



# MOZAMBIQUE –BELGIUM STUDY AND CONSULTANCY FUND

## ANNUAL REPORT

2007

## Table of contents

<b>1</b>	<b>Project sheet</b> .....	<b>3</b>
<b>2</b>	<b>Brief factual overview</b> .....	<b>4</b>
<b>3</b>	<b>Overview of activity planning</b> .....	<b>6</b>
	3.1 <i>Activity overview</i> .....	6
	3.2 <i>Analysis of activity planning</i> .....	7
<b>4</b>	<b>Financial overview</b> .....	<b>8</b>
	4.1 <i>Overview of expenditure versus financial planning</i> .....	8
	4.2 <i>Analysis of financial planning (1 page)</i> .....	9
<b>5</b>	<b>Monitoring of the indicators</b> .....	<b>10</b>
	5.1 <i>Specific objective</i> .....	10
	5.2 <i>Results</i> .....	10
	5.3 <i>Indicator evolution (chart)</i> .....	10
<b>6</b>	<b>Assessment of monitoring criteria</b> .....	<b>11</b>
	6.1 <i>Efficiency</i> .....	12
	6.2 <i>Effectiveness</i> .....	12
	6.3 <i>Sustainability</i> .....	12
<b>7</b>	<b>Measures and recommendations</b> .....	<b>13</b>
	7.1 <i>Overview of the assessment criteria</i> .....	13
	7.2 <i>Recommendations</i> .....	13
<b>8</b>	<b>Planning for the upcoming year (Year N+1) (see annexes)</b> .....	<b>14</b>
<b>9</b>	<b>Conclusions</b> .....	<b>15</b>
	9.1 <i>Advice of the JLCB on the recommendations</i> .....	15
<b>10</b>	<b>Annexes</b> .....	<b>16</b>
	<i>Activities progress</i> .....	18

# 1 PROJECT SHEET

## Basic Information of the Project

Country	:	Mozambique
DAC Sector and subsector	:	Multi sectoral
National or regional institution in charge of the execution: Mozambique (Different Ministries???)	:	CDM- Council for Development of
Agencies in charge of the execution Mozambique (Represented by MINEC- Ministry for Foreign Affairs and Cooperation???)	:	CDM- Council for Development of
Number of BTC international cooperation experts	:	None
Duration of the project (according to SA/SC)	:	4 years
Start date of the project:		
according to SA/SC	:	05 May 2002
effective	:	06 May 2006
End date of the project :		
according to SA/SC	:	05May 2006
estimate	:	05 May 2010
Project management methods	:	Regie
Project total budget	:	500.000- €
Report covering the period	:	1 Jan 2007 – 31 Dec 2007

## 2 BRIEF FACTUAL OVERVIEW

### Introduction

Mozambique has been a partner country of Belgian development cooperation on Ad Hoc basis since 2001.

The first joint commission meeting took place between the 4<sup>th</sup>. and 6<sup>th</sup>. May 2006, where the first ICP for the period 2006/2008 was approved and signed by both parties.

The general objective of Belgian development cooperation with Mozambique is poverty reduction. Belgian cooperation strategy in Mozambique has been designed following the guidelines of the poverty reduction strategy paper of the country (PARPA). That strategy is based on six priorities, including education, health, agriculture and rural development, basic infrastructure, good governance and macroeconomic and financial management.

### Belgian Cooperation in the Investment Sector in Mozambique

The Belgian Cooperation in the Investment sector of Mozambique is mainly:

#### Financial Aid (Budget Support)

Mozambique is one of the developing countries where donors are using the state budget to channel their support with the overall objective of reducing poverty.

Donor funding is spent within a global planning framework for poverty alleviation and in accordance with the recipient country's own procedures and mechanisms. Emphasis is placed on good governance and the adoption of sound macro-economic policies by the government. The objective of the Mozambican poverty reduction strategy plan is to alleviate poverty through improving public service delivery including health, education and basic infrastructure and to create conditions conducive for the development of the private sector.

Parallel with budget support and an important pre-condition for budget support is the development of a performing public management system. As part of the Public Sector reform, the Belgian Government is supporting a programme geared towards the modernization of the State Finance Management (SISTAFE).

### MOZAMBIQUE-BELGIUM STUDY AND CONSULTANCY FUND

In May 2002, a Specific Agreement concerning the creation of the Fund was signed by both parties. Due to different interpretations of agreed modalities under the General Agreement on Co-operation between the Parties signed on 11 May 2001 and in light of a request from Mozambican authorities, an exchange of letters was then proposed in April 2005, which however only entered into force as from May 2006, when MINEC eventually appointed a Fund Co-Director (being the Deputy Director of the Admin. & Finances Directorate), who together with the BTC Resident Representative would manage the Fund.

## Existing Specific Agreement

The Existing Specific Agreement, which was signed in May 2002 refers to a Co-Managed Fund, however and in accordance with a request from the Mozambican Authorities the actual Fund modality is Regie.

Based on the referred exchange of letters from April 2005, MINEC was appointed by the government of Mozambique as its representative, but MINEC only appointed its Representative in 2006. As the Specific Agreement expired in May 2006, the Mozambican authorities requested an extension up to May 2010.

Therefore, the intervention only started in 2007, when the first study was jointly approved by both parties.

As per the existing agreement, only public institutions (government entities) are eligible to use the fund for undertaking studies jointly approved by DGCD and Ministry of Economy (MINEC). Even though the procurement process is fully managed by the Belgian Technical cooperation, the preparation of the Terms of Reference for the approved studies is of the responsibility of the beneficiary, who in most cases has not the capacity to develop them, this resulting in delays or cancellations of the tendering process.

## 3 OVERVIEW OF ACTIVITY PLANNING

### 3.1 Activity overview

#### Approach

As per the exchange of letters from April 2005, the Fund is managed by both parties, being Ministry of Economy (MINEC), the Representative of the Mozambican Government, while DGCD is the entity responsible for the supervision of the Fund. MINEC grants authority to the designated Fund Co-Director to approve proposals, while DGCD grants the same authority to the attaché for International Cooperation, responsible for the development Cooperation in Mozambique.

DGCD appoints the Belgian Technical Cooperation (BTC) as the executing agency responsible for the administration and follow up of the implementation of the Fund, who then designates its Representative for Mozambique as the Fund Director, responsible for the follow up of the awarding process and the certifying approval of expenditures chargeable to the fund

#### Implementation Modalities

According to the Specific Agreement, a JLCB (Steering Committee), composed of MINEC (Chairperson), the Belgian attaché for International Cooperation (Co-Chairperson) a representative (s) of the Ministry or Government institution, which has (have) been a beneficiary of the Fund, and the Fund Director will meet at least every 6 months.

## 3.2 Analysis of activity planning

No TFF was developed for this intervention, therefore no results activities have been planned. Based on the studies already approved by MINEC/DGCD, the progress chart below for January 2008 was produced:

<b>PROGRESS</b>		
	<i>relative weight</i>	<i>dd. 15 Jan 08</i>
<b>IR 1: Identification Study for PRPE II – Infrastructure- Milagre Mabote Road- Maputo</b>		
1) Review of ToRs		100%
2) Procurement of Consultancy Services		100%
3) Inception Report		100%
4) Final report		100%
<b>IR 2: Co-Funding MPD – Planning &amp; Monitoring Cycle- Nationwide</b>		
1) Review of ToRs		100%
2) Procurement of Services		100%
3) Inception Report		100%
4) Final report		90%
<b>IR 3: Rehabilitation of Marere Hospital- Nampula</b>		
1) Review of ToRs		100%
2) Procurement of service		0%
3) Inception Report		0%
4) Final report		0%
<b>IR 4: Rural development of Magude District- Maputo</b>		
1) Review of ToRs		90%
2) Procurement of Services		50%
3) Inception Report		0%
4) Final report		0%
<b>IR 5: Development of Norms for Hospital Designs</b>		
1) Review of ToRs		100%
2) Procurement of services		100%
3) Inception Report		0%
4) Final report		0%

## 4 FINANCIAL OVERVIEW

### 4.1 Overview of expenditure versus financial planning

The total budget of the project is 500.000 - €

01	Identification PRPE II - Milagre Mabota Road	Co-Management	11.091.00*
02	Co-Funding MPD- Panning & Monitoring Cycle	Co-Management	53.608.75*
03	Rehabilitation of Marere Hopsital	Co-Management	
04	Rural development of Magude District	Co-Management	
05	Development of Norms for Hospital Designs	Co-Management	
<b>TOTAL</b>			<b>64.699.75</b>



## 4.2 Analysis of financial planning (1 page)

Due to delays in the approval of ToRs, only 3 studies were initiated in 2007, therefore the financial execution versus the planning was very low.

## 5 MONITORING OF THE INDICATORS

### 5.1 Specific objective

No Specific objective is set forth , as the Fund is aiming at financing in full or in part studies and consultancies in the framework of the Belgian –Mozambican Development Co-operation, including identification, preparation and follow up studies of projects and programmes, investigations, missions, seminars, audits, evaluations and services. The Fund will be used on the basis of a mutual agreement between both Parties.

### 5.2 Results

#### EXPECTED RESULTS

The studies and consultancies financed by the Fund shall belong to one of the priority sectors or themes of the Belgian Development Cooperation and either be part of the Mozambican Belgian Indicative Programme as jointly defined by the parties or conform with the development policy of Mozambique.

Ministries and Government agencies of Mozambique shall be the only beneficiaries of the Fund.

The Funding of further actions as follow up of a study or consultancy financed through the Fund will require a separate decision by Belgium.

### 5.3 Indicator evolution (chart)

No indicators have been defined

## 6 ASSESSMENT OF MONITORING CRITERIA

According to the Exchange of Letters form April 2005 the Fund shall be managed by both parties.

### For Mozambique

The Government of Mozambique appoints the Ministry of Foreign Affairs –and Cooperation, hereinafter referred to as MINEC, as the entity responsible for the supervision of the Fund.

MINEC shall have mandate on behalf of Mozambique :

- to approve the study and consultancy proposals as stipulated in article 5 of the Specific Agreement;
- to approve the selection and awarding procedure as stipulated in article 6 of the SA

Any Ministry or Government institution which is beneficiary of the Fund, hereinafter referred to as the Technical Ministry/Institution, is appointed as executing agency responsible for the technical follow up of the study or consultancy and shall for each study or consultancy appoint a Mozambican Supervising Officer

The Supervising Officer will be responsible for:

- the selection and awarding procedure as stipulated in article 6 of the SA
- the approval of results and reports of the contract
- the approval of the invoices as stipulated in article 7 of the SA

### For Belgium

The Belgium appoints the Directorate General for Development Cooperation of the Federal Public Service for Foreign Affairs, Foreign Trade and Development Cooperation, hereinafter referred to as DGCD, as the entity responsible for the supervision of the Fund

DGCD grants authority to the attaché for International Cooperation responsible for the development cooperation with Mozambique to approve on behalf of the Belgium the study and consultancy proposals as stipulated in article 5 of the SA

DGCD appoints the Belgian Technical Cooperation, hereinafter referred to as BTC, as the executing agency responsible for the administration and follow up of the implementation of the Fund

BTC designates its Representative for Mozambique as Fund Director , responsible for the follow up of awarding process and the certifying approval of expenditures chargeable to the Fund

The Representative of BTC for Mozambique is responsible for:

- the selection and awarding procedure as stipulated in article 6 of the SA

- the approval of the invoices of a consultancy as stipulated in article 7 of the SA
- the signing of payment orders of the Fund as stipulated in article 7 of the SA

#### For Mozambique and Belgium

A Fund Joint Local Consultative Body –JLCB, composed of MINEC (Chairperson), the Belgian attaché for International Cooperation (Co-Chairperson) a representative (s) of the Ministry or Government institution, which has (have) been beneficiary of the Fund, and the Fund Director will meet at least every 6 months

The Fund JLCB shall have the following tasks:

- monitor the use of the Fund
- assess the relevance of the results of the consultancy /studies financed by the Fund
- verify that applied procedures comply with procedures stipulated in the Sa
- propose possible adaptations of procedures to both parties

## 6.1 Efficiency

It is difficult to make a finding on efficiency and impact when the project has just started and there are no formal action plans for the period under review. The project efficiency is to be validated through the impact of the studies ( as an example the identification study for Milagre Mabote road)

## 6.2 Effectiveness

The project has been effective in selecting/approving studies (during 2007 a total of 4 studies were approved), its implementation or the awarding process has been less effective as it implies successive consultations between different players, this resulting on serious delays. As mentioned earlier, the lack of capacity of the beneficiaries to develop adequate Terms of references has also negatively affected the implementation process.

## 6.3 Sustainability

In order to assure the organizational sustainability of the program, the Mozambican partner shall implement adequate human resources development plan and assure sufficient and qualified human resources to work in the development of the ToRs and follow up activities.

## 7 MEASURES AND RECOMMENDATIONS

### 7.1 Overview of the assessment criteria

As above mentioned, different institutions are involved in the Steering Committee meetings making it difficult to meet regularly (every semester), however each steering Committee for the 3 initiated studies met at least once to validate the tender proposals and approve the awarding process.

### 7.2 Recommendations

It is to recommend the next JLCB to consider the possibility of extending the use of the Fund to Non-Governmental Institutions so that proposals received from local NGOs and Associations could be entertained.

It is also crucial to assist the partner in developing its capacity to prepare adequate ToRs and to assess the possibility of shortening the approving chain in order to speed up the initiation of studies.

Efforts should also be made in order to publicize the existence of the fund and disseminate the eligibility criteria for the use of it.

## 8 PLANNING FOR THE UPCOMING YEAR (YEAR N+1) (SEE ANNEXES)

## 9 CONCLUSIONS

### 9.1 Advice of the JLCB on the recommendations

As the project it has just started in 2007, no major conclusions are to be reported. However it is to stress the fact that delays apparently resulting from the long approving channel and to the lack of capacity of the partner to develop adequate Terms of reference, should be addressed in the next JLCB (planned in april 2008), as well as the extension of the Fund to other institutions, in order to speed up the financial execution of the Fund.

## 10 ANNEXES



Key Result Areas	Indicators	Progress	Remarks
<b>Scope and Objectives: Aiming at financing in full or in part studies and consultancies in the framework of the Belgian-Mozambican Development Co-operation, including, identification, preparation and follow up studies of projects and programmes, investigations, missions, seminars, audits, evaluations and services.</b>			
<ul style="list-style-type: none"> <li>The identification Study for PRPE II Infrastructure ( Milagre Mabote Road)</li> </ul>	<ul style="list-style-type: none"> <li>ToRs Reviewed</li> <li>Procurement of Services</li> <li>Inception Report</li> <li>Final report</li> </ul>	<ul style="list-style-type: none"> <li>All steps completed. Final report delivered</li> </ul>	<ul style="list-style-type: none"> <li>Priority level A: Refer to TFF and to government priorities</li> </ul>
<ul style="list-style-type: none"> <li>MPD- Planning and Monitoring cycle</li> </ul>	<ul style="list-style-type: none"> <li>Tors reveiwed</li> <li>Procurement of services</li> <li>Inception Report</li> <li>Final report</li> </ul>	<ul style="list-style-type: none"> <li>Great progress (field works completed and final report under preparation)</li> </ul>	<ul style="list-style-type: none"> <li>Priority level A</li> </ul>
<ul style="list-style-type: none"> <li>Rehabilitation of Marere Hospital</li> </ul>	<ul style="list-style-type: none"> <li>ToRs reviewed</li> <li>Procurement of services</li> <li>Inception Report</li> <li>Final report</li> </ul>	<ul style="list-style-type: none"> <li>No progress to be reported</li> </ul>	<ul style="list-style-type: none"> <li>Priority level B</li> </ul>
<ul style="list-style-type: none"> <li>Rural development of Magude District</li> </ul>	<ul style="list-style-type: none"> <li>ToRs reviewed</li> <li>Procurement of services</li> <li>Inception Report</li> <li>Final report</li> </ul>	<ul style="list-style-type: none"> <li>Some progress ( first version of ToRs reviewed, tender launched but no results because ToRs found very vague and broad</li> <li>New version of ToRs under revisison</li> </ul>	<ul style="list-style-type: none"> <li>Priority level B</li> </ul>
<ul style="list-style-type: none"> <li>Development of Norms for Hospital designs</li> </ul>	<ul style="list-style-type: none"> <li>ToRs reviewed</li> <li>Procurement of services</li> <li>Inception Report</li> <li>Final report</li> </ul>	<ul style="list-style-type: none"> <li>Some Progress ( Contract awarded but study not yet initiated)</li> </ul>	<ul style="list-style-type: none"> <li>Priority level C</li> </ul>

Planned activities 2007	Activities progress	Activities proposed 2008
<b>Identification PRPE II Infrastructure</b>		
completed	Completed	
<b>MPD- Planning and Monitoring Cycle</b>		
	Under finalization	Finalize the report
<b>IR 3: Mare Hospital</b>		
Finalization ToRs		Launch tender
		Start the Study
<b>IR 4 Rural development of Magude</b>		
Re		To review the
		Re-launch Tender
		Start the Study
<b>IR 5: Development of the Norms for Hospital Designing</b>		
	Under finalization	To finalize the study and present the report