Foreign Affairs of Finland**  
Embassy of Finland, Maputo (MAP)

11.1.2019

# Terms of Reference for the Mid-term Review of Inclusive Growth in Mozambique – Scaling-Up Research and Capacity Programme 2015 – 2020

## 1. Background to the review

### 1.1. Programme context (policy, country, regional, global, thematic context)

During the last decades, since the end of the war, Mozambique has experienced considerable economic growth, spurred by post-war reconstruction and recovery of economic activities, and later by the extensive natural resource discoveries. The GDP growth averaged 7 % for the decade before the current downturn starting in 2016 provoked by the drop of commodity prices, environmental conditions and the so-called "hidden loans scandal". However, the distribution of benefits of this growth has been recognized as a key challenge and inequalities are increasing. Natural resource exploitation – especially natural gas in the coming decades – provides potential for more rapid, and also sustainable and inclusive growth, provided the revenue is well managed and invested in diversification of economy. It is, however, well known that natural resource management entails also significant challenges for inclusive and sustainable growth and a failure to achieve an equitable growth pattern has the potential to spin back and undermine the political and eventually macroeconomic stability upon which the growth process depends.

In this context, the Government of Mozambique's five-year development plan for 2015 – 2019 (PQG) sets as its ultimate objective a sustainable and inclusive economic growth, creation of jobs and an increase of productivity and of income of urban and rural families.

In order to address the long-term challenge of inclusive and sustainable growth, it is important to build national capacities to produce good quality analysis of the different economic development issues to feed into the public policy design as well as into public debates. Recognizing this challenge, the Ministry of Economy and Finance's (MEF) Department of Economic and Financial Studies (DEEF), together with the Centre for Economic and Management Studies (CEEG) of the University Eduardo Mondlane (UEM) and UNU-WIDER and the University of Copenhagen as international partners, formulated a research and capacity building programme "*Scaling-up Research and Capacity Building for Improved Development Policy in Mozambique 2015-2018*". Three development partners – Denmark, Finland and Norway – signed financing agreements with the

different programme partners (Denmark with the MEF-DEEF and UEM-CEEG, and Finland and Norway with UNU-WIDER) with somewhat differing time spans. Also Switzerland has shown interest towards the Programme and has participated in the Programme monitoring structures, but has not yet signed a financing agreement. After some delays in the preparation phase, the Programme started in 2016 and its implementation time has been extended to the end of 2020. During the implementation, the name of the Programme has been established as "Inclusive growth in Mozambique - Scaling-up research and capacity ".

## 1.2. Description of the programme to be reviewed

### Beneficiaries and Program Partners:

The direct beneficiaries of the Programme are the Directorate of Economic and Financial Studies of the Ministry of Economy and Finance (MEF-DEEF) and Centre for Economic and Management Studies of the University Eduardo Mondlane (UEM-CEEG) while the University of Copenhagen and UNU-WIDER provide technical and management assistance. The indirect beneficiaries are the Government of Mozambique and the society as a whole through the provision of good quality research to inform policy design and public debate.

Ministry of Economy and Finance, Directorate of Economic and Financial Studies (MEF – DEEF)  
Formerly the National Directorate of Studies and Policy Analysis (DNEAP) under the Ministry of Planning and Development (MPD). In 2015, the MPD and the Ministry of Finance merged into the new Ministry of Economics and Finance (MEF). DNEAP was restructured as a Directorate of Economic and Financial Studies (DEEF) under the MEF. The DEEF assumed all roles and responsibilities previously performed by DNEAP as well as some elements from the Directorate of Investments and Cooperation (DIC) of the MPD and the Directorate of Studies and Economic Analysis (DEAE) of the former Ministry of Finance. DEEF has the responsibility to provide economic advice based on solid scientific evidence to inform policy making, as well as to formulate the Medium Term Fiscal Framework (CFMP), to review and support in the implementation of the Integrated Investment Plan (PII) and to prepare the five-year planning document (PQG). In addition, DEEF assesses poverty and income inequality trends, produces macroeconomic projections, measures trends in consumption, nutrition and other social and anthropometric indicators, elaborates the Social and Economic Plan (PES), and produces policy relevant studies and reports.

University Eduardo Mondlane, Centre for Economic and Management Studies (UEM – CEEG)  
The UEM is the major university in Mozambique. It has been for a long time a key partner for the Government of Mozambique in providing economic analysis and as a provider of key source for trained human resources. CEEG is a research centre under the Faculty of Economics founded in 2010 with a mission to promote research and investigation in the field of economic and business sciences with a special focus on development broadly speaking. CEEG engages in micro and macroeconomic research applied to the economy of Mozambique with primary focus on rural development, poverty analysis, business economics, labor market and macroeconomic policy.

University of Copenhagen, Development Economics Research Group (KU – DERG)  
Research is organized under three main headings: The developing countries in the global economy; National economic development policies; Agriculture, environment and resource utilization. In the Programme, KU-DERG brings international experience especially related to enterprise and household surveys and macro-oriented studies.

United Nations University World Institute for Development Economics Research (UNU-WIDER)

As one of the leading development economics research institutes in the world, the role of UNU-WIDER is to bring international experience and reputation of producing good quality research to the Programme. UNU-WIDER provides long-term internationally recruited technical assistance personnel both to DEEF and CEEG and takes a lead in communications and supports the overall implementation of the Programme.

### **The Programme objectives and strategies**

The overall **development objective** of the Programme is to support inclusive growth that substantially improves the living standards of the majority of the Mozambican population. This overall objective is being pursued through a focused research and capacity building programme meant to increase analytical capabilities and to inform better policy making. The programme is organised in four policy areas targeted on the following key development **impacts** to which the research and capacity building aims to contribute:

1. *Employment creation and protection of vulnerable groups.*
2. *Supporting long run macroeconomic balance*
3. *Structural transformation*
4. *Improved information systems for monitoring and evaluation*

It is recognised in the Programme Document that these objectives are ambitious, and that research and capacity building of few selected institutions will have a limited contribution to them. Consequently, these impact areas should be seen more as suggestive of the thematic orientation of the research and providing it a bigger picture in form of national development challenges.

In order to establish objectives within the reach of the Programme the following **outcome objectives** were defined:

- Develop productive, forward looking and high-quality collaboration between the Government of Mozambique and the University Eduardo Mondlane through active and professional engagement between DEEF and CEEG.
- Establish DEEF as an effective centre of competence within the Government of Mozambique for policy formulation and the elaboration of national and sectoral strategies leading to employment creation and protection of vulnerable groups, maintaining long run macroeconomic balance, structural transformation, and improved information systems for monitoring and evaluation.
- Generate high quality advice and analysis accessible and used by high level policy makers within and outside the Government.

In order to achieve the outcomes contributing to the development impacts, the Programme defined the following four sets of activities/outputs.

- a) Inquiries: Larger scale studies that focus on a particular topic, combining new data with in-depth analysis, organized along the development impacts defined, with the main objective of informing the government and society at large about major development issues. The Programme proposed to produce one major inquiry per year. The first inquiry, in 2016, focused on poverty and welfare using the household budget survey data produced by the National Statistics Institute (INE). The second inquiry, in 2017, was an analysis on enterprise development, the theme for the third is structural transformations, focusing on the role of extractive industries and the fourth is on labour market opportunities.

- b) Regular research and policy support: Contributions on issues such as private sector development, small-holder agricultural development, household welfare and long run dynamics and macroeconomics, as well as a wide range of day-to-day recurring policy memos and advice, with a view to continuing and strengthening the on-going policy and research support are provided to DEEF. Other government units or research units may be engaged in these depending on the topic.
- c) Dissemination and communication: Books, reports from inquiries, regular research and policy analysis papers, and main data compiled under the research work will be published on partner web sites and in a small scale as printed material. Selected results will be communicated using a variety of communication tools ranging from traditional seminars to modern electronic media and be discussed in different target groups. Once a year, selected papers will be communicated in at least two other cities of Mozambique, besides Maputo city. A national conference will be organized every year, in order to present selected papers from those produced by the involved institutions, and possibly papers written by other authors. The Programme produced a more detailed communications strategy (Research Uptake Strategy, annexed) during its first year of implementation and has recruited a part-time communications assistant.
- d) Training and capacity building: The strategy to build longer-term capacities in the DEEF involves identification of young Mozambicans with strong skills; recruitment of those individuals into government; collaborative research and general mentoring; long term degree training; and progressively greater levels of responsibility within government. This approach has principally been applied within DEEF and its predecessors. The Programme has defined a step-by-step strategy to apply the same approach (see the Programme Document).

## **2. Rationale, purpose and objectives of the review**

The MTR is to be carried out during the first semester of 2019. At this point the Programme will have been implemented for three years, and there will be still 18 months of implementation time left (until the end of 2020). At this point there is enough experience and evidence to study how the results are being achieved and what adjustments may be necessary to achieve the best possible results during the remaining time of the Programme. Similarly, there will be still some time remaining for the possible changes to take effect.

Building of institutional capacities to produce research and to develop evidence-based decision making and public debate is a long-term process. Therefore, the main rationale of the MTR is to provide recommendations which would feed into planning for a possible extension or a second phase of the Programme. Secondly, the MTR shall assess if any immediate changes or modifications are needed to improve the efficiency, effectiveness, or the use or sustainability of the results during the implementation of the current phase.

The MTR shall assess whether the Programme is on track as per the strategy and plans set out in the Programme Document. It will provide evidence of the Programme performance in achieving its results and overall objectives, and whether the Programme strategy and the research areas selected are still relevant considering the changes in the context.

The standard OECD-DAC review criteria (relevance, effectiveness, efficiency, impact, sustainability) shall be addressed. However, given the very high and general level of impact objectives, instead of assessing the impact of the Programme as defined in the Programme Document, the review will, in assessing the effectiveness of the Programme, focus on outcome level objectives:

It is important to assess, to what extent the produced research and policy advice has been used in policy making and public debate, as well as to assess the effectiveness and sustainability of the capacity building.

The MTR should study and make recommendations on the following priority issues:

- Effectiveness and impact: how is the research and policy advice produced used in public debate and policy design?
- Sustainability: to what extent has the Programme contributed to the building of sustainable capacities of the beneficiary institutions? Is the capacity building strategy adequate in terms of enhancing sustainability?
- Efficiency: is the multi-stakeholder collaboration functioning efficiently in using the available resources in order to produce results? Is the administrative structure adequate in terms of efficiency?

The results of the MTR will be used by the Programme stakeholders, including the beneficiary institutions MEF-DEEF, UEM-CEEG, the providers of technical assistance, KU-DERG and UNU-WIDER, as well as by the development partners financing or considering of financing the Programme, in principle DANIDA, MFA Finland, NORAD and Swiss Development Agency. The results of the MTR will also be of interest to other related institutions or development partners.

### **3. Scope of the review**

The review will cover the implementation period of the Programme, since preparations starting in 2015 to date. In addition to the implementing agencies, DEEF, CEEG, KU-DERG and UNU-WIDER, it will be important to include the perspectives of the beneficiary institutions more broadly, i.e. other directorates and the leadership of MEF, the Faculty of Economics of the UEM, as well as of the development partners financing or considering financing the Programme. These include DANIDA (at the HQ, as the Embassy in Maputo has been closed), the MFAs and the Embassies of Finland and Norway and the Swiss Development Cooperation in Maputo.

In addition, the review shall include perspectives of some other related state institutions, such as National Statistics Institute (INE), the Revenue Authority (AT), and other stakeholders that have cooperated with, or could be interested of the programme, such as the Parliament (Assembleia da República), private sector association CTA, and some civil society organisations, such as the independent research institute IESE and others to be identified. Of the broader group of development partners supporting the same beneficiary organisations, and/or using the research produced by the Programme it will be important to interview at least the WB, IMF and DFID.

The review shall also analyse to what extent the Programme has been able to do outreach to other provinces outside Maputo.

### **4. Issues to be addressed and review questions**

#### **4.1. Relevance**

- a) To what extent do the Programme objectives and strategies reflect the Government's and the beneficiary institutions' (MEF-DEEF, UEM-CEEG) priorities and needs?
- b) Are the research areas and topics defined by the Programme still relevant considering the changes in the context, especially the economic crisis and its evolution?
- c) How have the Development Partners' policy principles – the promotion of human rights and gender equality, reduction of inequalities and promotion of climate sustainability – been integrated into programme design and implementation?

#### 4.2. Effectiveness

- a) To what extent, and how, is the research produced by the Programme used by the beneficiary organisations and other stakeholders in Maputo and other Provinces, including the Government, Parliament, Civil Society, Media, Private Sector and the Development Partners?
- b) To what extent, and how, has the programme succeeded in achieving the outcome objectives as defined in the Programme Document?
- c) Are the collaboration structures sufficient in order to achieve programme outcomes? Is there a need for broader collaboration with more stakeholders?
- d) Assess the Results Framework and the result chain including indicators. Is the definition of objectives in each level of result chain adequate in terms of ambition and feasibility? How has the Programme succeeded in reporting of the results?

#### 4.3. Efficiency

- a) Has the Programme used efficiently the available resources for the intended results in terms of quantity, quality and timeliness? Are the available resources in line with the intended results expected?
- b) Are the programme management structure and administrative arrangements, as well as the financial and human resources appropriate for an efficient and results-oriented programme management?

#### 4.4. Aid effectiveness (Effectiveness of aid management and delivery)

- a) To what extent has the Programme succeeded in promoting the ownership of national institutions?
- b) Is there sufficient capacity, including staffing, in the beneficiary institutions to make use of the support provided by the Programme?

#### 4.5. Sustainability

- a) To what extent has the Programme contributed to the building of sustainable capacities of the beneficiary institutions?
- b) How has the government allocation of resources to the beneficiary institutions evolved?

#### 4.6. Perspectives/ recommendations for future cooperation beyond 2020

- a) Assess whether support after the current period is merited?

If so:

- b) Analyse and discuss what could tentatively be priority activities including research themes.
- c) Discuss what forms and modalities, including additional international partners, might be appropriate for a possible, continued cooperation and support to Development Economics Research and Capacity Building;

#### 4.7. Coherence

To what extent the Project complements and contributes to the objectives of the Good Governance impact area of Finland's Country Strategy in Mozambique?

## 5. Methodology

The detailed review methodology will be defined by the team and described in the offer. The review shall use both quantitative and qualitative methods to validate its analysis. The main sources of information include, in addition to the basic Programme documentation and reports, the research produced by the Programme and the interviews of the beneficiary institutions and the key stakeholders.

The key materials to be analysed during the desk study phase shall be listed as an annex to the ToR.

## 6. The review process and time schedule

The detailed work plan will be left to the evaluators to propose. The key phases include the following:

The Review starts with a desk study (one week) of the Programme documentation and the research products available on the Programme website: <http://igmozambique.wider.unu.edu/>. An inception report shall be produced as the result. The inception report will be reviewed by the Implementing and Development Partners and discussed in a kick-off meeting.

The work in Mozambique, including the interviews of key stakeholders will take approximately two weeks. The field work will focus in Maputo, where the state institutions and other stakeholders are located. However, the evaluators shall assess also, how the Programme has been able to do its outreach work in other provinces of the country. In addition, the evaluators shall interview the UNU-WIDER and KU-DERG staff involved with the Project in Helsinki and Copenhagen, respectively. These interviews can be conducted either in-situ or via videoconference.

|                  |  |
|------------------|--|
| 25.2. – 5.3.2019 | Desk study, preparation of draft inception report  |
| 8.3.2019         | Kick-off meeting (video connection)  |
| 11. – 22.3.2019  | Field work, Mozambique   |
| 22.3.2019        | Presentation of preliminary findings, conclusions and recommendations to the Implementing and Development Partners in Maputo.                  |
| 25.3. – 5.4.2019 | Writing of the draft report which will be sent for comments to the Implementing partners and the Development partners.                         |
| 8.4. – 19.4.2019 | Comments from the Implementing partners and the Development partners.  |
| 22.4. – 3.5.2019 | Production of the final report   |
| 8.5.2019         | Presentation of the final report, its conclusions and recommendations to the implementing partners and development partners (video conference) |

## 7. Reporting

The review team is requested to submit the following deliverables:

- Inception report: draft inception report, including detailed methodologies and work plan by 5.3.2019, and final inception report by 11.3.2019.
- Presentation on the field findings, 22.3.2019
- Draft review report, by 5.4.2019
- Final report, by 3.5.2019
- Presentation on the review findings and recommendations 8.5.2019

Each deliverable is subject to specific approval. The review team is able to move to the next phase only after receiving a written statement of acceptance by the MFA. The reporting schedule shall be included in the contract.

## 8. Quality assurance

The tenderer shall propose and implement a quality assurance system for the review. The proposal must specify the quality assurance process, methodology, tools and resources (QA personnel and resource allocations).

## 9. Expertise required

The review team shall consist of international and national experts. The number of team members will be left to the reviewers to propose. One expert shall be nominated as the Team Leader. The review team shall jointly ensure solid experience and knowledge in the following fields:

- Development Programme evaluations and reviews;
- Experience in project cycle management (PCM) and Results Based Management (RBM), and their application in programme design, monitoring and review (M&E);
- Experience in the thematic fields, research and/or application of the research on: development economics, macroeconomics, political economy, poverty and inequality.
- Experience in institutional strengthening and capacity building, preferably of research institutions, in the context of a low-income developing country, preferably in sub-Saharan Africa.
- Experience in integrating cross cutting objectives in project planning, implementation, monitoring and review (gender, reduction of inequalities, climate sustainability and human rights-based approach.)
- Quality assurance in accordance to the quality assurance approach proposed in the tender.
- Mozambican history and political economy

The team may include a junior professional expert (JPE) for capacity building purposes. The junior expert's experience is not considered in evaluation of the proposals as part of the team's experience and knowledge.

In the tender evaluation it will be assessed whether the role of a JPE can be considered to add value to the Tender when evaluating the respective criteria of the Approach (Quality and feasibility of the proposed methodology and approach (incl. division of labor of the evaluation team)).

## 10. Budget

80.000 Euros (excluding VAT).

## **11. Mandate**

The review team is entitled and expected to discuss matters relevant to this evaluation with pertinent persons and organizations. However, it is not authorized to make any commitments on the behalf of the Development Partners.

### **Annexes:**

1. Link to the MFA evaluation manual
2. Outline of the mid-term review report
3. Evaluation report quality checklist (OECD/DAC and EU standards)
4. List of key documentation



## Appendix B Key documentation included in the review



## Appendix B Key documentation included in the Review

- > Programme Document: Scaling-up Research and Capacity Building for Improved Development Policy in Mozambique, 16 February 2015 (revised 30 September 2015)
- > Umbrella MoU
- > Programme Budget
- > Baselines for logical framework indicators 'Inclusive growth in Mozambique - scaling-up research and capacity'
- > Research Uptake Strategy
- > Sustainability Strategy
- > Progress Reports (2016, 2017, 2018)
- > Financial Reports
- > Minutes of the Steering Committee Meetings
- > Work plans
- > Ministry for Foreign Affairs (of Finland): Country Strategy for Development Cooperation, Mozambique 2016–2019
- > Government of Mozambique: Proposta do Programa Quinquenal do Governo 2014-2019, February 2015.

Ministério da Economia e Finanças, Direcção de Estudos Económicos e Financeiros: Metodologia do Cenário Fiscal de Médio Prazo 2020-2022. Maputo, January 2019.

Ministry of Foreign Affairs, Finland: Human Rights Based Approach in Finland's Development Cooperation. Guidance note, 2015.

A sample of research papers produced by the Programme have been reviewed (accessed from the Programme's website <http://igmozambique.wider.unu.edu/>):

Poverty analysis (2016):

- > Poverty and Well-being in Mozambique: Executive summary - Fourth National Poverty Assessment  
<http://igmozambique.wider.unu.edu/article/poverty-and-well-being-mozambique>
- > A review of consumption poverty estimation for Mozambique  
<http://igmozambique.wider.unu.edu/article/review-consumption-poverty-estimation-mozambique>
- > Poverty Estimations and Profile for Mozambique (in Portuguese)  
<http://igmozambique.wider.unu.edu/working-paper/estimativas-e-perfil-da-pobreza-em-mo%C3%A7ambique-portuguese>
- > Simulating the effect on households' real consumption and poverty of the increase in prices that followed the 2015–16 economic crisis in Mozambique  
<http://igmozambique.wider.unu.edu/documento-de-trabalho/simulating-effect-households%E2%80%99-real-consumption-and-poverty-increase-prices>

## Enterprise survey (2017)

- > Survey of Mozambican Manufacturing Firms  
<http://igmozambique.wider.unu.edu/report/survey-mozambican-manufacturing-firms-2017>
- > <https://www.wider.unu.edu/publication/what-state-manufacturing-sector-mozambique>
- > <http://igmozambique.wider.unu.edu/working-paper/costs-and-benefits-formalization-firms>

## Structural transformation (2018)

- > Extractives Industries and Development  
<http://igmozambique.wider.unu.edu/working-paper/extractive-industries-and-development>
- > What are the prospects for Mozambique to diversify its economy on the back of 'local content'? <http://igmozambique.wider.unu.edu/working-paper/what-are-prospects-mozambique-diversify-its-economy-back-%E2%80%98local-content%E2%80%99-0>
- > Mozambique—bust before boom
- > <http://igmozambique.wider.unu.edu/working-paper/mozambique%E2%80%94bust-boom>

## Labour market survey (2019)

- > Baseline Survey on the School-to-Work Transitions of University Graduates in Mozambique <http://igmozambique.wider.unu.edu/report/baseline-survey-school-work-transitions-university-graduates-mozambique>

## Tax policy analysis

- > MOZMOD v1.0. A report on the tax-benefit microsimulation model of Mozambique <http://igmozambique.wider.unu.edu/article/southmod-country-report-mozambique>

We also reviewed the eight policy and research briefs produced by the project.

- > *Policy Brief: Poverty and well-being in Mozambique: Fourth National Poverty Assessment*
- > *Policy Brief: Multidimensional poverty and wellbeing in Mozambique*
- > *Research Brief: Potential benefits and pitfalls of extractives in Mozambique – lessons from international experience*
- > *Research Brief: Extractives and economic diversification in Mozambique – Will local content do the trick?*
- > *Research Brief: Bust before boom – new gas finds, investments, and their implications in Mozambique*
- > *Policy Brief: Workforce and leadership characteristics in Mozambican manufacturing*
- > *Policy Brief: The business environment of Mozambican manufacturing firms*
- > *Policy Brief: Employment expectations of university students in Mozambique – results from a baseline survey*

## Appendix C List of persons met



## Appendix C List of persons met

| Name                   | Institution                | Position                                     |
|------------------------|----------------------------|--|
| Vasco Correia Nhabinde | DEEF                       | National Director                            |
| Enilde Sarmento        | DEEF                       | Head of Macro                                |
| Angelo Nhalidede       | DEEF                       | Head of Sectoral studies                     |
| José Cardoso           | DEEF                       | Staff member at populational studies         |
| Asicia                 | DEEF                       | Intern                                       |
| Vanda Castelo          | DEEF                       | Former staff member                          |
| José Guambe            | CEEG                       | Director                                     |
|                        |                            |  |
| Faizal Carzane         | CEEG                       | Former director                              |
| Fernando Lichucha      | Faculty of Economics (UEM) | Director                                     |
| Agostinho Machava      | Faculty of Economics (UEM) | Lecturer                                     |
| Isa Chiconela          | CEEG                       | Trainee                                      |
| Gerson Baza            | CEEG                       | Trainee                                      |
| Esmeralda Napaua       | CEEG                       | Trainee                                      |
| Ivandra Vieira         | DEEF                       | Trainee                                      |
| Gimelso Xirinda        | CEEG                       | Trainee                                      |
| Edson Mazive           | DEEF                       | Trainee                                      |
| Silvana Mondlane       | DEEF                       | Trainee                                      |
| António Sousa Cruz     | INE, DNEAP, CEEG           | Former staff member                          |
|                        |                            |  |
| Finn Tarp              | University of Copenhagen   | Programme Coordinator/ professor at KU       |
| Dominik Etienne        | UNU-Wider, Finland         | Programme Officer                            |
| Tony Addison           | UNU-Wider                  | Deputy Director/Chief Economist of UNU-WIDER |
| Vincenzo Salvucci      | UNU-Wider                  | Technical Assistant (now based in Rome)      |
| Sam Jones              | UNU-Wider                  | Technical Assistant based in DEEF            |
| Ricardo Santos         | KU, UNU-Wider              | Technical Assistant based in CEEG            |
| Paola Ballon           | UNU-Wider                  | Former Technical Assistant                   |
| Anette Camorai         | UNU-Wider, Mozambique      | Communications and Project Assistant         |
| Elina Penttinen        | UNU-Wider                  | Associate Programme Officer                  |
|                        |                            |  |

| Name                                       | Institution                            | Position  |
|--|--|---|
| Laura Torvinen                             | Embassy of Finland                     | Ambassador  |
| Jaakko Jakkila                             | Embassy of Finland                     | Counsellor  |
| Markus Heydemann                           | Embassy of Finland                     | Deputy Head of Mission/Head of Cooperation                |
| Juhana Lehtinen                            | Ministry of Foreign Affairs - Finland  | Programme Officer   |
| Lars Ekman                                 | Embassy of Norway                      | Counsellor  |
| Vidar Ovesen                               | Independent consultant based in Norway | Expert in mechanism for governance of oil and gas revenue |
| Johnny Flentø                              | Danida                                 | Chief Technical Advisor                                   |
| Love Theodossiadis                         | Embassy of Sweden                      | Economist   |
| Rogério Ossemame                           | DfID                                   | Economist   |
| Laura Norris                               | DfID                                   | Economic Adviser  |
| Telma Loforte                              | Embassy of Switzerland                 | Economist   |
| Inayah Sultan                              | Embassy of Switzerland                 | National Programme Officer                                |
| Els Berghmann                              | EU                                     |   |
| Fernanda Ailina Pedro Massarongo Chivulele | World Bank                             | Programme Officer   |
| Ari Aisen                                  | IMF                                    | Resident Representative                                   |
|  |  |   |
| Edson Cortez                               | CIP                                    | Director  |
| Celeste Banze                              | CIP                                    | Researcher  |
| Inocência Mapipe                           | CIP                                    | Researcher  |
| Décio Alfazema                             | IMD                                    | Programme Coordinator                                     |
| Fidalia Chivale                            | IMD                                    | Programme Officer   |
| João Pereira                               | MASC                                   | Director  |
| Salvador Forquilha                         | IESE                                   | Director  |
| Yasfir Ibraimo                             | IESE                                   | Programme Officer   |
| Margarida Martins                          | OMR                                    | Researcher  |
| João Feijó                                 | OMR                                    | Researcher  |
| Terezinha da Silva                         | WLSA                                   | National Coordinator                                      |
|  |  |   |

| Name                | Institution  | Position                 |
|---------------------|--|--------------------------|
| Cerina Mussa        | Trade and Industry Ministry                            | Advisor                  |
| Diogo Domingos      | Agriculture Ministry                                   | Statistician and Planner |
| Esperanca Bias      | Parliament – Comissão do Plano e Orcamento             | President                |
| Francisco Mucanheia | Parliament – Comissão Agricultura, Ambiente e Economia | President                |
| Armando Artur       | Parliament – Comissão Agricultura, Ambiente e Economia | Member                   |
| Alfredo Macomisse   | Parliament – Comissão Agricultura, Ambiente e Economia | Member                   |
| Vânia Tembe         | Unidade de Estudos Económicos                          | Economist                |
|                     |  |                          |
| Daniel David        | SOICO  | Director                 |
|                     |  |                          |
| Carla Mabote        | UP Maputo  | Dean Advisor             |
| Francisco Noa       | Universidade Lurio                                     | Dean                     |
|                     |  |                          |
| Marcos Pereira      | Centro Terra Viva                                      | Director                 |
|                     |  |                          |
| Luis Magaco Junior  | ACIS   | President                |



## Appendix D Knowledge and use of survey analysis



## Appendix D Knowledge and use survey analysis

### **Knowledge and use of survey**

The MTR team conducted a survey on knowledge and use of the research products of the Programme. A total of 21 institutions were interviewed. The largest group (7) were Civil Society Organisations (CSO), 5 were Development partners (not donors to the programme), 3 were representatives of the Parliament,<sup>19</sup> two were representatives of the Academia, 1 representative of the media and 1 from the private sector.

The Team interviewed the institutions about their knowledge of the four thematic areas (inquiries: 1) poverty and welfare, 2) structural transformation, 3) enterprise analysis, and 4) transition from education to labour market), the source of their knowledge, the use of the knowledge and the potential for outreach of the information.

In order to assess outreach outside Maputo, the team privileged institutions/entities with networks, partners or readers in the provinces as organisations with outreach

### **Poverty and welfare**

Over half of the institutions (11) had knowledge of the poverty and welfare theme. The ones who were better acquainted with this thematic area of the programme (product contents and activities) were development partners - specifically the Swedish Embassy and the World Bank; IMD - a CSO funded by the Finish Embassy (which is also funding the programme); and the representative of the Parliamentary Budget Analysis Unit (who worked previously in the Danish Embassy, another funder, and had benefited from two courses from the programme).

Other development partners, such as the IMF and the EU, are well acquainted with the content of the thematic area's products. The same as some of the CSOs (CIP and OMR). They were not so well acquainted with the overall activities leading to the products.

Other CSOs we interviewed (MASC and IESE) and one of the government's representatives (specifically MINAG) knew about the thematic content,<sup>20</sup> however, and by their own admission nor so profoundly.

All institutions, except for MASC and the representative of MINAG had read the papers or participated in the conferences organized by UNU-Wider. Those with

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<sup>19</sup> In the Parliament we interviewed the 2nd (Budget and Planning) and 5th (Agriculture, Economy and Environment) Commissions. We also interviewed the Parliamentary Budget Analysis Unit, funded by UNICEF.

<sup>20</sup> It is likely that some people in IESE are also well acquainted with the products of this thematic area, however, the person we interviewed was not.

exposure to the conferences and papers, tended to use the data, either for contextualization of their work or even for policy discussions.

### **Structural transformation**

9 institutions knew about the work conducted under the structural transformation theme. IMD and the World Bank were the most familiar with the content and activities. OMR and most other Development partners (EU, DfID, IMF) were familiar, at least with the content. CIP, MASC and the Swedish embassy were somewhat familiar with this theme also, albeit not as profoundly. Again, all but one institution (MASC) had participated in the conferences, participated in discussion, and thus made use of the outputs for policy discussions or contextualization. The debates at the thematic conference, in which the government was represented, along with international experts, was praised. However, several institutions also felt that some of the discussions could benefit from being more related to the Mozambican context.

### **Enterprise analysis**

Only 5 institutions (less than 25%), knew about the Enterprise analysis theme, and most of them were Development partners. They all had heard about the theme and new of the manufacturing survey. They also claimed they used the results for their own work. The only CSO with some knowledge of these thematic area was MASC, whose representative had heard through personal acquaintances at UNU-WIDER. He did not use the survey results in any way.

We were told by UNU-WIDER that the Survey of Mozambican enterprises had been conducted in cooperation with the Ministry of Trade and Commerce. However, the interviewed representative of this ministry claimed to have no knowledge of the survey. She also claimed to have consulted other units of the Ministry, who were not aware of the survey or other work by UNU-WIDER. Nonetheless, we understand that the Ministry did participate in and contribute to the design of the questionnaire.

### **Labour market opportunities**

This thematic area is the least known. Two CSOs (IMD and IESE), and two Development partners (DfID and IMF) showed knowledge about the work under this theme, specifically regarding the School to Work baseline survey. They had yet used data.

However, we were told though by UNU-WIDER while we were there that MITESS are seeking to use the data from the school to work survey for their own statistical reporting, which would clearly be a very positive outcome.

### **Outreach**

The media, academia and the private sector did not know of the research products. It should be noted that we did not manage to interview UniZambeze or Universidade Catolica, which had worked with the Programme. We also did not manage to interview the CTA representative. We interviewed ACIS, an association which is part of CTA and has an equally large number of associate members countrywide.

Only two organisations (OMR and IESE) are actively contributing to outreach of the outputs produced by the programme. OMR is replicating some of the poverty studies' methodologies at a micro level presenting and discussing the results from the local to the national level. IESE has included in its yearly publication, *Challenges for Mozambique*, articles from UNU-WIDER. The publication has a wide audience and distribution.

At least 7 more institutions showed potential for outreach. IMD's work with parliamentarians would mean that representatives from the whole country would have access to information that could influence information-based policy and law making. IMD has already conducted training with parliamentarians, regarding the extractive industries. Targeted policy briefs could be shared with them, regarding the other themes.

MASC has MoUs with all the universities outside Maputo, and regularly conducts debates with students and university staff. They are also experienced in targeted communication, simplifying information to incite a more inclusive debate across different media (with preference for social media).

UniLurio has campuses across the northern provinces of Nampula, Cabo Delgado and Niassa, and has specific interest in some of the themes, including the extractive industries. It runs programmes which include community relations and conduct debates with students and staff members. Universidade Pedagógica had, until its recent division into several universities, the largest number of campuses across the country, as well as a tradition of research and debate outside the Maputo Campus. UniZambeze and Universidade Católica also have campuses across the country.

Both CTA and ACIS regularly discuss policies with the government, and have been instrumental in changing some practices, policies and regulations. They have active members across the country, with whom they communicate regularly. They also promote discussions with the members and circulate policies for comments.

The media, especially the SOICO group, has a strong potential for outreach. They reach a national audience with STV and international with STV notícias. They also have a newspaper, that although with limited circulation has many readers outside Maputo. ACIS uses it to distribute its newsletter. However, in addition to covering events and initiatives, the SOICO group also has several initiatives of its own. One example is MOZEFÓ, where important issues pertaining the development of the country are discussed, and which attracts international and influential keynote speakers. The other is 100+ PMEs, dedicated to promoting small and medium enterprises and held in different locations outside Maputo.

To date the media would seem to have mostly covered events run by the programme for instance at the time of the Public Forum on Enterprise Development on 23 April 2018.

**Concluding remarks**

The results discussed in this analysis are based on the responses to our survey and on the interviews, we are able to conduct. Of course, the responses we have reflect the sample of respondents and we recognise the likelihood of significant omissions; we also recognise that the respondents to the survey might not have been the best-informed people in the institution. We have sought also to include above some information received from the project implementing partners in addition to this. But we would still maintain that the big messages from the above analysis, in terms of which outputs are more and less well known and in terms of outreach still stand.

Development partners are better informed about the programme than any other institution. This is in line with the programme's Research Uptake Strategy. However, there is great potential for synergies, particularly in outreach, if additional CSOs are kept better informed about the objectives, activities and outputs of the programme. The strategic CSO stakeholders are CIP, IESE and OMR. Widening the target organisations would lead to fulfilling the objective of stimulating debate for policy change, also beyond Maputo. IMD would target parliamentarians, while others could target university audiences.

Universities outside Maputo, beyond UEM, seem positive venues and potentially good allies for participating in surveys and hosting debates. They already have agreements with other potentially strategic stakeholders, such as CSOs and the media. The media can also be a potential stakeholder, beyond covering events and initiatives. They can also provide platforms for promotion, debate and presentation of outputs.

There is room for improvement in the information shared with strategic government institutions, and the parliament. In addition, irrespective of the institution, much of the information circulates at the individual level and is not retained at the institutional level. There needs to be mechanisms that would increase the information sharing and retention at institutional level.

## Questionnaire on knowledge and use of products of the Programme

Name of respondent:

Institution: (Not for respondents employed by DEEF and CEEG)

| <p>Do you know the analyses produced by the Programme?<br/>Prompt by mentioning the subject areas of the programme.<br/><br/>If 'NO' stop here, otherwise proceed</p>  | <p>What are the main points you know/have learned from this/ these analyses?<br/><br/>For each subject area note main points:</p> | <p>From where do you know this?<br/><br/>Indicate code(s):<br/><b>P</b> - Read a publication<br/><b>C</b> - Participated in conference<br/><b>M</b> - Through the media<br/><b>H</b> - Heard about it (from colleagues or friends etc.)</p> | <p>Have you used it in any way? - How?<br/><br/>&gt; As a policy maker have you used it to formulate a policy/make a plan?<br/><br/>&gt; Have you used it when advocating for a certain policy? - Have you Referred to it in some way? (E.g. quoted)<br/><br/>Note how it has been used by subject area:</p> |
|--|---|---|--|
| <p><b>Poverty and welfare</b><br/><br/>Conference on Poverty and Well-being in Mozambique that took place in October 2016.<br/><br/>A public forum, The Challenges of Inequality in Mozambique, took place November 2017</p>       |   |   |  |
| <p><b>Enterprise analysis</b><br/><br/>'Survey of Mozambican Manufacturing Firms 2017' launched April 2018 at a public forum on Enterprise Development.</p>  |   |   |  |
| <p><b>Structural Transformation</b><br/><br/>There will be a bust before the boom.<br/><br/>Prospects for diversifying the economy on the back of 'local content'.</p>   |   |   |  |
| <p><b>Labour market opportunities</b><br/><br/>In September 2018, the results of the report 'Baseline Survey on the School-To-Work Transitions of University Graduates in Mozambique' were shared in a public forum in Maputo.</p> |   |   |  |

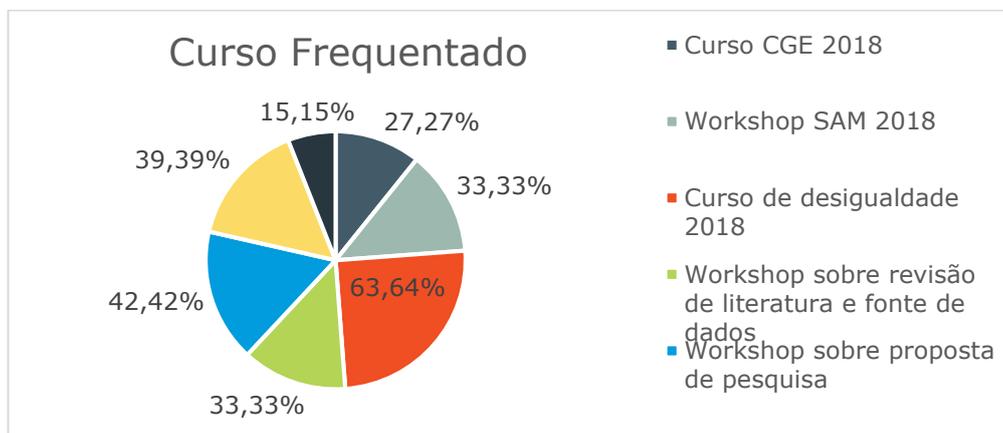


## Appendix E Summary of responses of survey of participants in training courses

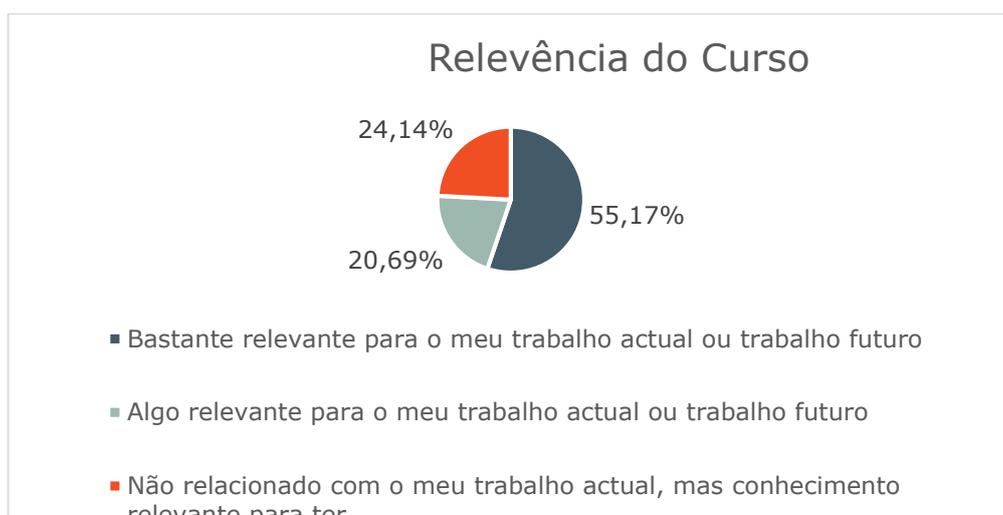


## Appendix E Summary of responses of survey of participants in training courses

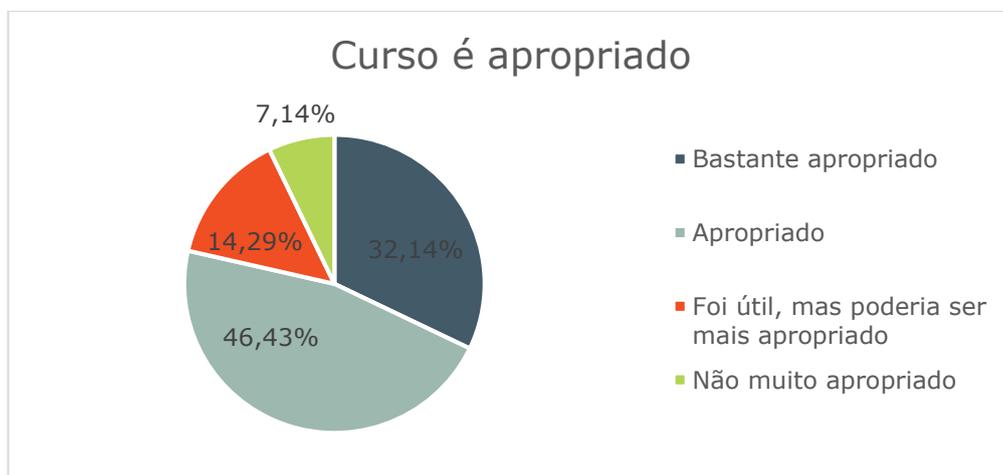
*Which training courses did you attend? (multiple answers possible)*



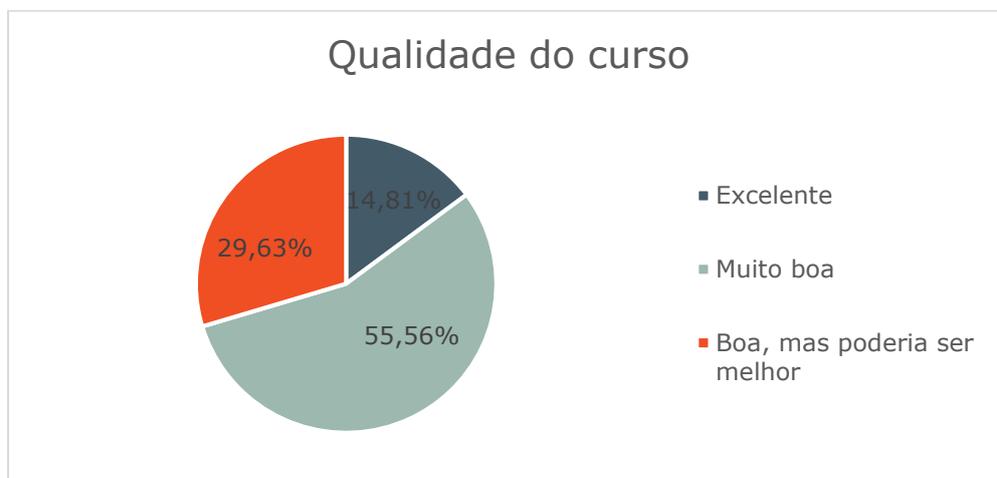
*Did you find the topic of the course relevant?*



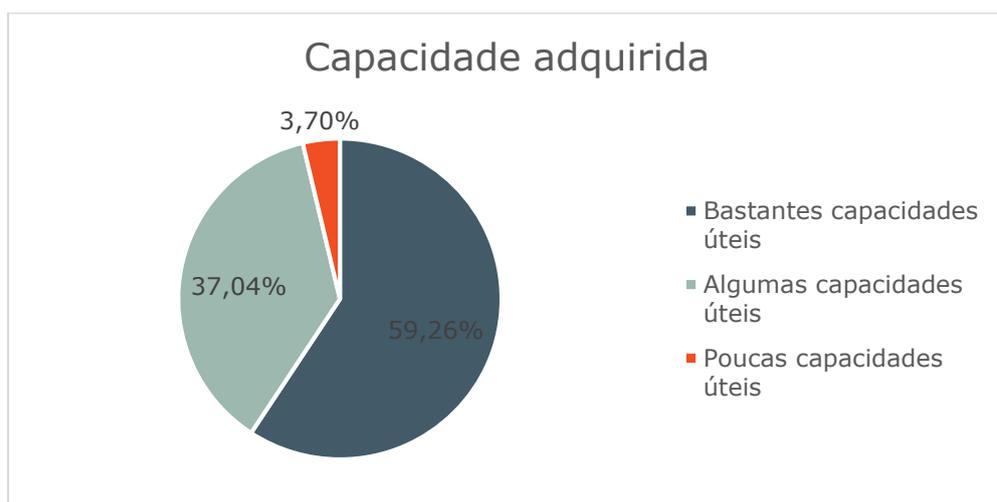
*Did you find the specific content of the course appropriate?*



*How did you assess the overall quality of the course?*



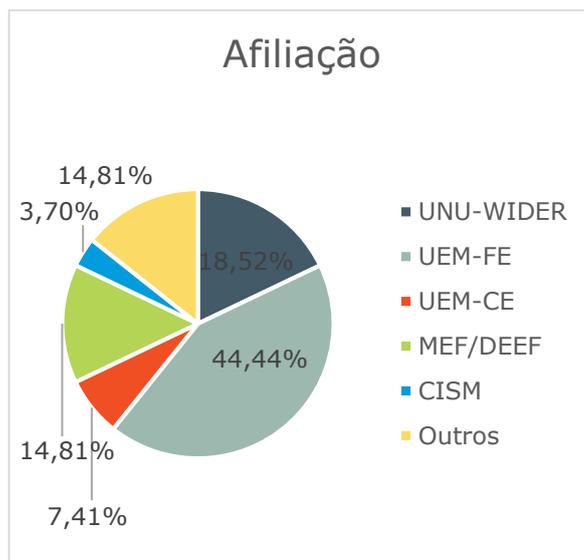
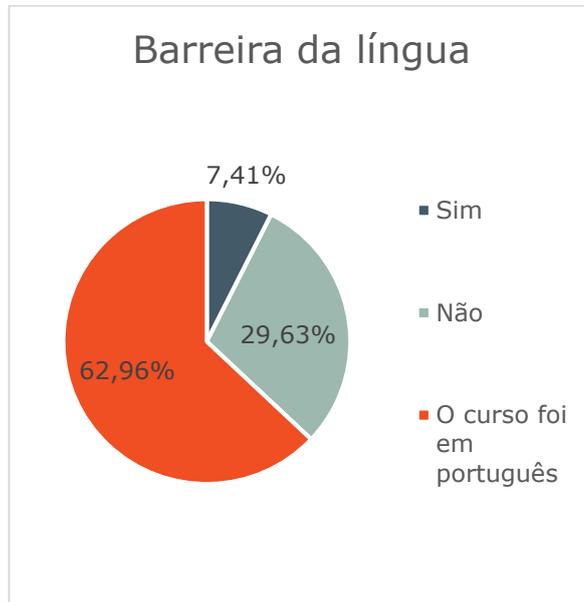
*Did you learn useful skills from attending this course?*



*Did you have support from your employer to take the course?*

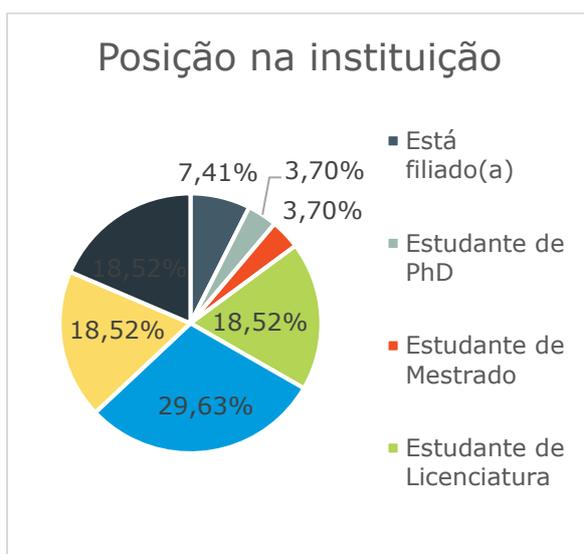
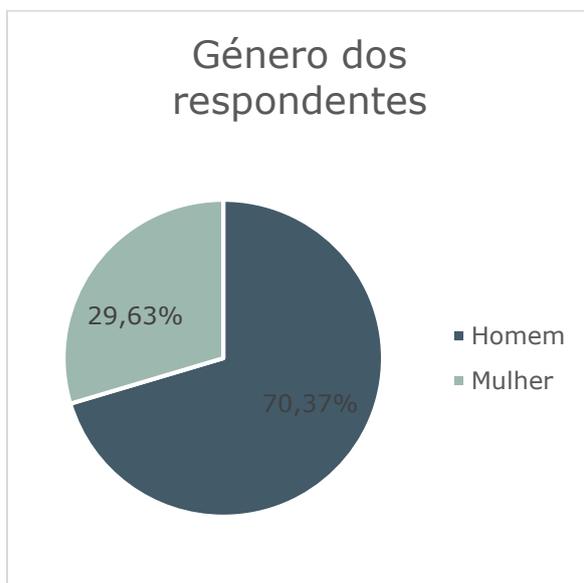


Was the language of the course a barrier? What is your affiliation?



Gender of respondent

What is your position in your institution?



## Appendix F Budget of KU and UNU W



## Appendix F Budget and expenses of UNU-WIDER and KU

*UNU-WIDER revised Programme budget and expenses 2015-18 (USD)\*)*

|                                       | Budget           | Spent            | Balance        |
|---------------------------------------|------------------|------------------|----------------|
| Resident advisors                     | 656,500          | 654,705          | 1,795          |
| Research support                      | 1,176,043        | 959,440          | 216,603        |
| Travel                                | 388,487          | 389,682          | -1,195         |
| Training                              | 123,962          | 104,932          | 19,030         |
| Dissemination                         | 151,500          | 141,099          | 10,401         |
| Personnel organization (moving, etc.) | 58,500           | 179,738          | -121,238       |
| Vehicles                              | 42,250           | 34,169           | 8,081          |
| Programme management (13%)            | 337,639          | 346,120          | -8,481         |
| <b>Total</b>                          | <b>2,934,881</b> | <b>2,809,885</b> | <b>124,996</b> |

\*) UNU-WIDER was the only implementing partner having expenses in 2015. These expenses amounted to 121,032 USD – mainly travel and short-term training.

*KU revised Programme budget and expenses 2016-18 (USD)*

|                               | Budget           | Spent            | Balance        |
|-------------------------------|------------------|------------------|----------------|
| Salary and benefits           | 808,444          | 907,937          | -99,493        |
| Research and training support | 30,237           | 0                | 30,237         |
| Indirect cost (20%)           | 167,737          | 226,984          | -59,247        |
| IRPC (Taxes in Mozambique)    | 251,605          | 217,491          | 34,114         |
| <b>Total</b>                  | <b>1,258,023</b> | <b>1,352,412</b> | <b>-94,389</b> |



## Appendix G Assessment of research outputs



## Appendix G Assessment of research outputs

A major output of the Inclusive Growth programme was the poverty study, which was co-authored by two DEEF Staff, resident advisors Ricardo Santos and Vincenzo Salvucci, currently Maputo-based research fellow Sam Jones, Finn Tarp and two others. This study followed a previous study which had found relatively little poverty reduction between 2002/3 and 2008/9, for reasons that were widely discussed and ultimately explained at the time. The latest poverty study looks at both consumption poverty and multidimensional poverty, and it compares these over the four currently available surveys, covering the period 1996 to 2014/15 and so being less sensitive to the effects of one-off factors affecting one of the surveys. Over the full period consumption poverty in Mozambique fell sharply (though not meeting the MDG1 target over the 1996 to 2014/15 period), but the vast majority of this poverty reduction happened in the first six years. Consumption poverty though also decreased at national level over the 2008/9 to 2014/15 period, but in fact increased in the north of the country. Multidimensional poverty fell consistently from one survey to the next with the biggest reductions taking place between the 2008/9 and 2014/15 surveys. However, almost all measures of inequality show consistent increases over this 18-year period, with the biggest increases being between 2008/9 and 2014/15. The current level of the Gini coefficient for Mozambique though still remains lower than in several other Southern African countries.

In summary, there has been progress in poverty reduction, but the growth pattern has not been inclusive. This of course is not the responsibility of the programme; but it gives the programme a major opportunity to engage in work to try to encourage more inclusive patterns of growth. One important aspect of this is the geographic disparity in progress in poverty reduction, with the north in general and Niassa in particular showing increasing poverty in the latest period. In Niassa the improvements in the multidimensional poverty measure were also modest.

The poverty report is thoroughly done, explaining in carefully the methods applied, trying to do some assessment of robustness and discussing and summarising the results obtained. This was not the place for a detailed discussion of the causes of the observed patterns of poverty and inequality change, but that discussion is very much needed.

Another important and valuable achievement of the research programme has been the 2017 Survey of Mozambican Manufacturing Firms the results of which are summarised in the report Survey of Mozambican Manufacturing Firms 2017. DERG/KU played a lead in conducting this survey but working quite closely with CEEG. It was a follow up of an earlier survey in 2012 which had interviewed 831 enterprises; 523 were interviewed in 2017 with the main reason for the difference being firm exit over the period. It was a comprehensive firm survey covering many aspects and adding some elements to what had been covered in 2012. The sample was comprised of mostly microenterprises with smaller numbers of small and medium firms; this reflects the population of enterprises

in the country, and in any case the small and medium enterprises are potentially very important for future development in the country.

The report gives a very detailed and helpful summary of the main results of the survey, often comparing with the 2012 findings (and looking at patterns of firm exit). It starts by making a careful and realistic assessment of the quality of the data collected, which it generally considers to be satisfactory. It then presents a very careful analysis of many different aspects: the characteristics of the firms themselves (sector, legal and ownership status, formality status); key economic statistics of the firms: value added, sales, profits, investment; productivity, input suppliers and tax; and characteristics of the owner and social capital. A careful analysis of many of these variables is presented in the report, with disaggregation by different criteria such as firm size. This is clearly a very helpful and comprehensive report. It clearly provides a basis for in-depth policy relevant research, only some of which would seem to have happened so far.

Alan Roe's paper "Mozambique—bust before boom", a follow-up of an earlier paper he wrote, is a very careful study of a major current policy issue for Mozambique – the consequence of its large natural gas discoveries. This has led to a major investment surge in Mozambique, with the country attracting large volumes of Foreign Direct investment in the sector even in advance of production. This investment has not been associated with growth, which was slow over the corresponding period. Roe reviews the experience of other countries which had natural resource discoveries to seek to draw lessons for Mozambique. In this context countries may make inappropriate investments; may not have adequate information on rates of return of investments; and may make over-optimistic forecasts. Production has not yet started but this can be considered as a form of pre-resource curse. This is clearly an important warning lesson for Mozambique.

Another important major output of the project was the report of the baseline School to Work Transition Survey, which was co-authored by four trainees of the project working with the current resident UNU-WIDER Fellows. This study was motivated by the Government's concern with the problem of youth unemployment in the country. The survey focuses on a very specific group of young people: university graduates (1.2% of the population). It was conducted in six universities (public and private) in Maputo and Beira. The report summarises the characteristics of men and women who go to university (the large majority had parents educated to secondary level or above), discusses their university experience (including fees students or their families need to pay) and reports on whether they had already worked before going to university (a small majority had). The report then reports on what young people hope to do after they graduate, how long they think it will take to find a job, what salary they might expect etc. This is a baseline survey which will be followed up by phone interviews in the course of the following two years.

This brief summary focuses on some of the higher profile outputs of the project. As noted elsewhere there have been a wealth of working papers produced as part of the project, both WIDER working papers (chiefly not by Mozambican authors) and quite a few working papers by Mozambican authors written in

Portuguese. It is noteworthy that six working papers have been produced in the last month co-authored by seven of the current trainees or former trainees now studying for masters' degrees.

In addition to these more academic outputs the project has also produced eight research or policy briefs, which are focused on the biggest issues addressed in the programme. Thus, there have been two policy briefs on poverty, three research briefs on extractives, two policy briefs based on the results of the manufacturing survey and one on the university graduate survey. These are written in Portuguese as well as English and are potentially an important channel of seeking to have policy influence.



## Appendix H Indicators for the outcome objectives



## Appendix H Indicators for the outcome objectives

The Programme Document recognizes that the outcomes are difficult to measure and that subjective terms have been used to define them (page 20). In a specific document (Baselines for logical framework indicators: 'Inclusive growth in Mozambique – scaling-up research and capacity) are the baseline values for these indicators for 2014 as well as for 2015 described/measured. The MTR Team has made its assessment of 'the current value' of each of these indicators.

| Indicator  | Baselines for 2014 and 2015 as indicated by the Programme   | MTR assessment of situation in March 2019  |
|--|---|--|
| <b>Indicators related to CEEG</b>  |   |  |
| CEEG established and respected as a provider of regular research and policy support to DEEF and beyond | <p>2014: With limited resources left from the African Capacity Building Foundation, staff associated with CEEG were all full-time professors involved in teaching with limited time for research.</p> <p>2015: With limited resources left from the African Capacity Building Foundation, staff associated with CEEG were all full-time professors involved in teaching with limited time for research.</p> | <p>CEEF has limited engagement with DEEF. While this is a missed opportunity, it is important to stress that CEEG's focus is also beyond DEEF.</p> <p>Very good progress though has been made in relation to building capacity of the CEEG trainees.</p> <p>The problem of the faculty having limited time for research remains.</p> |
| Increase in staff competence   | <p>2014: While the professors associated with CEEG are involved in economic and social research, their emphasis is on teaching rather than research. 2015: While the professors associated with CEEG are involved in economic and social research, their emphasis is on teaching rather than research.</p>  | <p>The problem of limited capacity for research remains. The call for papers only happened in 2018. It is a start, but it is too soon to see an increase in research capacity.</p>   |

| Indicator  | Baselines for 2014 and 2015 as indicated by the Programme   | MTR assessment of situation in March 2019  |
|--|---|--|
| <b>Indicators related to DEEF</b>  |   |  |
| DEEF respected and considered influential both within and outside the Government | <p>2014: The predecessor of DEEF, DNEAP, is well-established as a central unit for development policy analysis within the Ministry of Planning and Development and the Government of Mozambique generally.</p> <p>2015: DEEF was established in the second half of 2015 assuming all roles and responsibilities of DNEAP, plus important responsibilities previously exerted by DIC and DEAE.</p> | This indicator is too unspecific to measure with any reasonable certainty based on the respondents the Team has met. DEEF seems to be respected, however, whether it is more respected than before the Programme started is impossible to say.   |
| Increase in staff competence   | <p>2014: Capacity within DNEAP grown substantially as staff members have taken full advantage of opportunities to further their academic education.</p> <p>2015: Upon establishment of DEEF, some of the staff trained in previous years left and a few new people joined who did not take advantage of training and technical assistance provided by the previous programme.</p>                 | <p>The Programme has in various ways trained staff. However, some key staff has also left. It seems that the overall result is a more or less constant level of staff competence.</p> <p>Thus, the Programme has enabled competence to be sustained in the face of downward pressure</p> |
| Staff morale high with an increasingly long-term perspective                     | 2015: Technical assistance having come to an end, skilled people at DEEF are concerned about training and capacity-building opportunities.  | The Team has not encountered high staff morale within DEEF and some staff have been uncertain about the future.  |

| Indicator  | Baselines for 2014 and 2015 as indicated by the Programme   | MTR assessment of situation in March 2019   |
|--|---|---|
| <b>Indicators related to accessibility and use by high level policy makers</b>   |   |   |
| Enhanced quality of regular government planning documents particularly those influenced directly and indirectly by DEEF and CEEG | <p>DEEF 2014: Quality and implementation of some key government planning document not sufficient, e.g. Integrated investment plan is not integrated, application of the medium-term fiscal framework shows to be challenging.</p> <p>DEEF 2015: Quality and implementation of some key government planning document not sufficient, e.g. Integrated investment plan is not integrated, application of the medium-term fiscal framework shows to be challenging.</p> <p>CEEG 2014 and 2015: CEEG as an institution does not influence any government planning documents.</p> | <p>DEEF: The team has not received key government planning documents influenced by DEEF</p> <p>CEEG does not influence government planning</p>  |
| Active involvement in core policy and strategy development within the Government   | <p>DEEF 2014: DNEAP is one of the most influential entities in terms of defining policy and providing critical information that sets the terms of the policy debate.</p> <p>CEEG 2014 and 2015: CEEG as an institution is hardly involved in any core policy and strategy development within the Government.</p>  | <p>DEEF provides information that is critical for and in some cases (the analysis of poverty) sets the terms for the policy debate.</p> <p>CEEG is not involved in policy and strategy development.</p> |



## Appendix I Review matrix



## Appendix I Review matrix

| Review question / Issue  | Approach / Methodology and source  |
|--|--|
| <b>Relevance</b>   |  |
| <b>To what extent do the Programme objectives and strategies reflect the Government's and the beneficiary institutions' (MEF-DEEF, UEM-CEEG) priorities and needs?</b>   | Interviews with representatives from the institutions  |
| <b>Are the research areas and topics defined by the Programme still relevant considering the changes in the context, especially the economic crisis and its evolution?</b>   | Desk review of publications from the project and interviews with stakeholders  |
| <b>How have the Development Partners' policy principles – the promotion of human rights and gender equality, reduction of inequalities and promotion of climate sustainability – been integrated into programme design and implementation?</b>                                 | Review of programme documentation and interview with stakeholders  |
| <b>How are issues related to gender addressed by the programme objectives?</b>   | Analysis of programme documentation  |
| <b>How are these in line with the government's and beneficiary institutions?</b>   | Review of policy documents of government and consult representatives of beneficiary institutions, as well as their planning and strategy documents (if available)  |
| <b>Do the research topics address gender issues?</b>   | Review of programme publications   |
| <b>Effectiveness</b>   |  |
| <b>To what extent, and how, is the research produced by the Programme used by the beneficiary organisations and other stakeholders in Maputo and other Provinces, including the Government, Parliament, Civil Society, Media, Private Sector and the Development Partners?</b> | Interviews with representatives from stakeholder institutions. The Team will use a guide described below and record responses systematically.  |
| <b>To what extent, and how, has the programme succeeded in achieving the outcome objectives as defined in the Programme Document?</b>  | The Team will try to develop specific indicators for each of the three outcome objectives: <ul style="list-style-type: none"> <li>&gt; High quality collaboration between Government and University</li> <li>&gt; DEEF a centre of competence</li> <li>&gt; Advice and analysis available and use by high level policy makers (will be covered by the guide made for the question above).</li> </ul> |
| <b>Are the collaboration structures sufficient in order to achieve programme outcomes? Is there a need for broader collaboration with more stakeholders?</b>   | Interviews with the implementing partners supplemented by interviews with other stakeholders.  |

| Review question / Issue   | Approach / Methodology and source  |
|---|--|
| <p><b>Assess the Results Framework and the result chain including indicators. Is the definition of objectives in each level of result chain adequate in terms of ambition and feasibility?</b></p> <p><b>How has the Programme succeeded in reporting of the results?</b></p> | <p>Review of the logframe with indicators as well as of the progress reports.</p>  |
| <p><b>Are any of the stakeholders considered by the programme women's organisations? If yes, how do they benefit from and use the information?</b></p>  | <p>Review of programme documentation and progress reports</p> <p>Interviews with select and influential women organisations about their knowledge of the programme and use (survey) and if they do not use, if there would be potential for use (interviews)</p>                       |
| <p><b>Are the outcome indicators gender sensitive? If yes, how do the gender specific indicators fare in comparison to the other outcome indicators?</b></p>  | <p>Review of the outcome indicators</p>  |
| <p><b>Is the collaboration structure balanced in terms of gender? If yes, do women in decision making positions influence success in the programme objectives and outcomes, also regarding gender issues?</b></p>   | <p>Interviews with representatives of the implementing organizations supplemented by documentation of decisions/activities of these institutions</p>   |
| <p><b>How far are women represented in the programme? How far are there female decision makers?</b></p>   | <p>Review of publications and events to identify involvement of women.</p> <p>Interviews with representatives of the implementing organizations</p>  |
| <b>Efficiency</b>   |  |
| <p><b>Has the Programme used efficiently the available resources for the intended results in terms of quantity, quality and timeliness? Are the available resources in line with the intended results expected?</b></p>   | <p>Assessment of the publications made as well as the events organized by the programme in relation to the plans and in relation to the resources available to the programme</p>   |
| <p><b>Are the programme management structure and administrative arrangements, as well as the financial and human resources appropriate for an efficient and results-oriented programme management?</b></p>  | <p>Assessment of the management structure and administrative arrangement based on how it is defined in the programme documentation as well as how implementers describe it.</p>  |
| <p><b>Is the programme management structure balanced in terms of gender?</b></p>  | <p>Assessment of how far women are represented in management positions as well as how far management is sensitive to gender issues. Based on review of programme documentation (organisational chart) and interviews with implementers.</p>  |
| <p><b>Are enough resources allocated for activities that promote gender equality?</b></p>   | <p>Identification of actual measures taken, and the resources used for promoting gender equality and comparing it with what is needed to obtain this. Through interviews to programme managers and beneficiary institutions (CEEG and DEEF) and review of financial documentation.</p> |

| Review question / Issue   | Approach / Methodology and source  |
|---|--|
| <b>Aid effectiveness</b>  |  |
| <b>To what extent has the Programme succeeded in promoting the ownership of national institutions?</b>  | Interviews with representatives of the national institutions to understand how far they regard the Programme as 'theirs'   |
| <b>Is there sufficient capacity, including staffing, in the beneficiary institutions to make use of the support provided by the Programme?</b>                  | Assessment of information on how far the beneficiary institutions take part in programme activities (research etc.) and how far they take up the results of the results of the research.<br><br>If there is a gap the Team will assess how far this is due to lack of resources.   |
| <b>Has any capacity been created by the programme, specifically in relation to gender issues?</b>   | The team will review products of the beneficiary institutions to define how far they take account of gender dimensions. It will then assess whether there is a trend over time and how far this can be attributed to the Programme.<br><br>In addition, it will use interviews to authors (where possible) to assess their intake of capacity created. |
| <b>Sustainability</b>   |  |
| <b>To what extent has the Programme contributed to the building of sustainable capacities of the beneficiary institutions?</b>                                  | Assessment of how far capacities of the beneficiary institutions build be the project are likely to continue based on statistics on how frequent staff leave/attrition rate, measures taken to transfer skills to new staff members  |
| <b>How has the government allocation of resources to the beneficiary institutions evolved?</b>  | The Team will assess the staffing provided by government to the beneficiary institutions as well as the budget provided from the year before the start of the project up to now.   |
| <b>Do any specific initiatives that focus on gender equality have the likelihood to be continued if the programme is discontinued or the funding ends?</b>      | Assessment on the ownership of capacities related to gender equality and how far leadership of the institutions back-up capacities/initiatives in this field. Through interviews to beneficiary institutions and programme implementers.   |
| <b>Coherence</b>  |  |
| <b>To what extent the Project complements and contributes to the objectives of the Good Governance impact area of Finland's Country Strategy in Mozambique?</b> | Assessment made on the basis of comparing the programme documentation and reports/data on results achieved by the programme on the one hand and the Good Governance impact area as defined in Finland's Country Strategy in Mozambique on the other hand.  |