

Third Party Evaluation 2008
The Ministry of Foreign Affairs of Japan

Country Assistance Evaluation of Mozambique -Summary-

March 2009

Preface

This report is a summary of the “Country Assistance Evaluation of Mozambique” undertaken by the External Advisory Meeting on ODA Evaluation requested by the International Cooperation Bureau of the Ministry of Foreign Affairs of Japan (MOFA).

Since its commencement in 1954, Japan’s Official Development Assistance (ODA) has contributed to the stability and development of developing countries, and solutions of international issues which vary with the times, as well as to the security and prosperity of Japan. Recently, there have been increased domestic and international calls for more effective and efficient implementation of ODA. The MOFA, as a coordinating ministry for ODA, has been conducting ODA evaluation mainly at the policy level with two main objectives: to support implementation and management of ODA; and to ensure its accountability.

This report is intended to evaluate Japanese ODA policy to Mozambique for its relevancy, effectiveness and implementation process, which will provide lessons learned as references for reviewing the ODA policy and more effective and efficient implementation of aid activities in the future. In order to fulfill its accountability, the evaluation results have been opened to the public.

The External Advisory Meeting on ODA Evaluation was formed as an informal advisory body of the Director-General of the International Cooperation Bureau of the MOFA to improve objectivity in ODA evaluation. The Advisory Meeting is commissioned to design and conduct evaluations of ODA and feed back the results and recommendations of each evaluation to the International Cooperation Bureau of the MOFA so that they could be reflected in the actual implementation of ODA for improvement. Prof. Izumi Ohno, a member of the meeting, was in charge of this evaluation.

Prof. Tatsuhiro Yazawa, Assistant Professor of Keiai University, being an advisor to the study, made enormous contribution to this report. Likewise, the MOFA, the Japan International Cooperation Agency (JICA) including former Japan Bank for International Cooperation (JBIC), and the ODA Taskforces also made invaluable contribution. We would like to take this opportunity to express our sincere gratitude to all those who were involved in this study. The ODA Evaluation Division of the International Cooperation Bureau of the MOFA was in charge of coordination of all the involving associates. All other supportive works including information collection, analysis and report preparation was provided by Mitsubishi UFJ Research & Consulting under the commission of the MOFA

Finally, we wish to add that the opinions expressed in this report do not reflect views or positions of the Government of Japan or any other institution.

March 2009

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Country Assistance Evaluation of Mozambique

Outline of Evaluation

1. Theme: Country Assistance Evaluation
2. Country: Mozambique
3. Evaluators: (1) Chief Evaluator: Izumi OHNO (Professor, National Graduate Institute for Policy Studies) (2) Advisor: Tatsuhiro YAZAWA (Assistant Professor, Keiai University) (3) Consultant: Mitsubishi UFJ Research and Consulting Co., Ltd. Hidekazu TANAKA Masumi SHIMAMURA Kazuyoshi INOKUCHI Kenji WAKASUGI
4. Period of Evaluation Survey: June 2008 – March 2009

Outline of Evaluation

1. Evaluation Results

(1) Relevance of Policies

Japan's aid to Mozambique is generally consistent with Japan's higher-level policies (i.e., ODA Charter and Mid-Term Policy) and with the developmental needs of Mozambique. It corresponds to the development challenges and priority areas for support tabled at the last four Tokyo International Conferences on African Development (TICAD). This is to say, Japan's aid is appropriate and complementary to the support being provided by other donors.

(2) Effectiveness of Results

While progress towards development goals in Japan's priority sectors for assistance varies from sector to sector, Japan's aid is by and large producing meaningful results. Japan's assistance to Mozambique draws on its basic characteristics and comparative advantages (i.e. its technical expertise in providing grant assistance for infrastructure development, its human-mediated assistance through the provision of experts in the field of technical cooperation and its grassroots support provided by Japan Overseas Cooperation Volunteers), and the Government of Mozambique is both aware and appreciative of these strengths.

(3) Appropriateness of Process

The bilateral policy dialogue in 2007 led to a dramatic strengthening of cooperative relationship between Japan and Mozambique, which contributed to the effective preparation and selection of projects aligned to the developmental needs of Mozambique and priority areas for Japan's aid. However, there were calls from the Government of Mozambique for the Japanese Government to be more prompt and flexible in its decision-making process. Reflecting staffing constraints and the work load involved in donor coordination, Japan has not chaired any of the donor meetings, and there have been calls for Japan's more active involvement in the donor coordination and partnership processes from both the Government of Mozambique and the local donor community.

2. Major Recommendations

(1) Aid with Strategic Focus

- a) Clarify the position of Mozambique in Japan's ODA policy in Africa.
- b) Position Mozambique as a model for the TICAD process from a diplomatic perspective, and steadily implement the outcomes of TICAD IV.
- c) Utilize Japan's ODA budget for projects and programs to disseminate clearer messages from Japan to the Government and donor communities, and to establish a mechanism for supporting Japan's active undertaking of donor coordination and partnerships.

(2) Reconsideration of Priority Sectors, Geographical Targets, and Resource Allocations

- a) Give greater consideration to the potentially negative aspects of development (disparities among regions, environmental issues, etc.) when providing assistance geared to attain economic growth.
- b) Provide development assistance that delivers messages, drawing on the characteristics and strengths of Japanese aid.
- c) Take into account the programmed aid approach and regional development perspectives when considering the geographical target areas for assistance.
- d) Strengthen involvement in policy issues, building on Japan's aid experiences in Asia and its field-based cooperation.

(3) Strengthening of Aid Implementation, Process and Field Functions

- a) Adopt a more focused approach to donor coordination and partnerships.
- b) Strengthen policy dialogue with the various agencies of the Government of Mozambique.

(Note: The opinions expressed in this summary do not necessarily reflect the views and positions of the Government of Japan or any other institutions.)

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Chapter 1: Purpose and Principles of the Evaluation

1-1 Background and Purpose

Official Development Assistance (ODA) is a key pillar of Japan's contribution to the international community, and while the size of Japan's ODA has been shrinking over the past years, Japan remains as one of the world's top foreign aid donors. However, since the need for better quality, heightened more effective and efficient aid has been pointed out by both the international and domestic circle, the Ministry of Foreign Affairs and Japan's aid agency are endeavoring to enhance the quality of Japan's ODA evaluations.

Following the conclusion of the 1992 Peace Agreement, Mozambique has made a steady progress towards democratization and peace building and has succeeded in maintaining high rate of economic growth (7.0% in 2007). Consequently, it is recognized by many donors as being "a model for the transition to peace" and "a success story in terms of postwar reconstruction". To date, Japan has actively supported the peace building process and democratization efforts of Mozambique based on the belief that stability and development in this country can contribute to peace and development throughout Southern Africa. Japan dispatched Peace Keeping Operations (PKO) personnel during 1993-1995 on the basis of the law concerning Cooperation for United Nations Peacekeeping Operations and Other Operations (the International Peace Cooperation Law) and has provided ODA for reconstruction and development. The Governments of Japan and Mozambique held their first aid policy dialogue in April 1994, identifying three priority areas for Japan's assistance: (1) agriculture; (2) the social sector (Basic Human Needs (BHN) and basic infrastructure, etc); and (3) human resource development¹. Since then, Japan has provided food aid, support for the repatriation of refugees, landmine clearance and infrastructure development including the reconstruction of roads and bridges, primarily through grant aid and technical cooperation.

Mozambique has a Gross National Income (GNI) per capita of US\$340 (2006) with Human Development Index ranked at 172nd out of 177 countries (2007/2008, UNDP), and remains as one of the world's Least Developed Countries (LDC). Nevertheless, after more than ten years since the conclusion of the peace process, there are preliminary signs of improvement in the country's social indicators due to achievement of the major postwar reconstruction goals. Accordingly, while the social development needs continue to be a major issue, Mozambique has now reached the stage of pursuing economic growth in tandem with its social development goals, because growth will serve as the engine for autonomous development and contribute to poverty reduction. Reflecting this recognition, the Governments of Japan and Mozambique agreed upon three new priority areas for

¹ *Country-by-Country Overseas Development Assistance (ODA) Data Book 2005, 2006* (Ministry of Foreign Affairs)

assistance during aid policy dialogues held in March 2007: (1) rural development / economic promotion, (2) human resource development, and (3) the governance. These priority areas are consistent with three pillars of development strategies set forth in the Government of Mozambique's Action Plan for the Reduction of Absolute Poverty for 2006-2009 (PARPA² II)³ that was approved by the Cabinet in May 2006. In addition, debt relief measures made under the Heavily Indebted Poor Countries (HIPC) Initiative led to the start of Japanese yen loan assistance in fiscal year 2006, and laid the foundations for continuing Japan's support for Mozambique by loan finance through co-financing arrangement with international aid organizations, in addition to grant aid and technical cooperation.

Based on the background situation mentioned above, Japan's assistance to Mozambique can also be considered to have entered into a new phase. As Japanese Government plans to formulate a Country Assistance Program for Mozambique in 2010, with the birth of a newly reorganized Japan International Cooperation Agency ("new JICA") as the implementing agency for the three ODA schemes⁴, it is necessary to analyze Japan's aid policy on Mozambique to date, as well as indicating the direction of future aid strategies and priority areas for assistance, and its approach towards donor coordination in Mozambique. This evaluation is expected to have an important role in providing inputs for the formulation of Japan's new Country Assistance Program for Mozambique.

1-2 Scope and Time Frame

Usually, country-based Japanese ODA evaluations are conducted based on the Country Assistance Programs and Country Assistance Strategies of the target countries. However, in Mozambique, since the Country Assistance Program has not been formulated to date, the results of the past two policy dialogues between Japan and Mozambique (held in 1994 and 2007) were considered the basic aid policy to Mozambique for further analyses and evaluation.

As for the evaluation on "relevancy of policies" regarding Japanese aid to Mozambique, a review was made on major trends in the Japanese aid policy to Mozambique since 1994. As for the "effectiveness of results" and "appropriateness of process", this evaluation focuses on the projects initiated since 2000 when the Exchange of Notes (E/N) was concluded with the Government of Mozambique, considering the availability of relevant data. The year 2000 was an important year for both Japan and Mozambique. For Japan, it was the year that marked the establishment of the Japanese Embassy in Mozambique and the year in which ODA to Mozambique began to take full effect. For Mozambique, the year

² Plano de Acção para a Redução da Pobreza Absoluta

³ The development strategies set forth in Mozambique's version of the Poverty Reduction Strategy Paper (PRSP): governance, human capital, and economic development

⁴ Grant, technical cooperation and yen loan

2000 marked the transition from receiving assistance for peace building and reconstruction after the civil war, to the next stage of the development process. It was also the year in which flood damage prompted numerous aid donors, including Non-Governmental Organizations (NGOs), to begin extending assistance to Mozambique. Moreover, the evaluation was undertaken with an eye to the various Japanese aid modalities, including Grant Assistance for Grassroots Human Security Projects, Japan Overseas Cooperation Volunteers (JOCV), and South-South Cooperation as well as cooperation with multi-lateral and bilateral donors, and the Government of Mozambique.

1-3 Methodology and Framework

This evaluation represents a comprehensive assessment of Japanese assistance to Mozambique from the perspectives of “relevance of policies”, “effectiveness of results” and “appropriateness of process”, and is based on the 4th Edition of the ODA Evaluation Guidelines (April 2008) published by the Ministry of Foreign Affairs (MOFA). It also intends to provide recommendations to the formulation of a Country Assistance Program for Mozambique. The criteria applied for this evaluation are as follows:

Evaluation Criteria Applied

Criteria	Description
Relevance of policies	Verification of the consistency of Japan’s aid policy to Mozambique with the development needs of the country, Japan’s higher-level policies and Japan’s foreign policy in Africa, international development priorities and trends, its relevancy with other donors, and Japan’s comparative advantages.
Effectiveness of results	Verification of the effectiveness in achieving goals and priority challenges formulated in respect of Japanese aid activities to Mozambique.
Appropriateness of process	Verification of the appropriateness and efficiency of aid implementations and their processes as a means of ensuring the validity of ODA policy goals and effective results from Japanese aid to Mozambique.

The information, indicators and data used in this evaluation were sourced from documents relating to the bilateral policy dialogues held between the Governments of Japan and Mozambique in 1994 and 2007, and the Country-by-Country ODA Data Book by MOFA of Japan. Reference was also made to PARPA, Mozambique’s National Development Plan (5-year program) and the Millennium Development Goals (MDGs) and other relevant policies. The evaluation and analysis were conducted on the basis of these documents and materials while examining the availability of evaluation indicators, baseline figures, numerical targets and other data pertaining to the three priority areas of assistance agreed upon by the Governments of Japan and Mozambique.

The analysis of “relevance of policies” was conducted to verify the followings: (1) Japan’s higher-level policies, i.e. the ODA Charter and ODA Mid-Term Policy, and Japan’s foreign policy in Africa (i.e. policy aimed at strengthening aid to Africa launched by the Japanese Government at the 2005 Gleneagles Summit and Japanese aid policy for Africa as indicated at the last four Tokyo International Conferences on African Development (TICAD), etc.); (2) the developmental needs of Mozambique (i.e. PARPA, National Development Plan and other policies); (3) consistency with priorities and trends in international aid arena (i.e. consistency with the MDGs and relations with regional cooperation being undertaken in Africa); and (4) harmonization with the assistance being furnished by other donors (i.e. aid coordination and links between Japan and other donors and the extent to which Japan’s assistance complements the aid policy and assistance of other donors). The evaluation further examined the future direction of Japan’s aid policy in Mozambique with a view to providing inputs to the new Country Assistance Program for Mozambique.

In view of the availability of relevant data and materials, the analysis of “effectiveness of results” was conducted to verify the followings: (1) characteristics and trends in Japanese assistance; (2) the state of progress on assistance being provided in priority areas; (3) the contribution being made by Japan’s assistance; and (4) the extent to which goals have been achieved in each of the three pillars identified as requiring priority assistance. Given the difficulties of demonstrating a quantitative causal relationship between development achievement and the injection of Japan’s ODA, the impact of the aid is assessed in qualitative terms. Behind this lies the involvement of various factors in addition to Japan’s ODA in the achievement of development goals in the respective sectors and the fact that numerous donors are providing ODA into the majority of sectors. The effectiveness of Japan’s aid was also verified in terms of the direction of future assistance policy in Mozambique.

The analysis of “appropriateness of process” was conducted to verify whether and to what extent the assistance provided by Japan has adopted the appropriate and effective processes to ensure the validity of ODA policy goals and the effectiveness of the results produced. The analysis also included the framework for donor coordination in Mozambique. Specifically, it examined the following: (1) the appropriateness of the project preparation and selection process (i.e. what policy dialogue and sector-based discussions were held to identify the developmental needs of Mozambique, whether or not the ODA Task Force served its function in the identification of developmental needs and the implementation of assistance, and so forth); (2) the appropriateness of donor coordination and links with international aid organizations, other donors and NGOs, etc. (i.e. whether or not proper discussions were held to facilitate aid coordination with other donor countries and organizations and the links with NGOs); (3) whether processes aimed at monitoring progress on policy implementation at regular intervals were in place; and (4) Japan’s publicity and proper understanding on Japan’s assistance of related personnel and donors

in Mozambique. In considering the direction of future Japan's ODA policy in Mozambique, it examined the approach to be taken to enhance the impact of Japan's ODA, paying attention to such aspects as a possibility for Japan's involvement in General Budget Support (GBS) (strategy and challenges), the role and function of the ODA Task Force,⁵ the support systems of headquarters, i.e., the Japanese Ministry of Foreign Affairs and JICA, the appropriateness of human resource allocations, and systems for facilitating the mobilization of expert knowledge, and the actual state of donor coordination.

This evaluation study was initiated in June 2008 and completed in March 2009, according to the schedule shown below. The location of project sites visited and photos from the field surveys are set forth in the attachment.

(1)	Domestic Survey I	June – September 2008 1 st review meeting (June 25, 2008) 2 nd review meeting (August 22, 2008)	Establishment of a framework for the evaluation, collection and analysis of data, creation of questionnaires, interviews with the Japanese organizations and resource persons concerned
(2)	Field Survey	September 2008	Interviews with Japanese aid organizations, the Government of Mozambique, and various donor countries, aid organizations and NGOs working in Mozambique
(3)	Domestic Survey II	September 2008 – March 2009 3 rd review meeting (October 23, 2008) 4 th review meeting (February 19, 2009)	Analysis of materials collected during the field survey, consolidation of information and creation of reports

Chapter 2: Conclusions and Recommendations

2-1 Evaluation Results

2-1-1 Relevance of Policies

Taking into account the priority areas for assistance agreed upon two rounds of bilateral

⁵ In March 2003, the Ministry of Foreign Affairs decided to establish ODA Task Forces in developing countries in order to enhance aid policy and operational coordination among the Embassy of Japan and field offices of aid executing agencies. In Mozambique, the ODA Task Force consists of the Embassy of Japan and JICA Mozambique Office.

policy dialogue (held in 1994 and 2007) and the projects that have been implemented in Mozambique, Japan's ODA to Mozambique is considered to be generally consistent with Japan's higher-level aid policies (i.e., ODA Charter and Mid-Term Policy) and with the developmental needs of Mozambique. Japan's assistance has evolved in line with progress on postwar reconstruction and social and economic development. The 2007 decision to expand/extend "agricultural and rural development", one of the three areas identified as requiring priority assistance in the policy dialogues of 1994, into "rural development and economic promotion", was based upon the necessity for Mozambique of pursuing autonomous development in conjunction with social development, and is considered to have been appropriate. "Rural development", moreover, is critical to and has important implications for addressing regional disparities, which has received considerable attention as a major social issue. Also, these priority areas agreed with Mozambique are consistent with the development agenda set forth at the last four Tokyo International Conferences on African Development (TICAD), which represents Japan's foreign policy in Africa. Japan's aid policy in Africa that was unveiled at TICAD IV (in Yokohama) in May 2008 (mainly "boosting economic growth" based on the reduction of poverty through self-sustainable economic growth) corresponds to the current state of development in Mozambique and the country's future development challenges. Furthermore, Japan's assistance is complementary to the aid being provided by other donors and is appropriate. For example, "The Project for Improvement of Infrastructure and Equipment of Training Schools for Health Personnel" in Quelimane⁶, which is funded by Japan's general grant aid, involved the construction of schools and other related facilities, and Mozambique's Ministry of Health is funding the construction of additional classrooms, laboratories and housing by mobilizing the resources from GBS, sector budget support, and sector common fund contributed by other donors. As a result, Japan's aid is performing as a complementary function in junction with other donors' assistance.

2-1-2 Effectiveness of Results

Although achievement level and progress towards the respective development goals of the priority sectors (agriculture, education, health, water and sanitation, and roads and bridges) varies slightly from sector to sector, there is a clear evidence of improvements in the social indicators to which Japan's aid is, by and large, producing effective results⁷. Japan's assistance to Mozambique has basic characteristics, i.e. technical expertise in providing grant assistance for infrastructure development, human-mediated assistance through the provision of experts in the field of technical cooperation, and grassroots

⁶ The provincial capital of Zambezia Province

⁷ It is difficult to demonstrate a quantitative causal relationship between Japan's ODA and its contribution towards achievement of the development goals of each sector, thus the impact of said aid is assessed in qualitative terms. The difficulties are partly due to the involvement of various factors in addition to Japan's ODA in the achievement of development goals in the respective sectors and partly to the fact that most of the sectors are receiving funding from numerous donors.

support provided by JOCV, and the Government of Mozambique considers these characteristics the strengths of Japanese ODA. The Mozambique Government highly commended Japan's assistance in infrastructure development, economic sectors and human resource development, and it has expressed its gratitude for the on-the-ground and fine-tuned assistance, as well as the quality and reliability of assistance provided by Japan. The introduction of yen loan scheme in addition to the grant aid and technical cooperation, in fiscal year 2006, has given Japan a comparative advantage in terms of quantitative presence supplementing the already recognized qualitative strengths, particularly in the field of infrastructure development. A summary of the qualitative contributions of Japan's aid in each of the priority sectors for assistance is presented below.

Agriculture
<p>While the projects in the agriculture sector have been limited to date, Japan's assistance in this area is recognized to be drawing on Japan's strengths. Japanese agricultural civil engineering technology and grant aid contributed to the construction of the main watercourse for the Chókwè Irrigation System in Gaza Province. On the other hand, Japanese experience in rice varieties improvement, farming technologies, utilization of shared facilities by cooperatives, financial cooperation and Japanese expertise on the economic operation of small farm holdings are being utilized in the Integrated Development Project for Small-scale Farmers, also at Chókwè. Interviews conducted at pilot farms during the field survey confirmed that this multifaceted technical transfer is helping to increase unit yields. The effectiveness of cooperation involving the transfer of Japan's experience through human-mediated assistance is also acknowledged locally. This is confirmed by the statement of the president of the Chókwè Hydraulic Public Corporation, to which a visit was paid during the field survey: "Japan's assistance for small-scale farmers has been highly meaningful since it has involved the transfer of technologies that are critical to family-operated farms in Chókwè (and the Government of Mozambique). Those farmers targeted for assistance have learned various practical techniques through working with Japanese experts, including land cultivation, management of irrigation water, farming, countermeasures for disease and pest damage, harvesting, and are acquiring farming skills that are aligned to the crop production cycle".</p>

Education
<p>Japan's assistance in Mozambique's education sector has focused on the construction of primary schools buildings and teacher training. This support is helping to increase access to primary education and improve the quality of education: the development goals for this sector set forth by the Government of Mozambique, and the assistance provided to date is thought to have been consistent with the country's developmental needs and the stated policy. In addition, the human-mediated assistance such as the dispatch of experts and JOCV has been highly commended by the Government of Mozambique. Examples include the contribution to central policy formation made by Japanese experts and their work with education sector working groups in introducing the activities being undertaken on Japan's aid projects. Japan's assistance in the education sector is consistent with developmental needs and has been well-received by the Government of Mozambique; improvements in education indicators, including net primary school enrollment ratios and survival rate to last primary grade, etc., suggest that it is contributing to the achievement of PARPA II and the Millennium Development Goals (MDGs) and Japan's ODA in this sector is considered to have been effective.</p>

Health

Whilst problems remain in terms of progress towards the achievement of the goals set forth in PARPA II and the MDGs for the health sector, Japan's support has centered around the provision of training for health workers with a view to addressing the underlying problems of shortage of human resource and inadequate training in this sector. The Government of Mozambique recognizes Japan as being one of its foremost partners in human resource development and has great expectations for the contribution of Japan's human-mediated assistance, including training provided by experts and the cooperation of JOCV, to improvements in the quality of health professionals. Conscious efforts are being made to take the programmed aid approach into project formation, and "good practice" projects are underway that are designed to complement the funding by other donors and enjoy government support. Japan's assistance in the health sector is thus believed to have contributed to improving training for and the quality of health professionals, an urgent issue faced by the Government of Mozambique. There is a need for continued assistance to help achieve the goals set forth in PARPA II and the MDGs.

Water

Water supplies are urgent challenges facing the Government of Mozambique. Mozambique is way behind in its efforts to achieve the MDG targets on access to safe water, and requires assistance from the various donor countries. Japan has been providing assistance in this sector, primarily in the form of grant aid and technical cooperation, for many years. Its work in well construction and the provision of technical cooperation in training people to manage and repair such facilities has been highly commended by the government. Japan's aid in this sector has been focused on Zambezia province, which has the lowest rate of access to safe water in the country, and improved water supply rate in this region gives some indication of the contribution being made by Japan's ODA. Accordingly, Japan's assistance in the water supply is considered to be contributing to the development of Mozambique and to the achievement of the goals set forth in PARPA II and the MDGs.

Roads and Bridges

In the road sector, Japan has provided aid for the construction and rehabilitation of roads and bridges, to respond to an urgent priority in terms of postwar reconstruction and damage due to flooding, etc. Conditions at eight bridges in Zambezia province that were visited during the field survey confirmed the design standards and durability of the said bridges to be higher, which used Japan's technology through grant aid. As PARPA II places greater emphasis on economic growth, the need for the road sector will shift to the upgrading of major arterial roads with a view to enhancing their function as economic infrastructure. Larger-scale road improvement work has already commenced, including the rehabilitation of the Montepuez-Lichinga road in the northern part of Mozambique (being funded by a yen loan through cofinancing with the African Development Bank (AfDB)), a development survey on the Nampula-Cuampa road, and the execution of a detailed design for the said route using non-project grant counterpart funds. These activities have been highly commended by ANE (Administração Nacional de Estradas), the body responsible for the development and maintenance of all classified roads in Mozambique, and the government has acknowledged the appropriateness of using project assistance for such large-scale works rather than the budget-support type assistance.

2-1-3 Appropriateness of Process

The policy dialogue of 2007 led to strengthen the cooperative relationship between Japan and Mozambique, dramatically and resultantly the effective formation and adoption of projects aligned to the developmental needs of Mozambique and the areas identified for priority assistance by the Japanese Government. Two countries also agreed to hold annual policy dialogue from 2008 onwards in line with the request survey cycle, and bilateral consultations were again held in May 2008. A project development program (the so-called “Rolling Plan”⁸), which covers all three aid modalities (grant aid, technical cooperation, and yen loan), has been formulated on an experimental basis to serve as referential materials for project managers. Such effort should contribute to facilitating the provision of assistance in alignment with the country’s developmental needs from a comprehensive perspective. Project formation is being undertaken, with attention to the functional complementarity and synergies among aid modalities, and the Government of Mozambique has recognized several projects which took programmed aid approach as “good practices” . It is hoped that efforts will be made to develop this approach into a national level by extending it to other provinces and regions. There have, however, been calls from within the Government of Mozambique for Japan to be more prompt and flexible in coordinating and making decisions during the project selection process. From the perspective of donor coordination, a number of individual projects have been formulated and executed with an eye to their complementarities and synergies with the assistance being provided by other donors and international aid organizations. Due to the staffing constraints on ODA Task Force and the work load involved in donor coordination, Japan has not chaired any working group meetings held by the international aid community. There have been calls from the Government of Mozambique and other donors for Japan’s more active involvement in working groups and policy discussions.

2-2 Recommendations for Future Japan’s Aid Policy for Mozambique

Based on the above evaluation findings, the following recommendations are made in respect of the future direction of Japan’s aid policy on Mozambique with a view to providing inputs for the Country Assistance Program to be formulated.

In light of the actual results of Japan’s assistance to Mozambique, the views expressed by various stakeholders in Mozambique, strengthening of bilateral dialogues since 2007, and the Japanese Government’s commitment to expanding its assistance to Africa as announced at TICAD IV, the Country Assistance Program should be formulated with due consideration to: (1) how to reinforce Japan’s presence as a donor to Mozambique, and (2)

⁸ This experiment includes both projects that have been requested by the Government of Mozambique and projects that are still in the conceptual stage. Conditions in and challenges for the various priority sectors, assistance policy and the measures to be implemented by the Government of Mozambique have been clarified, and a four-year program devised to ensure that the challenges can be met by individual projects and that the projects have sufficient level of maturity.

how to disseminate Japan's approaches and its accumulated expertise more positively. It is vital that Japan endeavors to properly identify the developmental needs of Mozambique and to improve the quality of its ODA. It is also important to effectively communicate the strengths of Japan's ODA and examples of good practice and to establish the systems necessary for achieving the results. Mindful of the existing staffing and organizational constraints, efforts should be made to find innovative means of preparing dissemination materials and securing human resources, by utilizing its budget for ODA projects and programs to Africa.

2-2-1 Aid with Strategic Focus

1. Clarify the position of Mozambique in Japan's ODA policy in Africa.

It is highly significant for Japan to support a country like Mozambique, which has moved from the stage of postwar reconstruction to that of social and economic development.. Given the development paths that Mozambique has followed thus far and the goals set forth in the PARPA II and relevant policies, the country has now reached the stage to promote economic growth in parallel to social development, towards achieving autonomous development. Moreover, in light of the fact that "boosting economic growth" based on poverty reduction through sustainable economic growth is set to become higher-level foreign and aid policy in Africa, as announced at TICAD IV in May 2008, Japan's ODA for Africa should give attention to "boosting economic growth" and "private-public partnerships". The new Country Assistance Program for Mozambique should also take account of these points and clarify the position of Mozambique in Japan's ODA policy in Africa.

2. Position Mozambique as a model for the TICAD process from a diplomatic perspective, and steadily implement the results of TICAD IV.

While closely related to the above, the ODA policy for Africa announced at TICAD IV represents one of the major foreign policy goals for Japan, and thus its steady execution, and the delivery of concrete outcomes will be critically important for Japan's diplomacy. Japan's ODA to Mozambique predates the international peace cooperation assignment of 1994, and since its participation in UN PKO, Japan has provided continued assistance to Mozambique, supporting its transition from peace-building to social and economic development. Mozambique faces a number of challenges, but is making progress towards "consolidating peace", "establishing human security", "achieving the MDGs" and "boosting economic growth", which correspond to the priority areas embraced at the last four TICAD. In this sense, Mozambique can be positioned as a model for the TICAD process, and Japan must thus work to ensure that the outcomes of TICAD IV, including assistance for autonomous development, are put into action. It is necessary for Japan to clarify a strategic

position of Mozambique in its diplomacy and aid policy in Africa and to set feasible goals for achieving results. It is also necessary to disseminate the results in the international community including the TICAD process. The Government of Mozambique has also indicated its expectations for tangible outcomes from Japan's aid.

3. Utilize Japan's ODA budget for projects and programs in order to send out clearer messages from Japan to the Government and donor communities, and to establish a mechanism for supporting Japan's active undertaking of donor coordination and partnerships.

In Mozambique, those donors that are actively involved in donor coordination and are providing GBS exert considerable influence over the policy dialogue and decision-making channels that run between the government and donors. If Japan is to enhance its presence, there is a need to strengthen its policy messages and find ways of getting more actively involved in donor coordination, within the existing staffing and organizational constraints. In this sense, Japan is urged to make effective use of the opportunity of the goal doubling its ODA to Africa by 2012, one of the major commitments made at TICAD IV. Under the government-wide administrative reform, both the Embassy and JICA face difficulty in increasing regular staffing positions. But, further efforts should be made to use the increased budget for ODA projects and programs for Africa, in such ways as expanding "soft" assistance like research /study activities, dispatching experts capable of participating policy discussions, and producing dissemination materials of Japan's ODA activities in Mozambique. The long-term JICA experts, project experts and survey teams need to be mobilized at the donor meetings in the sectors and issues in which Japan has expertise, in an effort to strengthen Japan's voice. Due consideration must also be given to mobilizing potentially useful non-Japanese personnel, i.e. Asian human resources and fluent Portuguese speakers, keeping an eye on the progress of the Japan-Brazil Partnership Program (JBPP)⁹. It is indispensable to make concerted efforts to strengthen the operational systems both on the ground and in Tokyo (i.e., at the Ministry of Foreign Affairs and the JICA headquarters).

2-2-2 Reconsideration of Priority Sectors, Geographical Targets and Resource Allocations

1. Greater consideration to the potentially negative aspects of development (disparities among regions, the environmental degradation and other negative

⁹ The Japan-Brazil Partnership Program constitutes the framework for technical cooperation that was signed by the two countries in March 2000, based on the Third Country Training Program (TCTP), a joint venture with Brazil that has been achieving results since 1985. Its goal is to promote a new bilateral approach to South-South Cooperation. The JBPP comprises four modalities: (1) third country training, (2) cooperative training, (3) cooperative seminars in Brazil or a third country, and (4) cooperative projects in third countries. JBPP activities gained momentum following the third JBPP Planning Committee meeting of June 2007. In Africa, JBPP covers the six Portuguese-speaking countries.

impact) to attain sustainable economic growth.

During the bilateral policy dialogues of 2007, the three priority areas were agreed upon by the Governments of Japan and Mozambique; (1) rural development / economic promotion; (2) human resource development; and (3) governance, of which the focus was given to “rural development / economic promotion.” This is considered to be appropriate, in light of the developmental needs of Mozambique and its expectation for Japanese assistance. At the same time, as Japan’s ODA begins to place greater emphasis on economic promotion, due consideration will need to be given to the negative aspects of development in the growth process, i.e., regional disparities, environment and pollution issues, based on the understanding of the current conditions in Mozambique. Japan also needs to send messages to Mozambique concerning the importance of governance, since this area forms the basis for supporting the other two priority areas. To this end, Japan should continue providing assistance to strengthen the government’s administrative capacity, based on the achievement of Japan’s ODA to Mozambique to date. In addition, as Japan begins to provide yen loans for infrastructure development etc., it will need to pay careful attention to debt sustainability and conduct sound public debt management.

2. Provide development assistance that delivers messages, drawing on the characteristics and strengths of Japanese aid.

Whilst Japan is providing assistance in alignment with the bilaterally agreed priority areas, efforts must be made to increase the policy impact and visibility of Japan’s ODA. The deployment of Japanese presence is being marked by the establishment of the Embassy in Mozambique (2000), the opening of a JICA office and the establishment of a ODA Task Force (2003), and the bilateral policy dialogues held annually since 2007, and the inauguration of the “new JICA” (2008) as an integrated aid organization. The challenge now lies in strengthening messages from Japan, building on the characteristics and strengths of its ODA and clarifying Japan’s approaches to partnership with the Government of Mozambique and other donors. It is important to determine the content and the nature of the policy messages in order to contribute to addressing development challenges.

Regarding Japan’s assistance for human resource development in the social sector, those projects of the health and education sectors have been aligned with the national policy in Mozambique and with the sector-wide approaches (SWAps). Japan’s assistance for the development of hard infrastructure and technical cooperation has also been complementary to GBS and common funds provided by other donors. In the future, Japan needs to establish a mechanism for the more active involvement in higher-level policy discussions, by effectively linking the awareness of problems and challenges gained through the execution of projects on the ground to central policy dialogue and donor coordination in Maputo. These include the mobilization of long-term experts as policy

advisors. Japan also needs to continue to provide assistance at the grassroots level by dispatching the JOCV, targeting the priority regions for programmed and integrated regional development, in order to strengthen the message and visibility of Japan in Mozambique. Good practice projects in the social sector, for example, general grant aid for “The Project for Improvement of Infrastructure and Equipment of Training Schools for Health Personnel” in Quelimane, can be extended to other provinces and regions and scaled up on a nationwide level.

Japan has the capacity to make effective technical contribution in the agricultural sector through its experience in supporting small-scale farmers. With its technical expertise in the field of rice cultivation, a technological contribution in rice variety can be available by cooperating with the International Rice Research Institute (IRRI) located in the Philippines. It is highly important to strengthen such assistance that leverages Japan’s technical strengths and to appeal them positively. In addition, there exist continued needs for the development of irrigation systems and agricultural infrastructure in Mozambique, and it is essential to formulate and implement projects that effectively combine both hard (infrastructure development) and soft (technical transfer) aspects..

More specifically, in order to “provide assistance that delivers messages, building on the characteristics and strengths of Japanese aid”. Japan will need to be more selective of the regions and projects to which it is to concentrate limited resources, with due consideration to the recommendations 3. and 4 as shown below.

3. Take into account the programmed aid approach and regional development perspectives when considering the geographical target areas for assistance.

Although there is no announced policy which stipulates regional priority, the majority of Japan’s assistance to Mozambique to date has been concentrated in the provinces of Gaza (south Mozambique) and Zambezia (central Mozambique). Because some of the past projects were formulated at a time when there was no Japanese Embassy or JICA office in Mozambique, the linkages among projects had not been necessarily strong. It is hoped that, when Japan embarks on the formation and selection process in respect of new ODA projects, it will endeavor to enhance strategic cooperation with a view to ensuring the linkages among projects and taking the programmed aid approach, based on the lessons from the past projects. Under the current staffing constraints, consideration must be given to narrow down the projects and regions to be targeted for Japanese assistance from the perspective of the “selection and concentration”.

The Government of Mozambique has manifested its interest in the development of the northern area of the country, where Japan has started the assistance through yen loans, in light of the necessity of balancing regional disparities. Based on the past lessons, Japan

should consider taking the programmed aid approach if it is to continue providing assistance to the northern region. Studies are already in progress, but given the significance of promoting area-wide assistance to the northern region, it is important to formulate a regional development program which combines infrastructure development with various projects for agricultural and industrial development, human resource development and environmental protection. Such approach can be promoted as a model of Japanese aid.

Since regional development requires the coordination across different government agencies and geographical areas, it is important that Japan share the developmental vision and basic direction of development with the Government of Mozambique through policy dialogue. It will thus be important to work closely with high-ranking officials to ensure commitment from the Government of Mozambique.

4. Strengthen involvement in policy issues, building on Japan's aid experience in Asia and its in-the-field cooperation.

The Government of Mozambique has recognized the following characteristics of Japanese ODA as strengths and expressed its appreciation. These are; high technical level in providing infrastructure and facility by grant assistance; the human-mediated assistance in technical cooperation; and the grassroots level support delivered by JOCV. Such approaches stem from Japan's experience of providing assistance in Asia, and specifically, Japan has accumulated long years of experience in providing so called "grass-rooted support" as an effective approach. Japan has supported autonomous development of Asian countries, particularly through the assistance in agricultural and industrial development. This approach is believed to be also applicable in achieving long-term development in Mozambique, as Japan's ODA begins to pay greater emphasis on rural development and economic promotion. Japan should strengthen its involvement in the policy-level discussions, based on its experiences in Asia and field-based cooperation.

2-2-3 Strengthening of Aid Implementation, Process and Field Functions

Japan should assist in prioritizing and selecting projects, participate in policy dialogue with the Government of Mozambique and other donors and allocate its personnel with a view to "providing assistance that delivers messages, drawing on the characteristics and strengths of Japanese aid".

1. Adopt a more focused approach to donor coordination¹⁰.

There is vigorous efforts in donor coordination among the Government of Mozambique and many donors (totaling 19 at present) are involved in providing GBS; there are also 69 separate sector and issue-based working groups currently active. Japan provides no GBS funding. Neither does it chair any of these working groups, although members of the ODA Task Force participate in 28 of the 69 groups either as formal or observer capacity, by sharing considerable workload among the limited number of personnel. The Government of Mozambique and other international donors are calling for more active Japanese participation in an effort of donor coordination, and Japan needs to explore ways of achieving strategic participation in the donor community. Participation in GBS programs can be one of the options for Japan's to get involved in the donor coordination, however, Japan should start by raising its voice to those sectors and working groups related to Japan's priority areas so as to accumulate experience in leading the coordination. Japan should aim to participate at a more on-the-ground and practical level if it attempts to strengthen the visibility and messages drawing on the characteristics and strengths of Japan's ODA, under the current staffing and organizational constraints. There is already a case of Japan's participation in Education Sector Working Group meeting held in Maputo. A Japanese long-term expert for the local teacher training program, trying to strengthen primary education in Gaza Province, making a presentation to lead the discussion; the expert also provided a detailed account of the methods used in training local teachers to various officials from the Government of Mozambique and donor organizations. Such contribution has been recognized as a meaningful input for the formation of human resource development strategies in Mozambique.

It is important for Japan to make conscious efforts to establish the mechanisms for enabling its more active involvement in higher-level policies¹¹. These could include efforts to effectively link the awareness of problems and challenges gained through the implementation of projects in the field to policy dialogues by conducting various meetings at the central level in Maputo and to formulate a regional development program which combines infrastructure with various projects. To achieve this, Japan needs to create the mechanisms for actively deploying and mobilizing additional human resources. This can be done by using its ODA budget for projects and programs to mobilize specialized personnel, for example, long-term experts (policy advisors stationed in Maputo) or technical personnel with Portuguese fluency, or former JOCV volunteer, ex-researchers / planning officers at the Japanese Embassy and/or JICA field office.

Japan, the U.S. (USAID: United States Agency for International Development), United Nations and other donors, that are not participating in the GBS are promoting moves to

¹⁰ The situation mentioned here is the information as of September 2008, when the evaluation mission conducted a field survey.

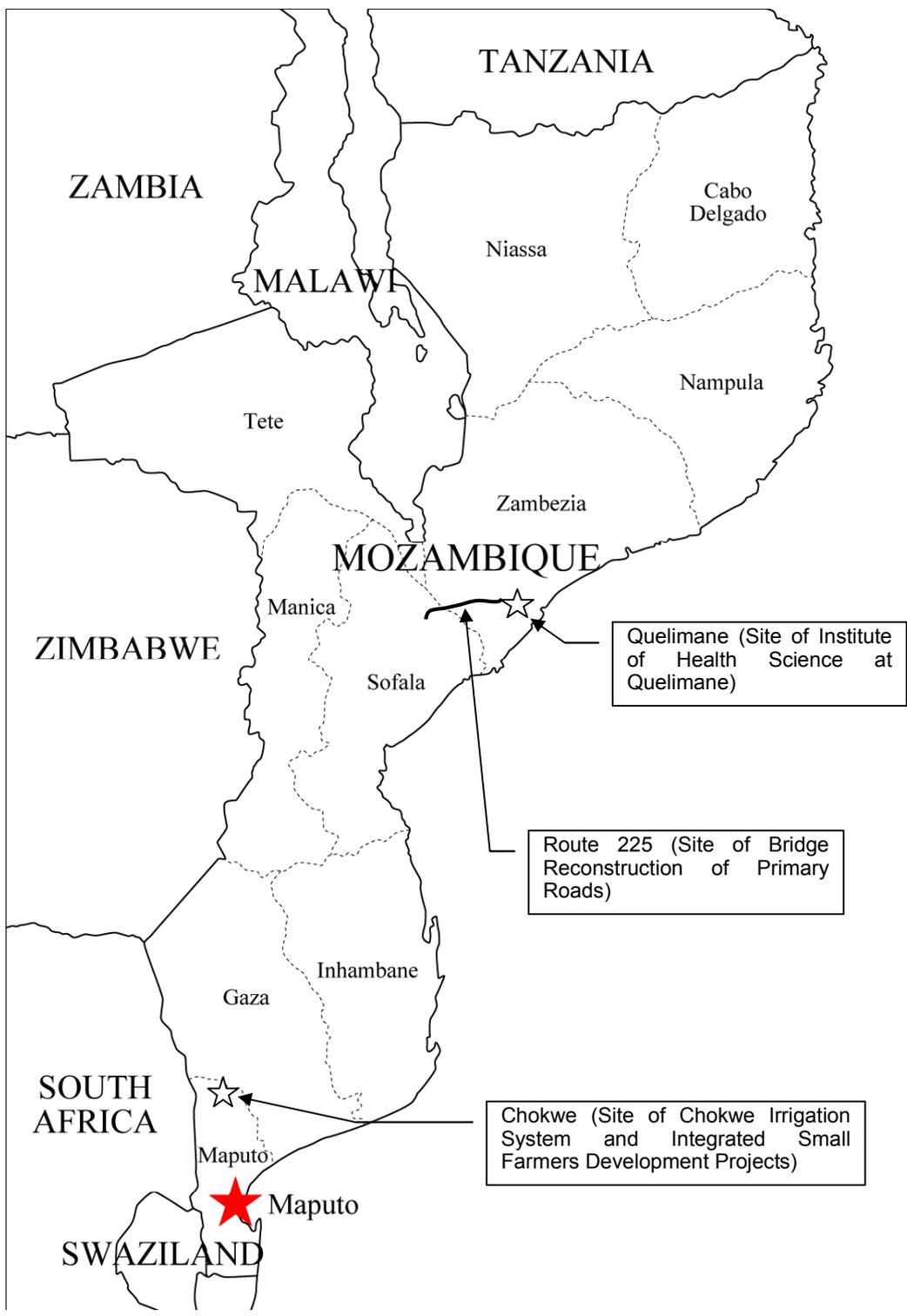
¹¹ This kind of multi-layer coordination mechanism is employed by projects conducted by German technical assistance by GTZ. The evaluation team unofficially named this "German method" to symbolize this mechanism and to be served as a useful reference for those concerned in Japan's ODA.

establish a new framework for donor coordination. Japan should continue to take a leading role in this initiative. The Government of Mozambique is pointing out its hopes on this new framework and expresses positive opinion regarding the strengthening of participation in policy discussions with those donors, including Japan, that are not currently involved in GBS.

2. Strengthen policy dialogue with the various agencies of the Government of Mozambique.

The dramatic strengthening of cooperative relations between the Governments of Japan and Mozambique following the policy dialogue of 2007 represents a significant development in their relationship. Ongoing annual policy discussions aligned to the request survey cycle are important at the local level. Those donors that are actively involved in donor coordination and are providing GBS to Mozambique exert considerable influence over the policy dialogue and decision-making channels that run between the government and donors. Thus, Japan must strive to strengthen such bilateral initiatives to deepen mutual understanding and establish a shared vision for the development. In addition, Japan needs to strengthen the mechanisms for holding regular operational discussions and for delivering assistance that is aligned to the developmental needs from a comprehensive perspective, in the priority areas and sectors. It also needs to develop the systems in order to respond more quickly and flexibly to urgent requests from the Government of Mozambique.

Map of Mozambique-2 (Project sites visited by the Team)



Map: <http://www.freemap.jp/>

Photos from Site Visits



Training Schools for Health Personnel in Quelimane



Chokwe Irrigation Scheme: Main Canal



Interviewing Chokwe Model Farmers at District D4



Mozambique Agriculture Research Institute (Chokwe)



Chiraba Bridge on Route 225



Zambezi Bridge (under construction)