



MOZAMBIQUE –BELGIUM STUDY AND CONSULTANCY FUND

ANNUAL REPORT

MOZ01003

DECEMBER 2009

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1 PROJECT SHEET

BASIC INFORMATION ON 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	:	CDM- Council for Development of Mozambique (Represented by MINEC- Ministry for Foreign Affairs and Cooperation???)
Number of BTC international cooperation experts	:	None
Duration of the project (according to SA/SC)	:	Initially 4 years and lately extended to 10 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	:	extended to 05May 2012
estimate	:	05 May 2013
Project management methods	:	Regie
Project total budget	:	500.000- €
Report covering the period	:	1 Jan 2009 – 31 Dec 2009

2 BRIEF FACTUAL OVERVIEW

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

The Second joint commission meeting took place in April 2008 in Brussels, where the second ICP for the period 2009/2012 was approved and signed by both parties for an indicative budget of **48 million €**.

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.

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 the 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 at the Ministry of Foreign Affairs), who together with the BTC Resident Representative are managing 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. MINEC only appointed its Representative in 2006. As the Specific Agreement expired in May 2006, the Mozambican authorities requested an extension up end of 2008. In December 2008 and again through exchange of letters the Government of Mozambique requested an extension for another 4 years; therefore an extension up to May 2012 has been approved by the Belgian authorities

Due to the problems above-mentioned 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 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. Therefore the parties have agreed to review the procedures and approve necessary changes in the Specific Agreement in order to simplify and extended its use by other Institutions and Entities rather than the Government. This review is expected to take place during the second quarter of 2010.

3 OVERVIEW OF ACTIVITY PLANNING:

3.1 Activity overview

<i>IR 1: Identification Study for PRPE II – Infrastructure- Milagre Mabote Road- Maputo</i>	Planned Time Frame	Actual Time Frame	Comments
Review of ToRs		Activity completed in 2008	
Procurement of Consultancy services		Completed in 2008	
Inception report		Completed in 2008	
Final report		Completed in 2008	

<i>IR 2: Co- Funding MPD- Planning and Monitoring Cycle- Nationwide</i>	Planned Time Frame	Actual Time Frame	Comments
Review of ToRs		Activity completed in 2008	
Procurement of Consultancy services		Completed in 2008	
Inception report		Completed in 2008	
Final report		Completed in 2008	

IR 3: Rehabilitation of Marere Hospital- Nampula	Planned Time Frame	Actual Time Frame	Comments
Review of ToRs		Completed in 2008	Initially ToRs were very broad and not very clear
Procurement of Consultancy services	Jun/July 09	Dec 09	A first procurement process was done through a short list provided by the partner but only one individual bid was received, therefore a second tender process was initiated based on a short list provided by MISAU/ GACOPI Problems in organizing a joint meeting with the partner who is based in Nampula resulted in delays on the evaluation of the bids
Inception report	Sept 09	April 10	
Final report	Dec 09	June 10	

IR 4: Rural development of Magude District- Maputo	Planned Time Frame	Actual Time Frame	Comments
Review of ToRs		Completed in 2008	The ToRs initially presented were not clear and most of the service providers invited for the bidding
Procurement of Consultancy services		Completed in May 2009	Contract was awarded after a joint evaluation of bids But the start of works has been blocked by the supervising officer because BTC is not paying “incentives “ to him. He also tried to get some sort of payment by the service provider but this informed him that no incentives were foreseen This situation has been verbally reported to the Government counterpart in 2009 who promised to

			take some action but to date nothing has been decided
Inception report			It is difficult to estimate if this study will proceed
Final report			
<i>IR 5: Development of Norms for Hospital Designs</i>	Planned Time Frame	Actual Time Frame	Comments
Review of ToRs		Completed in 2008	Process conducted by TA GACOPI
Procurement of Consultancy services		Completed in 2008	Process was conducted by the TA GACOPI Contract was awarded to the recommended service provider but this did sign it and then decline the implementation of this study
Inception report			This study will not take place unless and new procurement process is launched
Final report			

Planned Time

<i>IR 6: Codex Conference Participation</i>	Planned Time Frame	Actual Time Frame	Comments
Review of ToRs			No ToRs. Funding based on request from the partner to send two Medical Doctors to attend a international conference
Procurement of Consultancy services			N/A
Inception report			N/A
Final report			Activity completed in 2008 , no report was delieverd

<i>IR 7: Demining Program in the Bordering Zones –Mozambique /Zimbabwe</i>	Planned Time Frame	Actual Time Frame	Comments
Review of ToRs		Completed in 2008	
Procurement of Consultancy services	Mai 09	Sept 09	Contract due to be signed by end of 2009
Inception report	Mai 10		
Final report	July 10		

IR 8: UEM- Seminars on Human and Social and HIV/AIDS research	Planned Time Frame	Actual Time Frame	Comments
Review of ToRs			No ToRs. Funding based on request from the partner to send Medical Doctors to attend international conferences
Procurement of Consultancy services			N/A
Inception report		Presented in 2008	
Final report	Dec 09	April 2009	Contract extended by mutual agreement

IR 09: MPD-UEM – Study on the Poverty Alleviation Management Systems	Planned Time Frame	Actual Time Frame	Comments
Review of ToRs			ToRs have never been officially presented to the Fund apparently because of the urgency of the study
Procurement of Consultancy services			Procurement process not initiated, as no formal request has been formally presented for approval Study has been undertaken using other sources of funding
Inception report			
Final report			

3.2 Analysis of activity planning

Due to delays in the approval of ToRs and assessment of the proposals from service providers No study was initiated in 2009. One contract was awarded and signed between BTC and the provider after acceptance by the beneficiary but the study have not yet started because the Supervising Officer designated by the partner has been blocking it apparently because he is not getting paid any incentives.

IR 3: Rehabilitation of Marere Hospital- Nampula

Due to the lack of presence of BTC in Nampula, as well as the lack of local service providers in the province, which added to the lack of technical expertise by the partner in the field it has been difficult to coordinate the procurement process, which was done by BTC in Maputo and had to be technically supported by an architect from MISAU. This has resulted in delays in the finalization of the procurement process.

It is to believe that the study will eventually start in the beginning of 2010

IR 4: Rural development of Magude District- Maputo

After a long process to review the ToRs and negotiations with the partner the contract was eventually awarded and signed in June 2009 but the Supervising officer has been blocking the start of the works apparently because no “incentives” for him have been foreseen in the budget and therefore were not included in the contract with the service provider

This situation has been reported to the government counterpart and Co- Director of the Fund, who promised to discuss with beneficiary and find a solution

IR 5: Development of Norms for Hospital Designs

Following recommendations from the beneficiary (MISAU /GACOPI) through the TA GACOPI the contract was awarded to the selected service provider but this has never signed it and did not start with the works apparently because this study would imply broader studies Even though no formal information has been delivered it is to believe that this has been cancelled

IR 7: Demining Program in the Bordering Zones –Mozambique /Zimbabwe

This result has been addressed, however some coordination problems with the partner has resulted in delays on the selection process. It is to believe that the study will start during the first semester of 2010

IR 8: UEM- Seminars on Human and Social and HIV/AIDS research

The first seminars took place in December 2008 and the partner presented its first report on 18th December 2008. The Second seminar took place in February 2009 as a follow up activities had to be carried out the partner has requested and extension of the contract, which ended in June 2009 for additional 3 months. However the final report has not yet been delivered

IR 09: MPD-UEM – Study on the Poverty Alleviation Management Systems

No formal request has been presented to the Fund using agreed channels. Therefore no procurement process was initiated. It has come to our knowledge that this study has taken place funded by other sources

Logical Framework:

No Logical framework has been developed for this project.

4 FINANCIAL OVERVIEW

4.1 Overview of expenditure versus financial planning

2009 planning vs. actual compared to Q 1 - 2009										
Financial modality	Q1- Planning	Q1 - Actual	Q2- Planning	Q2 - Actual	Q3 - Planning	Q3 - Actual	Q4 - Planning	Q4 - Actual	Total planning for the year	Total expenses for the year
REGIE	25.380	54.000	86.130	0	100.380	21.026,30	86.130	0	298.020	75.024,47
		212.76%								

2009 planning vs. actual compared to Q 4 - 2008										
Financial modality	Q1- Planning	Q1 - Actual	Q2- \Planning	Q2 - Actual	Q3 - Planning	Q3 - Actual	Q4 - Planning	Q4 - Actual	Total planning for the year	Total expenses for the year
REGIE	91.000	54.000	80.000	0	65.000	21.026,30	50.000	0	286.000	75.024,47

4.2 Analysis of financial planning

The planning for Q1-2009 was based on the assumptions that all pending studies would be initiated in 2009 but it was not achieved due to coordination problems; limited capacity of local market to offer consulting services and also due to the partners deficient ability to prepare the ToRs and provide technical support to BTC office particularly in the assessment/evaluation of bids.

Differences between Q4-2008 and Q1-2009 planning

The planning of Q4-2008 was for a total of 55,400€ based on the fact that two more studies would be initiated still in 2009. There were payments made in Q4-2008 and as a result the activities were moved to Q1-2009 thereby increasing the disbursements for Q1-2009 by 212%.

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

Government policies of Belgium and BTC in particular are focused on the Indicators of Progress as detailed in the Paris Declaration on Aid Effectiveness of Ownership, Alignment, Harmonisation, and Managing for Results and Mutual Accountability.

It is in this respect that this grant was supposed to be channelled to the Government of Mozambique through the so called “Co-Management” modality, which would allow the partner to have the full responsibility of the implementation of the studies, including the procurement process. However the Government of Mozambique has requested BTC to take full responsibility of the management of the fund. BTC Office, which is only composed by 1 staff member, do not have the capacity to evaluate all different technical proposals, which cover so many different fields, having to always rely on the technical support, which is supposed to be delivered by the beneficiaries, who in most cases are also lacking of technical capacity .

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

5.3 Indicator evolution (chart)

Result Area	Indicators (No Indicators have been defined for this project)	Achievement	Comments
• IR 1: Identification Study for PRPE II – Infrastructure- Milagre Mabote Road- Maputo	<ul style="list-style-type: none"> • ToRs approved • Contract Awarded • Inception report • Final report 	All Achieved	
• IR 2: Co- Funding MPD- Planning and Monitoring Cycle- Nationwide	<ul style="list-style-type: none"> • ToRs approved • Contract Awarded • Inception report • Final report 	All Achieved	
• IR 3: Rehabilitation of Marere Hospital- Nampula	<ul style="list-style-type: none"> • ToRs approved • Contract Awarded • Inception report • Final report 	Partially achieved	Procurement process at its last stage. Study due to start beginning of 2009
• IR 4: Rural development of Magude District- Maputo	<ul style="list-style-type: none"> • ToRs approved • Contract Awarded • Inception report • Final report 	Partially Achieved	Study not started because the Supervising officer is blocking it apparently due to lack of financial incentives for him
• IR 5: Development of Norms for Hospital Designs	<ul style="list-style-type: none"> • ToRs approved • Contract Awarded • Inception report • Final report 	Partially Achieved and then cancelled	Study practically cancelled
• IR 6: Codex Conference Participation	<ul style="list-style-type: none"> • Contract Awarded 	Achieved	
• IR 7: Demining Program in the Bordering Zones –Mozambique /Zimbabwe	<ul style="list-style-type: none"> • ToRs approved • Contract Awarded • Inception report • Final report 	Partially Achieved	Procurement process at its last stage. Study due to start beginning of 2009
• IR 8: UEM- Seminars on Human and Social and HIV/AIDS research	<ul style="list-style-type: none"> • Contract Awarded • Inception report • Final report 	All Achieved	Final report to be presented
• IR 09: MPD-UEM – Study on the Poverty Alleviation Management Systems	<ul style="list-style-type: none"> • ToRs approved • Contract Awarded 	Not Achieved due to cancellation	Study funded through other sources

6 ASSESSMENT OF MONITORING CRITERIA

6.1 Efficiency

Considering that from a total of 9 Studies and Conferences, which have been approved, 4 were completed, while a 5 one has not yet been completed due to unwillingness of the beneficiary to implement it and two other ones have been cancelled it is believe that the general efficiency has been reasonable. However the execution rate in 2009 remains considerably very low as only one contract was awarded

Local market is also limited for consulting companies and prices are normally very high, therefore cancellation of foreseen studies have affected considerably the efficiency of the project

6.2 Effectiveness

The approval process of the studies as well as the procurement process has become very bureaucratic and also time consuming, as it implies a lot of consultation/coordination with the partners who are not always able to provide the necessary technical support

The partners / potential beneficiaries, who can only be from government institutions, have in most cases failed to prepare adequate ToRs and to provide the needed technical support to BTC office in Mozambique, thus making it very difficult to speed up the process, particularly the identification of new proposals and the procurement services

6.3 Sustainability

In order to ensure the 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. On the other hand and as it has been agreed by both parties during the last partner committee it is crucial to review criteria for eligibility in order to include other potential beneficiaries, like NGOs and other local organizations rather than government entities

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 of the 4 completed and for the other three 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 by 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.

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8 PLANNING FOR THE UPCOMING YEAR (2010)

8.1 Activity planning year 2010

Activities	Q1	Q2	Q3	Q4
IR 3: Rehabilitation of Marere Hospital- Nampula				
Finalize the awarding of the contract	■			
Undertake the study		■		
IR 4: Rural development of Magude District- Maputo				
Take final decision	■			
Terminate contract or start the study		■		
IR 7: Demining Program in the Bordering Zones –Mozambique /Zimbabwe				
Finalize contract	■			
Implement the study		■		
IR 8: UEM- Seminars on Human and Social and HIV/AIDS research				
Finalize Reporting – close project	■			
Identify/Approve new studies				
Identify proposals	■	■	■	■
Undertake procurement	■	■	■	■

8.2 Financial planning year 2010

<i>Planning for 2010</i>					
<i>Financial modality</i>	<i>Q1- Planning</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Total planning for the year</i>
<i>Regie</i>	56.130	29.730	66.130	60.000	211.990
<i>Cogestion</i>					

<i>The available balance is as follows:</i>		
Financial Modality	Description	Amount
Regie		
Cogestion		
Formulation		
Totals		

9 CONCLUSIONS

9.1 Activities and Finance

IR 3: Rehabilitation of Marere Hospital- Nampula

The estimated cost of this study alone is 60.000 EUR, which should be totally disbursed in 2010. Therefore the implementation of this study should contribute to the improvement of the project efficiency

IR 4: Rural development of Magude District- Maputo

Cancellation of this study will affect the efficiency of the project as the first payment has already taken place. Therefore BTC should urge the Mozambican Counterpart –MINEC to seek for a reasonable solution of the problems, making it clear that the lack of cooperation from the designated Supervising Officer will result in a lost of about 22.000 EUR already paid to the service provider)

IR 7: Demining Program in the Bordering Zones –Mozambique /Zimbabwe

Implementation of this study will also increase the execution rate in about 60.000 EUR. Therefore it is crucial that the contract is signed in the beginning of the year so that most of the payments take place in the course of the year.

IR 8: UEM- Seminars on Human and Social and HIV/AIDS research

The presentation of the final report will allow BTC to disburse the last installment of about 22.000 EUR

Identify/Approve new studies

All parties should seek for more and better presented proposals in order to ensure absorption of remaining funds

9.2 Monitoring criteria

9.2.1 Efficiency

As no Audits and no independent supervision have been ensured in 2009 it is difficult to assess if all planned activities for 2009 were implemented within the allocated time and budget. Therefore it is crucial that both contracts be awarded during the first quarter of 2010 in order to improve the financial planning of the project and ensure proper monitoring of the implementation of the project activities, particularly the construction of Mapai Hospital

9.2.2 Effectiveness

All lessons learned will serve as a point of departure for the next year. It is expected that the continuation of the activities will run smoother in the next year since the beneficiary have already been urged to comply with the terms and conditions of the SA and the project TFF, particularly in regard to the monitoring and reporting mechanisms

9.2.3 Sustainability

This year the project team should also take decisions regarding the continuation of Result area 3, regarding the capacity building of the executing agencies and on the other hand BTC will be formulating a new project for HR development, which should take also into consideration of the provision of staff for the rehabilitated/ constructed health facilities under PRPE II project. The approach could be revised to address all the challenges experienced to date and ensure a much better buy-in the project than in the initial phase.

- Alignment of programme towards National HR Plan.
- Continuation of the programme by National and Provincial Departments, particularly in regard to the maintenance of the facilities.

9.3 Advice of the JLCB on the recommendations

9.3.1 Recommendations on activity planning

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, as well as the extension of the Fund to other institutions in the country in order to speed up the financial execution of the Fund

9.3.2 Recommendations on financial planning

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.

9.3.3 Recommendations on Logical Framework

N/A

9.3.4 Other recommendations

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

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

10 ANNEXES

10.1 Measuring indicators

There are no overall indicators for the Study & Consultancy Fund. Each approved activity has its own set of deliverables.

10.2 Checklist efficiency

The fund's duration has been extended to end on 05May 2012.

All activities should conclude as planned.

Commitment of the fund's financial resources towards activities before the expiry of the SA on 5 May 2012.

10.3 Checklist effectiveness

Timely provision of end of activity reports as stipulated in Memorandum of Understanding regarding the agreed deliverables of each activity.

10.4 Checklist sustainability

Contribution towards financing activities within the framework of the Belgian –Mozambican Development Co-operation.

Continuation of the programme in the National Plan.

The studies & consultancies are part of the Mozambican Belgian Indicative Programme and are in conformity with the development policy of Mozambique

10.5 Input in PIT

No JLCB minutes were uploaded into PIT.

The notification of Exchange of Letters to extend the SA to end on 5 May 2012.

Annual follow up report to Donors on 31 March 2009

10.6 Logical framework year

The fund has no TFF and Logical Framework.

10.7 Overview public contracts

None.