

EVALUATION

EVALUATION OF THE AGRICULTURE, RURAL DEVELOPMENT AND FOREST SECTOR PROGRAMMES IN AFRICA

Country Report: MOZAMBIQUE

(Final version)

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Acronyms and Abbreviations

ADPP	Ajuda de Desenvolvimento de Povo para Povo (NGO)
ADRA	Adventist Development and Relief Agency
AfDB	African Development Bank
AgRED	Donor Working Group for Agriculture and Rural Development
AKA	Aniwanana Kanvanhiana Comercial, Limitede Liability Cooperative
ARD	Agriculture, Rural Development
ARDF	Agriculture, Rural Development and Forestry
CCSA	Agriculture Sector Coordinating Committee
CSO	Civil Society Organisation
CTA	Chief Technical Advisor
DESA	UN Department of Economic and Social Affairs
DIME	Development Impact Evaluation
EDR	Rural Development Strategy
EOZ	Empresa Orizicola de Zambeia
EQ	Evaluation Question
EU	European Union
EVA	Development Evaluation Unit (of the MFA)
FAO	Food and Agriculture Organization of the United Nations
FC	Farmers' Club
FCPF	Forest Carbon Partnership Facility
FFD	Finnish Agri-Agency for Food and Forest Development
FGD	Focus group discussion
FNDS	National Fund for Rural Development
FONGZA	Forum das Organização Não-Governamental da Zambezia (Forum of Non-Governmental Organisations in Zambezia)
GBS	General Budget Support
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (German Development Agency)
GNI	Gross National Income
GoM	Government of Mozambique
HDI	Human Development Index
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome
HRBA	Human Rights Based Approach
IAC	Instituto Agraria de Chimoio
IFAD	International Fund for Agricultural Development
INGOs	International Non-Governmental Organization
JPO	Junior Professional Officer
MASA	Ministry of Agriculture and Food Security
MFA	Ministry for Foreign Affairs
MINAG	Ministry of Agriculture
MITADER	Ministry of Land, Environment and Rural Development
MONAP	Mozambique Nordic Agriculture Programme
MTE	Mid-Term Evaluation
MTR	Mid-Term Review
NAFEZA	NAFEZA. Núcleo de Associações Femininas da Zambezia
NANA	Associação de apoio ao desenvolvimento development support association
NGO	Non-Government Organisation
NIP	National Indicative Programme

PAPA	Food Production Action Plan
PARPA	Action Plan for the Reduction of Absolute Poverty
PEDSA	Mozambique's Strategic Plan for Agriculture Development
PFM	Public Financial Mechanism
PMU	Project Management Unit
PNISA	National Agricultural Investment Plan
PQG	Mozambique's five-year plan for 2015–2019
PROAGRI	National Programme for Agriculture Development
PROCAVA	Agri-food Value Chain Development Project (IFAD)
PRODEL	Local Economic Development Program (EU)
PRODEZA	Support to Rural Development in Zambezia Province
PROMER	Rural Markets Promotion Programme (IFAD)
PROMOVE	Supporting Trade and Development in Mozambique (EU)
PZ	Processing Zone
RBM	Results-Based Management
SB	Supervisory Board
SDAE	Serviço Distrital de Actividades Económicas
SDG	Sustainable Development Goal
SIDA	Swedish International Development Cooperation Agency
SMEs	Small and medium-sized enterprises
SNV	Netherlands Development Organisation
SPS	Sector Programme Support
TA	Technical Assistance
UN	United Nations
UNAC	União (National Union of Farmers)
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
USD	United States Dollars
VC	Value Chain
WASH	Water, Sanitation and Hygiene
WB	World Bank
WFP	World Food Programme

Key Findings, Conclusions and Recommendations

Findings	Conclusions	Recommendations
EQ 1: How can Finnish co-operation efforts best contribute to the achievement of the SDGs - as well as other relevant international agreements - through ARDF sectors making optimal use of its comparative advantages?		
<p>Finding 1. As Finland is phasing out of the ARDF sector and is not planning to return in the near future, direct Finnish contributions to the achievement of relevant SDGs will not occur.</p> <p>Finding 2. Finland’s comparative advantage in the ARDF sector comprised, among other, its neutral position, its emphasis on women issues and on food security of smallholder farmers. Despite its limited financial contributions, it had considerable influence in the broader sector in the past.</p> <p>Finding 3. Establishing good smallholder farming organisations can be an appropriate means to strengthen ARDF contributions to the SDGs.</p> <p>Finding 4. With a view to still further strengthening Finland’s support to ARDF related SDGs, some potential would exist for Finland in the niche of climate change and climate governance in Mozambique.</p>	<p>Conclusion 1. Finland has succeeded to establish itself as a trusted development partner in Mozambique in ARDF and beyond, which would have constituted a basis for Finnish future support to the ARDF sector. However, due to its withdrawal from the sector, further opportunities to strengthen SDGs related to the sector remain somewhat limited. (This conclusion is based on Context 9, Context 10, Context 12, Finding 1, Finding 2, Finding 3, and Finding 4, and is the basis for Recommendation 1.)</p>	<p>Recommendation 1. Finland’s reputation and recognition, not only in ARDF, should be used to further support new directions of Finnish support to Mozambique. Some channels to strengthen SDGs related to ARDF would exist that are worth being further explored while preparing the next CS. (This recommendation is based on Conclusion 1.)</p>
EQ 2: Under what conditions can a value chain approach increase finance and investment in sustainable forestry and agriculture - while benefiting final beneficiaries in a sustainable way?		
<p>Finding 5. Interviews with a broad range of stakeholders, including implementing partners, assert that PRODEZA failed to put in place the required building blocks to ensure capacity and scale of value chain conditions.</p> <p>Finding 6. PRODEZA’s VCA did neither sufficiently analyse what commodity to best focus on, nor clearly identify who would be the most appropriate beneficiaries for which type of chain, nor fully cover the entire chain.</p> <p>Finding 7. After a shift in its approach to address the limitations of the VC towards strengthening unions and creating direct links between unions and markets, time remained too short for PRODEZA to fully operationalise this new approach – as a consequence, sustainability of is in danger.</p> <p>Finding 8. The existence of good and reliable service provides in the project areas favours follow-up and sustainability in the long run.</p>	<p>Conclusion 2. The VC approach applied in Mozambique has, overall, failed to address a number of major elements that would have required consideration to boost the approach and make its benefits sustainable for a broader range of beneficiaries. These elements include: building blocks, analysis on the best suitable type of commodity, strengthening unions and creating access to markets, existence of local good and reliable service providers, saving and credit groups. (This conclusion is based on Finding 5, Finding</p>	<p>Recommendation 2. Whenever promoting the VCA in the future, Finland should carefully consider the lessons emerging from Mozambican experience, among which are: first define the targeted type of farmers, in order to define if indeed a VCA is the most appropriate for the intervention or other approaches could be more relevant. If the VCA is the best choice, a proper mapping of the respective value chain and design are imperative to enhance the likelihood of sustainable benefits for</p>

<p>Finding 9. ADPP has, at best, produced mixed results in establishing VCA for smallholder agrobusiness, revealing that involving big companies in VCs can pose a challenge and that savings and credit groups can constitute an interesting element of a VCA.</p>	<p>6, Finding 7 and Finding 8 and is the basis for Recommendation 2.)</p>	<p>farmers. (This recommendation is based on Conclusion 2.)</p>
<p>EQ 3: How can cross-cutting objectives and HRBA be successfully integrated and implemented in such a way that they support achievement of the Finnish development cooperation objectives and objectives of the ARDF interventions?</p>		
<p>Finding 10. The cross-cutting issues of the Finnish Development Policy were supposed to guiding the development of new ARDF support, but they were not adequately considered in the original PD. In hindsight the use of checklists might had avoided the development of a gender-blind project.</p> <p>Finding 11. PRODEZA implemented some incidental gender related activities, but, despite some successes mainly occurring after changes to the project team, it failed to systematically or structurally integrating gender equality issues within the programme.</p> <p>Finding 12. Mixed, though superficial, attention has been given to incorporating climate change and environment conservation in ARDF support.</p> <p>Finding 13. While some activities in relation to HRBA have been implemented in ARDF projects, HRBA issues were not addressed in a comprehensive manner, probably reflecting the absence of a clear understanding on the HRBA, including examples of their practical application.</p>	<p>Conclusion 3. The failure to systematically include cross-cutting issues in Finnish ARDF support in the country has considerably reduced its potential benefits and impacts in the areas of gender equality, environment and climate and human rights. (This conclusion is based on Finding 10, Finding 11, Finding 12 and Finding 13, and is the basis for Recommendation 3.)</p>	<p>Recommendation 3. For ARDF support, the MFA should put more emphasis on ensuring that existing guidelines and/or tools on the how to incorporate and monitor CCOs are used throughout the project cycle by well-trained staff. (This recommendation is based on Conclusion 3.)</p>
<p>EQ 4: What are key success factors for achievement of 'reduced poverty and inequality', in particular in terms of benefits for women, vulnerable groups, and small and medium-size farmers?</p>		
<p>Finding 14. PRODEZA II's approach for poverty reduction is mainly based on Mozambique's PARPA, and uses mainly the same indicators for measuring progress.</p> <p>Finding 15. PRODEZA implemented a few social inclusion and gender related activities and actions that provide some good examples of good practices and key success factors that contribute to reduction of poverty and inequality.</p> <p>Finding 16. Planning and implementation of ARDF support need to set up a proper results framework with appropriate indicators to allow measuring and monitoring progress towards poverty and inequality reduction that not only fit into the overall policy frameworks (country and Finnish), but are also context-specific.</p> <p>Finding 17. Reduction of inequality requires a two-dimensional focus in order to be effectively.</p>	<p>Conclusion 4. The broad ranges of success factors in ARDF support in Mozambique includes, among other, setting up the right conditions so that progress can reliably be measured in all its dimensions, linking this to the overarching policy frameworks, and making it context specific and focusing on the different dimensions of inequality is essential. PRODEZA's attention to social inclusion and gender inequality, mainly in component 2, is a good practice in that regard. (This conclusion is based on Finding 14, Finding 15, Finding 16 and Finding 17, and is the basis for Recommendation 4.)</p>	<p>Recommendation 4. Clear definitions on poverty and inequality, addressing both dimensions, should be included in ARDF-related Project Documents. They should allow for setting up the right framework conditions so that progress on the reduction of poverty and inequality can reliable be measured, taking into account the specific context where the intervention is planned to take place. (This recommendation is based on Conclusion 4)</p>

EQ. 5: How can investment in sustainable land use and land management be made inclusive of smallholder and community needs while being attractive to responsible investors at the same time?		
<p>Finding 18. Mozambique still lacks some important conditions for scaling up private finance and investment for sustainable land use and land management for smallholder farmers. These include: Weak enforcement of environmental and social safeguards, lack of incentives in the legal framework, insecure land tenure and low public awareness.</p> <p>Finding 19. Finland substantially contributed to the acquisition of DUATs for many smallholder farmers, men and women, through its support to the Terra Segura Project through ADPP, 30% of trained farmers benefitted from DUATs, and to a lesser extent through the PRODEZA project.</p> <p>Finding 20. Capacity of cooperatives has been too weak to substantially help in bettering linking their members to markets, and to successfully provide the required services to their members and thus enhance the latter's bargaining power and business management.</p> <p>Finding 21. While the official policy of support for smallholder agriculture is rarely put in practice, large-scale commercial enterprises still attract the support of officials at national and local levels, despite their potentially negative impact on local livelihoods.</p>	<p>Conclusion 5. Without adequate political commitment and largely improved skills to support land policies that are pro-poor and inclusive, and that are geared towards improving the framework conditions that could support smallholder farmers in scaling up their agribusiness, inclusive investments in sustainable land use and land management are bound to fail, at least in Mozambique. (This conclusion is based on Context 3, Finding 18, Finding 19, and Finding 21 and is the basis for Recommendation 5.)</p> <p>Conclusion 6. Strong cooperatives and unions can constitute an important ingredient helping smallholders in scaling up their agrobusiness, but they often would require substantial skills and capacity development. (This conclusion is based on Finding 20 and is the basis for Recommendation 5.)</p>	<p>Recommendation 5. Whenever providing ARDF support in the future in other countries, Finland should carefully consider the lessons emerging from Mozambican experience regarding the enabling framework for inclusive investments in ARDF. Political commitment would need to be thoroughly tested, the skills levels at all levels of the public sector would require sound analysis, and a focus on strengthening service providers would have to be ensured. For Mozambique itself, Finland might consider some further support to ARDF through a governance lens. (This recommendation is based on Conclusion 5 and Conclusion 6.)</p>
EQ 6: Which implementation approaches are most appropriate - in terms of scale, modality, instrument, channel and/or implementing organisations in future?		
<p>Finding 22. Finnish support to the ARDF sector in Mozambique has mainly been through a project-based approach, while, overall, a broad mix of aid modalities has been applied - several being used simultaneously, such as GBS, Sector Budget Support (SBS), bilateral projects and NGO funds, as do some of their closest DP.</p> <p>Finding 23. Multilateral organisations and international and national CSOs in the ARDF sector basically apply the same range of modalities as Finland does.</p> <p>Finding 24. There are no Finnish-funded regional projects in the ARDF sector of which Mozambique is part.</p> <p>Finding 25. Across all implementation approaches, methodologies, scopes and strategies achievement on results have at best been mixed, and not always leading to the expected results and outcomes.</p> <p>Finding 26. Weak management capacity of the Mozambique government system, combined with weak inclusion of local authorities in planning and</p>	<p>Conclusion 7. Finnish support to ARDF in the country has struggled to find reasonably appropriate set-ups and modalities for a collaboration with Mozambican partners that could produce sufficient tangible results at beneficiary levels. The weak government capacity is one of the main reasons, while the return to a pre-Paris-Declaration-situation with PMUs in charge of implementation is at least questionable. (This conclusion is based on Context 4, Finding 22, Finding 23, Finding 24, Finding 25, Finding 26, and Finding 27 and is the basis for Recommendation 6.)</p>	<p>Recommendation 6. In future support to ARDF, and after having carefully taken stock of successes and failures of approaches and modalities, the MFA should assess whether there is room for new approaches or modalities to support the ARDF sector, or ARDF-related processes. (This recommendation is based on Conclusion 7.)</p>

<p>implementation, were major challenges that Finnish ARDF support did not manage overcoming.</p> <p>Finding 27. The question of how best to channel Finnish support – through government, PMUs, CSO, etc. – remains an unresolved challenge, not only for Finland.</p>		
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<p>EQ 7: What type of monitoring and evaluation system is most appropriate for outcome monitoring of Finnish projects in the context of wider support for achievement of SDGs?</p>		
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<p>Finding 28. PRODEZA II’s M&E system was linked with Finland’s Country Strategy, so it did with the Mozambique’s PARPA, but it was not developed to fit to current requirements for outcome monitoring of Finnish ARDF projects in support of SDGs.</p> <p>Finding 29. PRODEZA II has undergone an MTR, but its useful recommendations were only partially integrated in further implementation.</p> <p>Finding 30. PRODEZA II’s M&E system was not properly installed and did not follow the guidelines of the Finnish MFA. However, some project-internal M&E took place, but with very limited engagement of the government.</p> <p>Finding 31. PRODEZA’s activity and output-oriented M&E system has diverted the attention too much from reaching the more important outcomes, putting sustainability at high risk.</p> <p>Finding 32. Without an operational outcome-oriented monitoring /a results-based M&E that is embedded in a broader framework, PRODEZA and other ARDF support in Mozambique missed opportunities to prove possible contributions to higher-level frameworks, be they Mozambican, international or Finnish.</p>	<p>Conclusion 8. Without a results-based M&E system, reflecting the challenges in the ARDF sector, being embedded in country-owned SDG-based framework and forming the basis for outcome monitoring of, and reporting on, Finnish ARDF support in the context achievement of SDGs, measuring achievements of support will remain fragmental, and not contribute to strengthening evidence base for broader decisions. (This conclusion is based on Finding 29, Finding 30, Finding 31and Finding 32 and is the basis for Recommendation 7.)</p>	<p>Recommendation 7. Embedded in MFA efforts to further improve the quality of results-based M&E systems, future ARDF support (in Mozambique and probably elsewhere) should put substantial efforts in devising and implementing results-based M&E systems that are embedded in the relevant policy frameworks to which reporting should contribute, i.e. country-specific ARDF policies including the SDG framework and MFA objectives. (This recommendation is based on Conclusion 8.)</p>
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<p>EQ 8: How have the lessons learned from the donors/development partners and development organizations been taken into account or implemented at project level and what kind of approaches do the organizations have for future challenges in the sector?</p>		
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<p>Finding 33. PRODEZA II has successfully taken on board lessons learned from one of their implementing partners, and another implementing partner has taken on board lessons from both. It seems this cross-fertilisation has only had a regional focus.</p> <p>Finding 34. While, in the planning phase, due care was given to considering lessons learned from other projects or previous experiences, especially from PRODEZA I, implementation followed different and less successful paths thus reducing potential performance.</p> <p>Finding 35. While well-functioning inter-sectoral coordination mechanisms existed in the ARDF sector, the quality and intensity of exchange has substantially reduced in the past years. Additionally, though improvements seem</p>	<p>Conclusion 9. Useful lessons that Finnish ARDF support was about to consider were not always finally considered, which has limited especially the results that PRODEZA intended to achieve. On the other hand, cross-fertilisation has worked between PRODEZA and implementing partners. However, such learning only took place at the regional level, as deteriorating sectoral co-ordination mechanisms could not add substantial lessons that could have been useful, mainly for</p>	<p>Recommendation 8. For future MFA support to ARDF, in Mozambique or possibly elsewhere, the MFA might consider devising a strategy and possibly related tools and templates on how to systematically consider lessons learnt in the same country and elsewhere in planning and implementation, for the benefit of faster learning and avoiding errors made and already documented. Such learning should take place at both central and</p>
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<p>to be underway, the role of the government in sector coordination currently is weak.</p> <p>Finding 36. PRODEZA established an innovative partnership with the local radio, for sharing market information on agricultural products (inputs and outputs) available in the region.</p>	<p>PRODEZA. (This conclusion is based on Finding 33, Finding 34, Finding 35, and Finding 36 and is the basis for Recommendation 8.)</p>	<p>decentralised level of Finnish support and presence in a country, and it should be devised in a way to work in both directions (This recommendation is based on Conclusion 9.)</p>
<p>EQ 9: How can 'Finnish added value' in the ARDF sector be realised (e.g. through access to Finnish markets and expertise or to Finland's experience in creating a favourable business environment)?</p>		
<p>Finding 37. Finnish added value for international development cooperation and beyond has not been an important element for partners in Mozambique and is likely not to be in the future.</p>	<p>Conclusion 10. As in other countries, in Mozambique, the beneficiaries and stakeholders do not think in terms of added value from Finland or any other donor country. Good projects are appreciated and poor ones criticized, regardless of the origin of the resources. It seems as if bilateral MFA support, through a VCA, to ARDF is not a very effective way for promoting Finnish business interests. It is likely that Finnish businesses would benefit more from tools designed for their particular purposes. (This conclusion is based on Finding 6 and Finding 37, and is the basis for Recommendation 9.)</p>	<p>Recommendation 9. Finnish added value should not be applied as a decisive criterion when making strategic choices about the Finnish support to ARDF in Mozambique. (This recommendation is based on Conclusion 10.)</p>

1 Introduction

1.1 Purpose and scope of the report

This report is an intermediary output under the evaluation of programmes in the Agriculture, Rural Development and Forest (ARDF) sectors in Africa, for the Ministry for Foreign Affairs of Finland (MFA). As per the ToRs the evaluation is to learn from the projects and programmes, from what others have done and put Finland's efforts in the context on what the others, including the government, are doing related to ARDF. The assessment is framed by a set of nine Evaluation Questions (EQs). Eight bilateral ARDF programmes, implemented in Kenya, Tanzania, Zambia, Mozambique and Ethiopia between 2009 and 2018 have been selected to this end. This report deals with the programmes in Mozambique.

The report is based on a desk review of relevant documentation and on a country visit between 10th and 18th of February 2019. The mission schedule is presented in Annex 1, while Annex 2 lists the persons met and interviewed. In addition, the report also takes other Finnish support to the sector into consideration, such as through multilateral initiatives and other aid modalities, as well as private sector investments or initiatives.

The report summarizes the main findings of the country review and mission in a concise form. Findings, conclusions and recommendations have been reviewed and validated by the concerned geographic desks and Embassies. The country reports provide large part of the evidence used in the overall evaluation, notably in the final report.

First, the report describes the country context in which the evaluation takes place (chapter 2). It presents the relevant developments, issues and trends in the sector against which future Finnish support will be evaluated.

The core part of the report consists of findings related to the main Evaluation Questions (chapter 3). An attempt is made to focus on a limited number of findings per question (and the relevant evidence) that are relevant to the overall analysis. Chapter 4 presents the conclusions from the country analysis and chapter 5 provides tentative recommendations, both for the global analysis and country-specific, as relevant.

Overview of sample projects

The evaluation in Mozambique included one bilateral programme, namely the second phase of the **PRODEZA project** (Support to Rural Development in Zambezia Province, Mozambique – Phase II), implemented between 2010 and 2015.

In addition, the report also takes other Finnish support to the sector into consideration, such as for instance the Farmers' Club for wealth creation among smallholder farmers in Mozambique – ADPP Farmer's Club Project, another bilateral project but implemented by the NGO ADPP (Ajuda de Desenvolvimento de Povo para Povo) from 2014 to the end of 2018.

Finally, other Finnish support to the sector through multilateral initiatives and other aid modalities, as well as private sector investments or initiatives, have been taken into consideration.

1.1 Approach, methodology and limitations

The conceptual and methodological framework for the evaluation is outlined in the ToR and presented in the final report. A key element is the evaluation matrix. It defines the evaluation questions, and indicators. They are stipulated to respond to the key evaluation criteria defined in the ToR, including programme design,

relevance, effectiveness, and sustainability. The evaluation matrix also makes explicit the assessment of the HRBA and cross-cutting objectives.

Taking into account the evaluation's future-oriented focus, weight has been placed on careful and practical formulation of conclusions and recommendations. The conclusions are substantiated by findings, whether they are directly related to the Programmes, or stemming from assessments and perceptions of stakeholders.

To ensure stakeholder participation in the evaluation, following the briefing meeting at the Finnish Embassy in Maputo, a kick-off meeting took place with a group of about 15 key stakeholder representatives at the Embassy. This served to start the process of shared learning and to plan the remainder of the mission. The meeting was also an opportunity to assess the degree of consensus (or lack of it) among stakeholders on project relevance, impact and/or lessons learned. The exchanges provided the opportunity to discuss important issues and challenges in the ARDF sector in Mozambique.

After the field work, additional desk review and stakeholder interviews were made, with a view to further deepening the understanding of the projects and closing the gaps between what has been reported in written form (e.g. latest report of PRODEZA dates back to end of 2015) and what was found, observed and heard during field work.

The main limitation to the evaluation was the time elapsed since PRODEZA II had finished in December 2015; there has not been any follow-up on project activities given by the local district government, in particular the SDAE (District Service of Economic Activities). As the project area is very extensive and quite remote, and only a limited number of relevant agencies is established there, access to different types of beneficiaries or other stakeholders of the previous project has been limited to some extent, despite even the support by one of the implementing partners, who already had established an agenda regarding which stakeholders and sites to visit. In addition, one day of heavy rains, limited the team to do all planned Focus Group Discussions (FGD). Overall, time available for the field visit of this remote and extensive area was too short, but the evaluation team found it very important to visit the area in order to see and observe the situation on the ground and to talk with the final beneficiaries of the project. The additional (virtual) interviews after the field mission with some other stakeholders for triangulation and cross-checking of information collected during the field visit, completed any gap in data collection in the field.

The data collected by the team more than 4 years after end-of-project show a discrepancy between the current reality, intentions at design stage, the implementation period and the final reporting stage, at the end of five years. This will be further elaborated in section 3.6.

It is important to note that the conclusions and recommendations in this report are country-specific, consolidated findings, conclusions, and recommendations from all five countries are presented in the final report.

2 Context Analysis

Mozambique is a less developed country and among the poorest countries in the world with a Gross National Income (GNI) per capita of 460 USD (AfDB, n.d.). While progress has taken place in several aspects, Mozambique's human development index (HDI) ranks 180 out of 188 nations (UNDP, 2018). and the GDP/capita is 426.2 USD (2017) Over the evaluation period (2010 – 2015), the total population has grown by almost 30%, and the country has enjoyed robust and accelerated economic growth over the past two decades, making it one of the fastest growing countries in Sub-Saharan Africa. A bit more than two thirds of the population are employed in agriculture.

Mozambique's key development indicators are recapitulated in Table 1. GDP growth is mostly driven by agriculture - which continues to recover from the 2015–16 regional drought - and extractive industries, with coal exports continuing to expand. There are further predictions of increased foreign direct investment in gas-related megaprojects in the Rovuma Basin in 2019. The economy, however, lacks diversification and is highly dependent on the primary sector. Slightly more than two thirds of the population are employed in agriculture.

Table 1. Key data on Mozambique

	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Population	million	23,50	24,20	24,90	25,80	26,40	27,20	28,00	28,80	19,70	30,50
Rural population	% of total	69,30	69,00	68,80	68,60	68,30	68,10	67,80	67,50	67,20	
Life expectancy	Years m/f	54,1	54,5	55	55,6	56,5	57,9	59	60	60,5	58/62
HDI	Index		0.403		0.412		0.427	0.432	0.435	0.437	
Prevalence of undernourished	% of population	31,90	30,00	28,90	28,60	29,10	29,80	30,40	30,50		
Aid per capita	USD	85,60	80,20	82,80	80,70	87,50	77,40	64,80	53,10	59,85	
Food production index		116	150	158	159	124	143	141	150		
Forest area of land	%	49,80	49,60	49,30	49,00	48,80	48,50	48,20	47,98		
Arable land total	%	6,99	7,18	7,18	7,18	7,18	7,18	7,18	7,18		
Fertilize consumption	Kg/ha of arable land	4,03	8,20	7,36	5,62	5,26	6,56	4,49	3,72		
Food imports	% of merchandise	15,4	11,6	12,3	13,0	10,7	12,5	11,9	15,0	13,1	
Employment in agriculture	% of total	77,8	77,2	76,4	75,5	75,0	74,1	73,6	73,3	73,30	73,1

Sources: World Bank, UNDP, SOFI 2018, gapminder.org.

The impressive economic growth (7% annually) of a decade reversed into an economic slowdown in 2016 following the hidden-debt case coupled with an accumulation of natural disasters. Real GDP growth was estimated at 3.5% for 2018, a dramatic decline from the average of 7% during 2004-2015. However, it is projected to be 4.5% in 2019 and 5.0% in 2020, mostly driven by agriculture - which continues to recover from the 2015–16 regional drought - and extractive industries, with coal exports continuing to expand. There are also prospects of increased foreign direct investment in gas-related megaprojects in the Rovuma Basin in 2019. The economy, however, lacks diversification and is highly dependent on the primary sector.

Despite the country's remarkable economic growth, 46% of the Mozambican population continue to live below the poverty line (MFA, 2016), and the absolute number of poor (11,8 million) has remained relatively

constant over the past years. The Centre (e.g. Zambezia Province) and North of the country account for a disproportionate share of the poor. Inequality is high (Gini index 54) and increasing.

Mozambique's main challenges include high poverty levels and increasing inequality, malnutrition and illiteracy (SDG 1, 2, 4, 10); political/security instability, weak governance, endemic corruption (SDG 16); limited effectiveness of Public Financial Mechanism (PFM), debt management (SDG 8); low industry, innovation and infrastructure (SDG 9), and endangered biodiversity and climate change (SDG 13, 14, 15) (SDG Index, 2018). The country has not yet submitted a National Voluntary Review (IISD, 2018).

Context 1. Extreme weather events, such as destructive floods and severe droughts, occur yearly and are another threat to sustainable development in Mozambique. Mozambique vulnerability to climate extremes is high, due to its climate-sensitive production and/or yields, and severe drought food security sensitivity (FAO, 2018).

Recent events occurred evidence Mozambique's strong vulnerability to climate change, being one of the most vulnerable in the world, and which has major impacts on the ARDF sector. First two Category 4 cyclones in the span of only 6 weeks, Cyclone Idai destroying some 1.8 million acres of crops and Cyclone Kenneth destroyed another 70,000 acres, in the centre and north of the country. Though the cyclone's damage is hardest in the areas where it hit the country the impact is far further. Also, the PRODEZA project area, the Zambezia province being known as an area with serious problems with heavy flooding and extensive rains has always suffered from these natural hazards. This has caused widespread dependency on food aid which is expected to continue until the next main harvest in April 2020 (Devex Newsletter June 2019).

In 2012, Mozambique developed its 2013-25 National Climate Change Adaptation and Mitigation Strategy Strategic actions, which include forestry measures, low-carbon agricultural practices and reducing deforestation and wildfires, while in 2018 it presented its Nationally Determined Contribution (Mozambique presented in February 2018 its intended National Determined Contributions (NDCs), as per UNFCCC (2015) 'Adoption of the Paris Agreement'). At institutional level, capacity is missing in the areas of data collection, early warning systems and access climate finance.

2.1 ARDF in the country

Since independence in 1975, the GoM has been proactively supporting agriculture and rural development as one of the country's major cornerstone of its economy. This was materialised through the enactment of nationwide policies (e.g. the Action Plan for the Reduction of Absolute Poverty – PARPA, the Food Production Action Plan - PAPA, the Rural Development Strategy - EDR, the National Indicative Programme - NIP, Green Revolution and others) and found positive support amongst the donor community, namely the Programmatic Partners responsible for producing policy papers (e.g. Country Strategy Plan - CSP, Country Assistance Strategy - CAS, others) which has led to substantial support in the funding of sectoral and central multiannual programmes. As such, primary sector development is a key objective in all Government's economic growth and poverty reduction policy and strategy papers.

However, despite the agriculture sector being central to Mozambique's socio-economic growth, its potential for local economic development remains largely unexploited not least due to the lack of a well-structured and efficient "value chains" approach and, although promising, the farm-based market potential is still undeveloped.

Context 2. The ARD policies in Mozambique are defined in two key documents: **Mozambique Strategic Plan for Agricultural Development (PEDSA) and National Agricultural Investment Plan (PNISA)**. PNISA's programme development objective is to contribute to the main PEDSA objectives by 2020, which are enhanced food security and nutrition, increased income and profitability of agricultural producers and the rapid, competitive and sustainable increase in market-oriented agricultural production (IFPRI, 2014).

Specific PNISA objectives are to:

- accelerate the production of staple and nutritious food products;
- guarantee income for producers;
- ensure access and secure tenure of the necessary natural resources;
- provide specialized services geared towards the development of the value chain; and
- boost the development of the areas of greatest agricultural and commercial potential.

While the GoM claims that agriculture is a priority, this is strongly contested by many stakeholders in Mozambique. Also, this claim is not supported by the low budget allocation for the agricultural sector in the national budget.

Context 3. A study from 2009 concludes that the promotion of good business environment in rural areas can accelerate agricultural commercialization (Mucavele, F.G., 2009). Such promotion, however, requires: reducing corruption; reducing the cost to register a business; facilitating dispute settlement mechanisms; easing the application of regulations; expediting payment of refunds by the Government; maintaining flexible labour regulations, and facilitating access to land.

Context 4. Government capacity is limited, especially as financial public resources trickling down from national to district level are very limited. This makes the implementation of any project in coordination with the government, i.e. district officers, very difficult.

Allocations from the national budget of the MASA hardly reach the district levels, where resources would be needed. This leaves government staff (district officers) without adequate means of transport, financial resources for paying transport cost, for buying fuel or spare parts for motorcycles, thus making it difficult to reach out to beneficiaries, especially as distances in rural areas are considerable.

The government's forestry department has recently been split, which makes it difficult to know with whom to deal on forest issues. Natural forests belong to the responsibility of the Ministry of Land, Environment and Rural Development (MITADER), whereas the plantations are under the mandate of the Ministry of Agriculture and Food Security (MASA). According to some stakeholders, the rationale of the division is not clear and it has led to dispersion of the already scarce administrative resources. Apparently, the relative role of MASA has been weakened, especially after the creation of the National Fund for Rural Development (NDFS – an independent body) under MITADER. It is an autonomous body, with a staff of 120, to channel donor funding to MITADER and to contract technical assistance. A World Bank support has been instrumental in the creation of the National Fund for Rural Development (FNDS) and Sweden is among the development partners that channels its contribution to MITADER through FNDS. The European Union (EU) contracts the TA elsewhere for the MITADER projects.

2.2 The donor landscape in support of ARDF in the country

By the end of the 1990s, support to ARDF in Mozambique was fragmented and aid coordination and absorption were serious challenges. **PROAGRI** - Mozambique's National Programme for Agricultural Development - was developed in the mid-to-late 1990s as a first attempt to address this coordination failure and develop a common vision for national agricultural development.

PROAGRI has minimized the fragmentation, duplication and lack of vision previously found in the sector. A joint evaluation of the 1st phase of PROAGRI (1999-2005) found that the co-ordination

instruments put in place as part have performed well, improving the shared visions of agricultural sector development between the Ministry of Agriculture (MINAG) and the donors (PCW, 2007). Nevertheless, the joint evaluation of the 1st phase also concluded that the effects of the programme at the local level to improve the living conditions of farmers and the rural poor directly had been limited (PCW, 2007). The heavy focus on institutional strengthening especially in PROAGRI's first phase has been criticised (Mogues & Do Rosario, 2016).

In 2018, Mozambique had a well-established aid coordination framework, with the G19 (Programmatic Aid Partners) being the most influential forum (AfDB, 2018a). There are 13 sector working groups in the country, one of them focuses on Agriculture and is chaired by the World Bank, with the EU, Belgium, Austria, Finland, USAID and IFC as partners. With the exit of some members of the G19 and appearance of new donors and commercial partners of the Government of Mozambique, the donor landscape has considerably changed over the past decade (Bruschi, 2012). There is a relatively high presence of non-traditional partners in Mozambique, like China, Brazil or Vietnam.

Between 2009 and 2018, net ODA received (% of GNI) has been decreasing, from around 19% to 14% in 2017 (World Bank, 2019). The total amount of net ODA that Mozambique received in 2017 was 1,776 mUSD, with ARDF being the third largest sector in terms of received ODA (110 mUSD) (OECD, 2017).

Context 5. Both multi- and bilateral organisations support the ARDF sector in Mozambique, with more focus on the agriculture and rural development than the forest sector. In fact, there are only a handful of donors who directly support the forest sector.

Official Development Assistance to Mozambique Database shows that there has been more focus (in terms of ODA and number of projects) on the agriculture sector than the forest sector by donors ((between 2009 and 2018). While the agriculture sector received a total of around 6 billion USD between 2009 and 2017, the forest sector received around 40 mUSD (ODAmoz, 2019). This is largely due to the corruption that has occurred in the forestry sector in the past.

The main donors for the agriculture sector (and rural development) over the past decade have been: USAID, IFAD, the EU, the AfDB, and FAO.

USAID, in its Country Development Strategy (2014-2020) focuses on 1/ Increased agricultural sector growth and food security in its focus provinces with emphasis on women, 2/ improved business climate to attract investment and create jobs, 3/ improved management of natural resources (USAID, 2015).

IFAD's development goal of its Country Programme for 2018–2022 is: Contribute to inclusive rural transformation that enables the rural poor (particularly women and youth) to overcome poverty, food insecurity and malnutrition. The three strategic objectives are: 1) Productive and sustainable water and land use/management by the rural poor, notably women and youth; 2) Sustainable value chains for priority commodities are remunerative for smallholder producers and create employment for the rural poor, 3) Poor rural people are able to use financial services to improve access to income-earning activities, develop their livelihoods and manage risks (personal and environmental), enabling them to withstand shocks (IFAD, 2018).

The **EU** has selected rural development as one of the two focus areas for support from 2014-2020. In terms of rural development (325 mEUR support 2014-2020), it focuses on supporting inclusive growth and poverty reduction, in two areas: 1) Improving production, access to food and to markets through appropriate transport infrastructure, and nutrition, to improve food security and nutrition; 2) Fostering the conditions for sustainable growth of micro, small and medium-sized enterprises in rural areas to enhance rural competitiveness. Improvement in the physical access to markets and energy form an essential component of the support (EC, 2019).

The **AfDB** Country Strategy Paper (CSP) for 2011-2015 focused on increasing agricultural production and productivity of major crops (AfDB, 2011). The Country Strategy Paper (CSP) for 2018-2022 aims to increase the incomes of the poorest populations and contribute to the creation of decent jobs through processing and integrated value chains. The AfDB regards investments in value-adding activities as having

the biggest potential to achieve that goal, considering the relative weight of agriculture in job creation coupled with small agricultural yields (AfDB, 2018).

FAO works to improve nutrition and eradicate hunger, providing support in three priority areas described in the Country Programming Framework (CPF) 2016-2020: 1) Improve selected value chains for food and nutrition security; 2) Ensure transparent and sustainable management of natural resources and environment; 3) Increase the resilience of livelihoods to climate change, threats and crisis.

The main donors for the forest sector are FAO, Sweden, Japan and Finland:

FAO – as described above – focuses its strategy on sustainable management of natural resources (including forests). Currently, there are two projects in implementation: Payment for ecosystem service to support forest conservation and sustainable livelihoods (FSP)” (2017-20220 and “FAO’s Technical and Strategic Support to the Implementation of MozFIP (Mozambique Forest Investment Project)” (2017-2021) (ODAmoz, 2019).

Sweden, within the framework of its Country Strategy (2015-2020), aims to make use of the increased interest and potential to utilise the country’s natural resources in a socially, economically and environmentally sustainable way. In terms of ARDF, Sweden focuses on achieving sustainable resource management sustainable food security with particular focus on resilient agriculture and increased access to services and support, particularly for women and young people in rural areas, improving their opportunities to start and run commercial businesses (Ministry of Foreign Affairs Sweden, 2015). Sweden has several projects focusing exclusively on the forest sector, including “Improved forestry governance” (2015-2020) and “Landscape and Forest Management” (2017-2022) (ODAmoz, 2019).

Japan, had several projects focussing on forestry, though currently there is only one project in implemented until the end of 2019, namely “Forestry Preservation Programme” (2010-2019) (ODAmoz, 2019).

Finland, provided a lot of support in the forestry sector to Mozambique, stakeholders aiming at sustainable forest management in the use of natural forests, as well as the phasing out of the ARDF sector have contributed to a considerable decrease in this. Mid 2019 the last Finnish-funded forestry project “Forest Research Capacity Strengthening in Mozambique 2016-2018/ FORECAS II” (2016-2019) (ODAmoz, 2019).

Compared to the listed donors, Finland has played rather modest role in the support of the ARDF sector, but a relative more important role in the forest sector than in the agriculture sector.

2.3 Finland’s support to ARDF

2.3.1 Country strategies

Context 6. Finland’s development cooperation in Mozambique during the evaluation period falls under two country strategies, Country Strategy (CS) for Development Cooperation in 2014 – 2017 (MFA 2014) and 2016–2019 (MFA 2017). Objectives of both CSs are aligned with the government’s development objectives, Poverty Reduction Strategy (PARP 2011–2014, extended to end of 2015), and Mozambique’s five-year plan for 2015–2019 (PQG), respectively.

Finland’s support during the 2014- 2017 CS focused on following objectives of the PARP: increased production and productivity of agriculture and fisheries; human and social development (bilingual education and early childhood development); and good governance, macro-economic policies and public financial management.

Context 7. Finland’s objective within the 2014 – 2017 CS is: “Increased agricultural production and improved rural livelihood strategies”. With this strategic choice Finland aimed at decreasing rural household poverty at the grassroots level. Increasing agricultural production and improved rural livelihoods are expected to reduce poverty and inequality and empower rural families.

This strategic choice corresponds to the PEDSA's strategic objective on improving agricultural productivity and increased production, improvement of competitiveness and enhancement of food security. This has also been reaffirmed in the agricultural investment plan PNISA; and to the Comprehensive African Agriculture Development Programme (CAADP) pillar III: production and availability of food, reduction of hunger, productivity and emergency relief. (MFA 2015)

The justification for supporting agriculture is that it plays a crucial role in the development of the country and a key role in poverty reduction, especially in the rural areas where the vast majority of the population lives on subsistence farming. Agricultural productivity is among the lowest in the world and chronic malnutrition is striking particularly among children. This objective is stated in the CS to be in line with Finland's human rights-based approach to development. Challenges in human skills and capacities are considered to hinder the possibilities for inclusive economic growth and limit the livelihood opportunities of people. In addition, state accountability and transparency towards its citizens and a vibrant civil society are considered key requirements for inclusive development, and related challenges may jeopardize the equality, poverty alleviation and, respect of human rights.

Context 8. In the 2014 – 2017 CS, the main objectives of Finland's human rights-based development policy are to alleviate absolute poverty, increase equality between the citizens, and to widen democratic participation.

Increasing attention was to be paid to democracy and rule of law, management of natural resources and related revenues, including property rights, land tenure, labour rights, cultural and communal rights, and problems of forced displacements/replacements. Increased support to civil society is aimed to help citizens to monitor the use of their resources and to promote accountability. Support is also needed to improve the capacity of the duty-bearers to service the citizens.

Green economy is featured through a sustainable use of natural resources. The aim is to combat climate change and its adverse effects on development by promoting "climate smart" development. The CS is to respond to the funding needs concerning climate change in the innovation, education and rural development sectors as well as via General Budget Support (GBS).

Context 9. The 2016–2019 CS focuses on education and good governance. The third impact area is rural development, which according to the recommendations of the previous CS evaluation (MFA, 2016b) was to be phased out.

The efforts in the fields of education and good governance were considered more effective than those in rural development. According to the CS, also financial stringency and cutbacks in MFA human resources meant that the CS needed to be streamlined for greater efficiency.

The CS evaluation found limited results of support in the agriculture sector level programmes due to design and implementation challenges, and because interventions have results mainly at the individual beneficiary / household level, including interventions to develop farmers' clubs and support for laboratory facilities. They therefore concluded that the long-standing engagement in the agriculture sector has so far failed to deliver meaningful results at an acceptable scale, and that prospects for future results and sustainability of impacts are poor. Subsequently, they recommended that support to the agriculture sector should be phased out following the completion of existing contractual commitments. (MFA, 2016b).

Consequently, Finland's current main interventions in Mozambique are divided into two impact areas: 1) education, which includes support through the Education Sector Support Fund (FASE) (EUR 9 million/year) and through Finnish CSOs (EUR 1 million/year); and 2) democracy state and good governance, supporting a research cooperation with the Eduardo Mondlane University and the Ministry of Finance of Mozambique (EUR 0.75 million/year), to the Institute for Economic and Social Research (IESE) (EUR 0.5 million/year), to support the oversight and legislative capacity of Parliament in natural resource management through a programme implemented by NIMD (Netherlands Institute for Multiparty Democracy), DEMO (Demo Finland) and IMD (Institute for Multiparty Democracy) (EUR 0.5 million/year), and via UNDP to

Mozambique's election authorities to improve the transparency and reliability of the elections in 2019 (EUR 0.75 million in 2019).

Additionally, Finland also supports the economic and societal development of Mozambique through UN agencies and international financial institutions. The key partners are UNICEF, UNFPA, UN Women and WFP as well as the World Bank and the African Development Bank.

2.3.2 ARDF in country strategies

The 2014 – 2017 CS falls within the government's development plan PARP, aiming at increased production and productivity of agriculture and fisheries.

Context 10. Finland's ARDF support is defined under two development results: Sustainable management of the natural resources and access to land; and Promotion of inclusive, sustainable and employment enhancing growth. Agriculture is seen as a vehicle for social equality by providing opportunities for marginal regions.

Finland's specific objectives are: (i) increased small-scale rural entrepreneurship; and (ii) improved food security for farmer families, enhanced value chain for agricultural products, including increased production and improved market access in Zambezia and Sofala Provinces. Finland supports the value chain of various agricultural crops, farmers' organisation and food security among farmer groups. Finland also supports good governance by building the capacity of the public administration to improve the quality of district planning processes, and to include farmer organisations in the decision-making processes regarding development of agricultural value chains. Special emphasis is placed on women as the main agricultural producers and guardians of the family food safety.

According to the CS, small-scale producers are to be supported to establish more organized ways of functioning, such as cooperatives, helping them to strengthen entire value chains of key products from farms to the markets. This is considered as an area where Finland has a long experience. Focus is also on enhancing participatory planning concerning local and regional development.

Instruments and implementing partners were to include NGOs, local and provincial development strategies, PNISA -investment plans and multilateral organizations. The remaining part of Finland's support to the forestry sector, the IKI-project FORECAS was to continue its collaboration with the Eduardo Mondlane University (UEM) and the Agrarian Research Institute of Mozambique (IIAM) to improve forestry research in the country, till Mid 2019 (ODAmoz, 2019).

Context 11. According to the CS 2014 – 2017 Finland's overall support to rural development was to identify new ways to reach rural populations. This included Farmers' Club project with the NGO ADPP, aiming at reaching the poorest farmers with an integrated array of activities ranging from alphabetization, sanitation and food security to marketing agricultural surpluses in Sofala.

Support in the agricultural sector were much broader than increasing agricultural productivity per se, including a range of water, sanitation and literacy interventions. This package of interventions appeared broadly relevant to a broader objective of strengthening rural livelihoods and food and nutrition security, which in turn is more relevant to the DPP criteria, including rights-based approaches, than the stated policy priorities of government. The same approach was already applied by PRODEZA II being the precursor of ADPP's Farmers Club project, in its last years of implementation.

Context 12. In the CS 2016 – 2019, ARDF related support is very limited, and falls under the impact area (2): "Consolidated democratic state with strengthened rule of law, good governance and decentralization" and impact area (3): "Chronic malnutrition reduced among rural households in Zambezia and Sofala provinces". The expected outcomes are improved transparency and accountability in the management of natural resources; and rural families' food security improved, respectively.

Support aims at enhancing the capacity of democratic institutions to legislate and monitor the management of natural resources and to engage their constituencies in these processes. With the necessary knowledge, citizens' representatives are expected to have the confidence and capacity to work towards inclusive growth. Finland's support includes the oversight and legislative function of democratic institutions in natural resource management through a programme which is implemented by NGOs with expertise in parliamentary and political party support (NIMD-DEMO-IMD consortium).

Supports also includes rural families' food security in 2014–2018 through a Farmers' Club (FC) project undertaken by a Mozambican NGO ADPP. The project uses an integrated approach through agricultural extension, facilitation of crop sales, nutritional training, literacy training and water provision. Its precursor, the PRODEZA II project, applied the same approach in its last years of implementation.

2.3.3 Finland's involvement in ARDF in Mozambique

Since 1977, i.e. largely before the period covered by the evaluation, Finland has been involved in the ARDF sector in Mozambique, with the establishment of a joint Nordic project, the Mozambique Nordic Agriculture Programme (MONAP). Part of this programme was Finland's support to an agricultural training school (the Instituto Agraria de Chimoio, IAC). In late 2005, Finland started supporting the National Programme for Agriculture Development (PROAGRI), and contributing to a sector programme (2005-2008) through basket-funding. In total, Finland contributed 23 mEUR (MFA, 2010b). In parallel, Finland started the implementation of a bilateral rural development programme in the Zambezia Province - PRODEZA - which ended in December 2015, to which Finland contributed 12 mEUR in total (PRODEZA I – 5 mEUR (MFA, 2010b) , and PRODEZA II 7 mEUR (MFA 2016b)).

This Sector Wide Approach (SWAp), under the direction of the Ministry of Agriculture and Rural Development, was an effort to implement the Paris Declaration and it had a significant role in developing PEDSA & PNISA. It geared to the reform of the state agriculture-related administration and to improving the coordination of development assistance to the sector. PROAGRI was set up with the aim to improving public expenditure, securing a sustainable and equitable growth in the rural sector, reducing poverty and improving food security, while protecting the environment. It was planned to achieve this through three sub-programmes:

1. Institutional development: this sub-programme focused on an analysis of the structure of the Ministry of Agriculture and Fisheries (MAP), its decision-making, and restructuring. It included an assessment of its human resources, in accordance with the civil service reform; strengthening MPA, at both the central and provincial levels, which should improve its management, monitoring and evaluation, among other areas. It also included the development of an agriculture information system, as well as the potentiality for MAP to formulate policy analysis;
2. Agricultural support services: this included agricultural research in farming systems' technologies, increasing farmers participation, as well as developing partnerships in extension services for production intensification, further involving gender and environmental issues. Legal and regulatory enforcement was supposed to support crop and livestock production;
3. Natural resources management: it focused on the development of a conservation programme for forestry and wildlife management. Thus, support for land management and irrigation development was provided.

Finland was also co-chair of PROAGRI from 2008 till April 2009 and chaired the budget support donor group for one year from May 2009-April 2010. PRODEZA's role was to bring field level knowledge and experience to PROAGRI in order to understand the challenges of the sector. The idea was to support the sector, both at policy level (PROAGRI) and field level (PRODEZA) and show if donor investments in sector budget support materialise at the field level.

Significant positive results from PROAGRI were registered in coordination, both internal and with donors, documentation, legislation development, financial management, extension, research, the provision of services, early warning, market information, regular surveys and statistics, private sector and cash crop promotion, land information systems, among other. Whereas, the main gaps were found in the inclusion of beneficiaries, i.e. farmers, and other government sectors in the process of policy development, planning and implementation, monitoring and management information systems, human resources management, development of the seed system and implementation of the land and forestry legislation. It is also said that it felt short in terms of increasing productivity of farmers. (MFA, 2010b)

2.4 Overview of projects selected

The **PRODEZA II project** (2010-2015) has been implemented in one of the poorest provinces in Mozambique. PRODEZA had an agricultural extension component, besides the support to good governance, small and micro enterprises, and micro-financing. The three intervention areas were 1) Support for agrarian development and agribusiness; 2) Support for food security and agrarian development; and 3) Good governance and decentralization.

The first phase of the programme was implemented from 2006 to 2010, and PRODEZA II run from 2010-2015. The total budget of PRODEZA II was EUR 9.6 million of which the MFA financed EUR 7 million. The Government of Mozambique (GoM) was supposed to contribute around 37.5% or EUR 2.6 million. But according to project documentation and the implementing agency, FCG International, the GoM has not contributed the financial means to the project, as agreed in the planned budget. The programme's purpose was to *enhance agricultural value chains, food security and the enabling local economic development environment*, with the objective of *reducing rural poverty especially of women in the project area*. The project focused therefore on three components: 1) Support for agrarian development and agribusiness; 2) Support for Food Security and Agrarian Development; and 3). Good Governance and Decentralization.

The **ADPP Farmer's Club Project** (2014-2018), total budget of this project was EUR 8.75 million of which the MFA financed EUR 7.6 million and the co-financing of ADPP was 10% or EUR 0.8 million. The objective of this project was to *contribute to the reduction of rural poverty through developing small-scale agriculture and increasing wealth of farming households*. In order to reach this, the project focused on the following three components: 1) Improving household food security through the promotion of crop diversification and productivity; 2) Improved market access and financial resources to increase the participation of farmers in agricultural value chains – responsibility of implementing partner SNV; and 3) Improving sanitation environmental conditions and raising health awareness for farmers and their families.. The project was not among the core programmes to be evaluated but included in the evaluation for its interesting concept and comparability to the bilateral project. The core concept of this project are FCs, self-support groups to which ADPP provides training and technical assistance through its network of Farm Instructors (FI) who are front-line agricultural extension agents.

3 Findings

3.1 Finnish co-operation efforts in ARDF and their broader contributions

EQ1: How can Finnish co-operation efforts best contribute to the achievement of the SDGs – as well as other relevant international agreements – through ARDF sectors making optimal use of its comparative advantages?

Finding 1. As Finland is phasing out of the ARDF sector and is not planning to return in the near future, direct Finnish contributions to the achievement of relevant SDGs will not occur.

Over the past years, Finland has played a rather modest role in the ARDF sector, where bigger players, such as the EU, WB and USAID, continue to provide support. This decision to withdraw from the sector dates already from 2016 and takes account of the rather limited results achieved in the ARDF sector. Despite huge needs in the sector, additional cuts in funding and staff contributed to this decision. The limited results of support to sector level programmes have mainly to do with design and implementation challenges. Additionally, interventions produced results mainly at the individual beneficiary / household level, including interventions to develop farmers' clubs and support for laboratory facilities. As a consequence, the long-standing engagement in the agriculture sector has so far failed to deliver meaningful results at an acceptable scale, and prospects for future results and sustainability of impacts are poor. (Stakeholder interview and MFA, 2016b).

According to the experiences of the Embassy staff, education and good governance are supposed to be areas of greater impact for Finnish Development Cooperation and Finnish Added Value (FAV), instead of the ARDF sector where bigger players are at stake. To note that the current Country Strategy will be extended to cover also 2020, and the new strategy, which is still in its initial stage, reflects this focus.

Finding 2. Finland's comparative advantage in the ARDF sector comprised, among other, its neutral position, its emphasis on women issues and on food security of smallholder farmers. Despite its limited financial contributions, it had considerable influence in the broader sector in the past. (See 2.3.3)

Many stakeholders met during the kick-off meeting in Maputo, mention that Finland is seen as a donor that had considerable influence in the broader agricultural sector in the past, despite its relatively small contribution (in absolute figures). Finland's role in the ARD sector was appreciated for its neutral position, and its record in chairing the Donor Working Group for Agriculture and Rural Development (AgRED) in relation to the PROAGRI programme, is commended by other development partners. However, this strong donor lead in the working group has proven to be counter-productive to ensuring that GoM takes over responsibilities in this group. PROAGRI was seen by many as donor-driven (MFA, 2010).

According to the existing development policy, special attention was given to the role of agriculture in climate change. Both in PROAGRI and the bilateral rural development project in Zambésia Province, the main emphasis was on development of livelihoods of small farmers, competitiveness of agriculture and food security. In Zambésia, a special attempt was made to reduce the poverty of rural women.

Finding 3. Establishing good smallholder farming organisations can be an appropriate means to strengthen ARDF contributions to the SDGs.

The AKA cooperative, one of PRODEZA II's beneficiaries, has received additional support from the Finnish Agri-Agency for Food and Forest Development (FFD), (2015 – 2017) in developing instruments to improve its governance (AKA normative documents, Strategic Plans, etc.) and facilitating the regular functioning and accountability of AKA's social bodies. In addition, the contribution allowed the start-up of two more

economic activities to provide services to members. This FFD project was funded through the Farmers Fighting Poverty programme of AgriCord which operates as a multi-donor trust fund, and which is also supported by the GoF. Recently, a new FFD project with AKA (2019 – 2021) has been granted funding by the MFA (KEO-30), for a total of 232.000 EUR.

Based on experiences of FFD smallholder farmers, who are key players in the rural economy, it can be assumed that farmers' organisations are and will remain key operating elements for achieving of the SDGs. In many remote rural areas, such as the PRODEZA project area, farmers' organisations provide the only networks and infrastructure through which sustainable rural development can occur.

According to FFD, their flexible and comprehensive provision of demand-driven support clearly supports the whole SDG agenda, and certain programme deliverables are closely linked to specific SDGs, through:

- *Increased entrepreneurship, including access to markets and finance* – targeting SDG 1 - no poverty; SDG 5 - gender equality; and SDG 8 - decent work and economic growth;
- *Resilience to climate change, sustainable management and natural resources, and better food security and nutrition* – targeting SDG 2 – zero hunger; SDG 12 – responsible consumption and production; SDG 13 – climate action; and SDG 15 – life on land;
- *An enabling environment for sustainable rural development: inclusive governance and policy processes* – targeting SDG 16 – peace, justice and strong institutions; and SDG 17 – partnership for the Goals.

Part 2: International agreements

Finding 4. With a view to still further strengthening Finland's support to ARDF related SDGs, some potential would exist for Finland in the niche of climate change and climate governance in Mozambique.

When it comes to international agreements related to ARDF sector in Mozambique, the most relevant ones are those related to A). climate change, B). biodiversity, C). wetlands, D). protection of endangered and migratory species, as well as E). pollutants. Mozambique has ratified (or signed) the following treaties (InforMEA, 2019):

- A. Climate change: United Nations Framework Convention on Climate Change – UNFCCC (1995), and its related issue the Paris Agreement (2018), however it did not ratify nor sign the Kyoto Protocol (please note there is some discrepancy on the year of ratification between InforMEA's data and the website of FNDS);
- B. Biodiversity: Convention on Biological Diversity – CBD (1995), covering the Cartagena Protocol on Biosafety (2002), and the Nagoya Protocol Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (2014);
- C. Wetlands: the Ramsar Convention on Wetlands of International Importance (2004);
- D. Protection of endangered and migratory species: Convention on International Trade in Endangered Species of Wild Fauna and Flora – CITES (1981), including the Convention on Migratory Species (2009). However, it seems Mozambique did not sign the Lusaka Agreement in support of the CITES;
- E. Pollutants, Mozambique only signed the Rotterdam Convention on the international trade of certain hazardous chemicals).

Development initiatives related to climate change funding or climate change programmes, are different from previous ARDF interventions and might be interesting to further explore as potential elements of collaboration between Finland and Mozambique in the future. For example, FNDS website mentions that Mozambique ratified the UNFCCC and the Paris Agreement in 2017, by its Resolution No. 1/94 (Mozambique will be compensated if it reduces emissions from deforestation in Zambezia (FNDS, 2019)). It further explains that the country will be compensated if it reduces emissions from deforestation in Zambezia,

through its participation in the Carbon Fund, the Forest Carbon Partnership Facility (FCPF) and the Payment Program for Emission Reductions in the Zambezia Landscape. The Zambezia Integrated Landscape Management Programme, which covers the districts of Mocuba, Mulevala, Mocubela, Gúruè, Pebane, Ile, Alto Molócuè, Gilé and Maganja da Costa, is the first of its kind in Mozambique. Over 50% of the area of these districts are covered by native forests, and farmers have limited access to alternative sources of income. The rural population uses the forest in unsustainable ways, practicing shifting agriculture and producing unsustainable charcoal, among others.

3.2 The role of a value chain approach to increase finance and investment in sustainable forestry and agriculture

EQ2: Under what conditions can a value chain approach increase finance and investment in sustainable forestry and agriculture- while benefiting final beneficiaries in a sustainable way?

Finding 5. Interviews with a broad range of stakeholders, including implementing partners, assert that PRODEZA failed to put in place the required building blocks to ensure capacity and scale of value chain conditions.

The strategy of the interventions in the VC development did not focus enough on each actor in the chain. It further did not provide the necessary building blocks, or these were too limited for ensuring sustainability in the long run. The cooperatives were not ready yet, they lacked substantial capacities, and the infrastructures were not working or not functional enough as was needed in the project area. This situation has been further exacerbated by an absence of public or private funding in the supported VC; the saving & credit groups meant to fill this gap did not perform well enough to meet this objective as they lacked capacities.

Finding 6. PRODEZA's VCA did neither sufficiently analyse what commodity to best focus on, nor clearly identify who would be the most appropriate beneficiaries for which type of chain, nor fully cover the entire chain.

A value chain (VC) approach has the potential to contribute to increased finance and investment in sustainable forestry and agriculture, while benefitting final beneficiaries in a sustainable way. This requires a number of conditions and enabling factors to be met. This means that VCs should be selected that have most potential and support should cover the entire chain, from input supply down to the level of the market or consumers, including the relevant private sector actors. PRODEZA II mainly focused on the rice VC, for which a market analysis had been carried out. Some additional support was given to other commodities as well, but this was of less importance.

Only PRODEZA II's Component 1 focused on *VC development of the 'emerging farmers'*, i.e. smallholder farmers who are slightly better off. This meant minimising constraints identified in the VCs, so as to create an enabling environment for agribusiness and increase income and profits of smallholder producers. PRODEZA failed, however, to properly assess which kind of VC can work for which type of beneficiaries, as men and women do not have the same needs and interests in the specific VCs.

Finding 7. After a shift in its approach to address the limitations of the VC towards strengthening unions and creating direct links between unions and markets, time remained too short for PRODEZA to fully operationalise this new approach – as a consequence, sustainability of is in danger.

PRODEZA II idea to create a large producer organization by inserting a cooperative superstructure – the AKA cooperative – between unions and producer organisations to address the limitations of the VC, was far too ambitious in the given context according the MTR. They recommended a shift in focus towards strengthening unions and creating direct links between unions and markets. A study of MIRUKU had to guide the new direction for the AKA cooperative. However, the remaining time of implementation of PRODEZA II (1.5 years) did not allow for achieving the expected results in the cooperatives.

During the field visits the team further noted that the results obtained by the end of PRODEZA II have gradually faded. The interventions do not seem to have been sustainable for the cooperatives; AKA and the smaller Mudhe Mone (The latter cooperative existed already before the implementation of PRODEZA and received some additional support, it was much smaller in size and different than the AKA cooperative which was created by the project). At the time of the field mission (Feb 2019), just over 3 years after PRODEZA II ended, the functioning of the cooperative had reduced considerably. For example, at AKA only 50% of registered members use the services of the cooperative and these have been reduced from a whole package to only land preparation (and only at Mocuba district level). At Muhde Mone, the number of members has reduced to less than half and no service can be offered anymore to members. Many farmers had signed out because the cooperative could no longer offer them any added value; some have stayed for solidarity or habitual reasons. Interviews further reveal that many members no longer perceive the cooperatives as their representative body and commercial relationships between them are virtually non-existent. One of the reasons could be that the coverage area - three districts, with members within a radius of about 280 km - is simply too large. The strong focus on the cooperatives and unions also prevented the project from improving the opportunities for entrepreneurship of smallholder farmers themselves.

Another example is that beneficiaries of the production block, all women, revealed that the PRODEZA II interventions contributed to an increase in production, and during the project's lifetime they received good prices for their products. Nowadays, however, agricultural production can still be high, but prices seem to have fallen. As a result, former beneficiaries feel that - in the end - they are not better off than before (Beneficiaries of the projection plots in Mocuba Namagoa - Nadala Union).

Finding 8. The existence of good and reliable service providers in the project areas favours follow-up and sustainability in the long run.

In the district of Mocuba, and more so in Maganja da Costa, local service providers for support in any kind of service provision in any of the stages (different chains) of the VC were hardly existing during the implementation of PRODEZA II, for example as provider of extension services, and other kind of capacity builders on marketing or entrepreneurship-related activities, and they even do not exist in 2019. Good and reliable service providers had to be found outside the district, e.g. Nampula, and needed to be available and active till the end of the project, which was guaranteed through service contracts from the project. The lack of local service providers and thus the dependency of "outsiders" creates the risk that after project ending, and in the absence of any other project needing their services, the entities or actors will withdraw and offer their services elsewhere. Hence, the absence of these local actors/service providers - which can identify local needs and contribute to creating an enabling environment for sustainability in the long run - risks undermining the long-term sustainability.

Some follow-up activities and support to some of PRODEZA's stakeholders/beneficiaries have continued after the project finished. For example, in areas where ADRA had other projects underway, some farmer groups were integrated and became part of the group of beneficiaries of other projects, or of the previously mentioned support to AKA by FFD.

Finding 9. ADPP has, at best, produced mixed results in establishing VCA for smallholder agrobusiness, revealing that involving big companies in VCs can pose a challenge and that savings and credit groups can constitute an interesting element of a VCA.

While, overall, evidence basis for ADPP is rather limited, the project developed a diverse set of activities, many of them relevant to the needs of the farmer households in the target areas, according the MTR. The same report also highlights that the market component in the FCs (Facilitated by SNV and with participation of 68% of farmers in marketing activities) did not work as expected when linking up with big companies as those were not very flexible when harvests were delayed. A new experience with agro-dealers - young farmers trained as buying agents - was assessed as being better. Project documentation further revealed that the saving and credit groups have been relatively successful in supporting farmers to develop their business as well as to increase their subsistence assets for investing in new or improved agricultural technologies, e.g. irrigation (ADP, 2018).

However, there are also comments that the project seems to have applied a ‘one-size-fit-all’ approach, which does not always respond to specific needs and requirements of all smallholder farmers, as it does not take into account the specific contexts in which the project would be implemented (FCG International Ltd, 2017, see also Context 11).

3.3 Integrating cross-cutting objectives and HRBA

EQ3: How can cross-cutting objectives and HRBA be successfully integrated and implemented, in such a way that they support achievement of the Finnish development cooperation objectives and objectives of the projects?

Gender equality

Finding 10. The cross-cutting issues of the Finnish Development Policy were supposed to guiding the development of new ARDF support, but they were not adequately considered in the original PD. In hindsight the use of checklists might had avoided the development of a gender-blind project.

During the design and first years of implementation of the PRODEZA II project, the Finnish Development Policy defined cross-cutting issues as: gender equality, social equality and HIV/AIDS. The project was halfway its implementation phase (2010-2015) when HRBA was introduced as a guiding principle in 2012 and cross-cutting themes were ‘upgraded’ to cross-cutting objectives: gender equality, reduction of inequalities and climate sustainability.

From interviews it is evident that the original PRODEZA II PD did not recognise gender as a cross-cutting issue. An external gender consultant was therefore contracted to advise on gender equality and provide recommendations on mainstreaming gender within the different project components, per insistence of the MFA. The updated PD (2011) indicates that PRODEZA II had integrated the cross-cutting issues of the Finnish development policy.

Reference is made to gender and environmental considerations as being important for the project, but project documentation from the first years of implementation does not really report on these issues (PRODEZA II, 2011). A number of resource persons assert that the project team itself lacked gender sensitive staff members to really follow up the recommendations of the external gender consultant and subsequently can duly report on this. Therefore despite the external support of the gender consultant, achievements related to cross-cutting objectives have remained limited until the MTR of 2013.

Finding 11. PRODEZA implemented some incidental gender related activities, but, despite some successes mainly occurring after changes to the project team, it failed to systematically or structurally integrating gender equality issues within the programme.

More attention has been given to gender, after changes in the project team occurred. This was because more gender sensitive staff came into the project team, which led to achievements, such as:

- enhanced empowerment of women by opening up production blocks in order to provide access to land;
- the acquisition of DUATs for different women groups contributing to an increase in agricultural productivity and household well-being (DUAT - Land Use and Utilization Law. There is no private ownership of land in Mozambique. Land and its associated resources are the property of the State. The Land Law, however, grants private persons the right to use and benefit from the land known as *Direito do Uso e Aproveitamento da Terra* (DUAT). Although the land itself cannot be sold, mortgaged or alienated in any way, buildings, infrastructure and improvements built on land may be mortgaged and sold. The implemented investments were also a change in the current practices of land ownership by creating production blocks, whereby each family manages its share ranging for 1 - 2 hectares side by side, which means a change from current practices of scattered farms);

- the creation of a network of savings and credit groups for 1,616 producers (60% women), e.g. for finance of small agricultural activities, under component 1 of the project. These saving and credit groups also became much stronger during the last years of implementation, when more attention was given to it by specific staff members;
- literature training that contributing to enhancing gender equality.

Both projects, PRODEZA II and ADPP's, show similarities in relation to cross-cutting issues. This is probably due to the relationship between both projects; ADPP was in fact one of the implementing partners of the PRODEZA II project. For example, the literacy courses in both projects contributed to gender equality and empowerment of women. However, both projects failed to put the necessary attention to Female Headed Households (FHH) as a specific target group.

According to ADPP's final report, the empowerment of women through literacy programs and other initiatives played a role in promoting gender equality and promoting human rights (ADPP, 2018). The project further implemented mechanisms for the inclusion of women instructors and literacy facilitators in training programs leading to a significant impact on other women. Finally, the ADP also promoted fuel-efficient stoves in a gender-sensitive manner, since the stoves allow for a reduction of the time spent by women in collecting firewood, as well as in the preparation of food.

Climate sustainability

Finding 12. Mixed, though superficial, attention has been given to incorporating climate change and environment conservation in ARDF support.

Based on final project reports and interviews PRODEZA put some rather limited efforts into conservation agriculture, by promoting appropriate agricultural production techniques to adapt to climate change. In these areas, the ADPP's FC project scores a bit better, as it incorporated some interventions related to climate-sustainability, e.g. the introduction of varieties resistant to drought, the use of different agricultural techniques (including irrigation systems) to mitigate the effects of climate change, and training of farmers in conservation agriculture. Savings and credit groups played a supportive role in this regard.

Human Rights-Based Approach (HRBA)

Finding 13. While some activities in relation to HRBA have been implemented in ARDF projects, HRBA issues were not addressed in a comprehensive manner, probably reflecting the absence of a clear understanding on the HRBA, including examples of their practical application.

HRBA-related activities being incorporated in PRODEZA II relate to:

- a) the most important project component in this regards which deals with good governance, and tries to support local actors in participating in district-level planning
- b) the right to education, through the literacy training for members of the food security and nutrition groups under component 2;
- c) the right to water, for which wells have been constructed;
- d) HIV/AIDS, though with limited attention. The Evaluation report 2010 highlights that attention to HIV/AIDS, though coming forward through previous projects, was limited (MFA, 2010). In the opinion of the MTE team, PRODEZA II could not reach specific vulnerable groups, and therefore it had little to add to an overall awareness and change in HIV/behaviour/ AIDS. New attempts by the project team tried to re-initiate this during the last years of implementatoin of PRODEZA II.

Further, the MTR concluded that PRODEZA II related the Human Rights Based Approach (HRBA) mainly to aspects of gender and good governance, the latter being the focus of component 3 of PRODEZA II. This was confirmed by interview by the evaluation team. In the same vein, ADPP's MTR concluded that, in practice, the HRBA appeared to have been mainly confined to gender equality, instead of a more systematic and comprehensive approach as stated in the PD (2014) (FCG International Ltd, 2017).

3.4 Key success factors for reducing poverty and inequality

EQ4: What are key success factors for achievement of 'reduced poverty and inequality', in particular in terms of benefits for women, vulnerable groups, and small and medium-size farmers?

Poverty, gender inequality and economic inequality (SDG1, SDG 5 and SDG 10) are inextricably linked with each other. To effectively reduce poverty and inequality, it is important to address both the economic and the social dimensions; balanced economic strategies and social policies are needed.

Finding 14. PRODEZA II's approach for poverty reduction is mainly based on Mozambique's PARPA, and uses mainly the same indicators for measuring progress.

The PD does not provide a definition of poverty; it does, however, refer to the importance and linking to PARPA II which indicates that productivity in all sectors, so also in the ARDF sector, need to be increased. PARPA II is based on the three pillars i) Governance, ii) Human resources development and iii) Economic development, similar to the three components of the PRODEZA II project.

Indicators for measuring poverty reduction in the project have been harmonised with those defined in PARPA. Additionally, PRODEZA translated one of the main indicators of component 2 on food security and nutrition in one of the *number of months of hunger* for measuring poverty reduction. (See further under Finding 15).

Despite PARPA's recognition of the importance of gender equality, including the mainstreaming of gender in all programmes, expansion of agricultural services to women farmers, and gender disaggregation in monitoring, and mentioning it in its final updated PD (April 2011), interviews and project reporting revealed that less attention was given to some aspects of measuring of inequality, e.g. gender disaggregated data collection, as well as qualitative indicators.

Finding 15. PRODEZA implemented a few social inclusion and gender related activities and actions that provide some good examples of good practices and key success factors that contribute to reduction of poverty and inequality.

Next to the PARPA defined indicators for poverty reduction PRODEZA II project, the project came up with a more context-based indicator, which is the number of months of hunger. Being the reduction of months of hunger an important milestone, reports reveal that a reduction from 4 to 2.1-2.6 months of hunger has been achieved (PRODEZA II, 2018). Although focus of food security was mainly in component 2, also beneficiaries of component 1 experienced a reduction of months of hunger. Improved production (techniques and approaches) have contributed to this achievement as well.

Additionally, the creation of women groups for nutrition and food security, as well as the literacy training, both under component 2, are good practices for reducing poverty and to some extent also inequality. Both activities contributed to the empowerment of women, and were carried out with a view to increase the opportunities of vulnerable producers, especially women, to know how to read, write and also how to understand concepts that are important for business, such as measures and prices.

Finding 16. Planning and implementation of ARDF support need to set up a proper results framework with appropriate indicators to allow measuring and monitoring progress towards poverty and inequality reduction that not only fit into the overall policy frameworks (country and Finnish), but are also context-specific.

PRODEZA II's Logic Framework had two main indicators to measure poverty reduction, namely the percentage of households living below the poverty line (as defined in the PARPA, the Action Plan for the Reduction of Absolute Poverty), and the percentage of households with reduced food insecurity (PRODEZA II, 2018). The two indicators relate to the final project goal, namely, poverty reduction, especially for women. The final report of PRODEZA II mentions the project has not been able to change, or reduce, the percentage of food-insecure Zambezi households that live below the poverty line at the end of Phase II, nor the percentage of families with food insecurity compared to the baseline study of PRODEZA I. There are

many external factors that interfere in this situation as well, e.g. as of the results of the cyclone Idai, Zambezia is experiencing heavy flooding as water of the affected areas is entering, according the WFP (WFP, 2019).

However, as resource persons indicated, eradicating poverty remains a major challenge. And some resource persons mentioned that indicators for reducing poverty and inequality at project level need to be better aggregated at a higher level, and Finnish Development Cooperative objectives need to be compatible, or the same, with the ones of the GoM (former project staff).

Finding 17. Reduction of inequality requires a two-dimensional focus in order to be effectively.

Inequality reduction, although only partially taken into account in the project, has different levels. It has an economic as well as a social dimension, whereby increase in income can be pulled at household level but there is also inequality at power level. PRODEZA however, has not adequately taken into account the aspect of reduction of economic inequality; and no specific M&E indicator was developed in that regard. To do so, the project would have had to look at the various dimensions of inequality - economic and social, but probably also the power dimension. An example of a good practice mentioned by a few interviewees is the creation of women groups for nutrition and food security, under component 2. External staff mentioned that this had led to an improvement in the self-image and dignity of women, due to an increased capacity to produce and to use the production to the benefit of family health. In the same way, the women's savings and credit groups under component 1 have created self-pride and dignity, as well as access to the production blocks for women.

3.5 Inclusiveness and attractiveness of sustainable land use and land management

EQ5: How can investment in sustainable land use and land management be made inclusive of smallholder and community needs while being attractive to (responsible) investors at the same time?

Finding 18. Mozambique still lacks some important conditions for scaling up private finance and investment for sustainable land use and land management for smallholder farmers. These include: Weak enforcement of environmental and social safeguards, lack of incentives in the legal framework, insecure land tenure and low public awareness.

These challenges to sustainable land-use investment, and equitable distribution of benefits from investment, apply for the forestry, energy, agriculture and mining sectors. In addition, the lack of technical and financial resources has compromised the government's ability to implement existing laws (CIFOR/IDLO, 2015).

Mozambique, on the other hand, has made significant progress in terms of its capacity to achieve greater sustainability. The country is rich in resources and has seen prosperous investments in the extraction of natural resources, but with little corresponding progress towards national goals. Reforms of key areas that form the basis for social and environmental safeguards represent an important step towards reversing previously negative trends.

Increasing investment has the potential to enhance development and alleviate high rates of poverty; but, if not managed carefully, investments could reverse economic progress and contravene fundamental environmental and social guarantees. Legal and policy frameworks are a key component of the realization of Mozambique's aspirations. They must complement other crucial steps, to significantly improve the sustainability of investments (Idem).

Land titles lead to land markets, where land is being sold at low prices, e.g. 400-500 USD per ha. The land market is asymmetric and the government protects investors. The law permits concessions of 50+50 years, which is long and the reason why the land law has not yet been changed. There is no land use planning in

Mozambique, which is a problem for many foreign investors according to the FAO. Much of the land is not used, although MITADER has worked to get unused land into production.

Weak enforcement of environmental and social safeguards, lack of incentives in the legal framework, insecure land tenure and low public awareness are common challenges to sustainable land-use investment, and equitable distribution of benefits from investment, in the forestry, energy, agriculture and mining sectors. In addition, the lack of technical and financial resources has compromised the government's ability to implement existing laws (CIFOR/IDLO, 2015). Mozambique has made significant progress in terms of its capacity to achieve greater sustainability. The country is rich in resources and has seen prosperous investments in the extraction of natural resources, but with little corresponding progress towards national goals. Reforms of key areas that form the basis for social and environmental safeguards represent an important step towards reversing previously negative trends.

Mozambique's land governance system allows for strong protection of community-based land rights, community consultation with respect to partnerships with investors, and secure rights to land for investors. However, competition for land resources, combined with a weak capacity of the state for implementing its legal land framework often disadvantages the local communities, leaving smallholder farmers with smaller, less productive and often fragmented land. (Filipe, E and Norfolk, S (2017)

Finding 19. Finland substantially contributed to the acquisition of DUATs for many smallholder farmers, men and women, through its support to the Terra Segura Project through ADPP, 30% of trained farmers benefitted from DUATs, and to a lesser extent through the PRODEZA project.

ADPP Farmers' Clubs sought to reduce land conflicts by promoting access to title deeds (DUAT). A total of 14,769 farmers from the 312 clubs were trained on DUATs in the two provinces. By the end of the project, about 5,000 farmers, in total 30%, have benefitted from DUATs.

PRODEZA II, as a pilot, supported the opening-up of production blocks for different women groups in order to provide access to land, and the acquisition of DUATs, contributing to an increase in agricultural productivity and household well-being. Twenty-three women have been benefitting of this initiative, which is actually a small number, but interesting as a pilot. Additionally, DUATs were provided to warehouse holders and cooperatives for building storage places; this increased the sense of connectedness of the producers and created ownership.

Finding 20. Capacity of cooperatives has been too weak to substantially help in bettering linking their members to markets, and to successfully provide the required services to their members and thus enhance the latter's bargaining power and business management.

The AKA and Mudhe Mone cooperatives as well as farmer unions have inadequate capacity to properly manage their role and they lack financial means. PRODEZA II's capacity building activities have been insufficient during the time remaining after its shift in implementation approach as, in the beginning, its focus has mainly been on the construction of a superstructure instead of a platform for direct linking between cooperatives/unions and markets.

Such capacity development is very much needed as both cooperatives are recognised as having weak leadership and management capacity. FFD's current support to the AKA cooperative is at least contributing to increasing their capacities, business management, and other required qualities for providing services to their members through market linking.

Finding 21. While the official policy of support for smallholder agriculture is rarely put in practice, large-scale commercial enterprises still attract the support of officials at national and local levels, despite their potentially negative impact on local livelihoods.

Several companies have been investing in forest land and related industries, e.g. Green Resources (GR) Mozambique, with plantations of over 50,000 ha of pine and eucalyptus, in Nyassa, Nampula, and Zambezia, exporting pulp, or the pole market. Finnfund's investments have been directed through GRAS (Green Resources AS is East Africa's leading forestation and timber processing company) who has a share in GR

Mozambique. However, these investments mostly do not imply responsive investments. What would be needed in Mozambique is political commitment and skills to support and implement land policies that are pro-poor and inclusive. So far, the GoM has not developed strategic responses to the increased demand for land. In addition, to oversee investment strategies in rural areas, it has also not managed to balance potential opportunities with possible threats - the presence of a high number of companies may form a threat as some of them might exploit lawless opportunities, as some sources and interviewees highlighted.

3.6 Appropriateness of implementation approaches

EQ6: Which implementation approaches are most appropriate - in terms of scale, modality/ instrument, channel and/or implementing organisations in future?

Finding 22. Finnish support to the ARDF sector in Mozambique has mainly been through a project-based approach, while, overall, a broad mix of aid modalities has been applied - several being used simultaneously, such as GBS, Sector Budget Support (SBS), bilateral projects and NGO funds, as do some of their closest DP.

Additionally, bilateral support has taken place through outsourcing implementation to international consultancy agencies or by granting or sub-contracting of NGOs.

Finland's involvement in the ARDF sector in Mozambique dates back to 1977, with the establishment of a joint Nordic project - MONAP. Later on, late 2005, Finland joined supporting the Sector-Wide PROAGRI Programme through basket-funding (total Finnish contribution 26mEUR). Additionally, it started the implementation of the bilateral PRODEZA programme (total contribution 26 mEUR).

This Sector Wide Approach (SWAp) was an effort to implement the Paris Declaration and it played a significant role in developing PEDSA & PNISA (see Context 2). It further geared to the reform of the state agriculture-related administration and to improving the coordination of development assistance to the sector. It started in 1999 with seven donors (AUSAID, FAO, IFAD, Irish Embassy, Netherlands, UNDP and the World Bank (ODI, 2009)) and ended in 2010 with six donors (Austria, Canada Danish Embassy, IFAD, Ireland and Swedish Embassy. (ODI, 2009)). Since its creation, the PROAGRI common fund had been pledged with traceable earmarked funds.

Similarly, Denmark/Danida's use of aid modalities continued to be mixed even though Denmark gave priority to sector programme support (SPS) over projects, already in the 1990s. and which is also true for the last decade, where GBS and SBS have been the dominating modalities (Danida, 2017). However, after four decades of development cooperation with Mozambique, Denmark has decided to phase out its bilateral cooperation with the country, as a consequence of the Danish Government's decision in 2015 to downsize the Danish official development aid (ODA).

Sweden, on the other hand, channels its development cooperation through the state, civil society, the private sector, research institutes, and multilateral organisations like the UN and World Bank.

Finding 23. Multilateral organisations and international and national CSOs in the ARDF sector basically apply the same range of modalities as Finland does.

Instruments differ from one development partner to another, as a result of strategic choices, history, and available resources and capacities (financial, human, and organisational). So, some DPs also provided sector support through basket funding of PROAGRI Programme. For example, a World Bank support has been instrumental in the creation of FNDS and Sweden is among the development partners that channels its contribution to MITADER through FNDS, meanwhile the European Union (EU) contracts the TA for MITADER projects.

Finding 24. There are no Finnish-funded regional projects in the ARDF sector of which Mozambique is part.

Based on the field mission, as well through the desk review, we did not find any evidence of a regional, e.g. South African Development Community – SADC, or any other regional ARDF project or programme (see chapter 2).

Finding 25. Across all implementation approaches, methodologies, scopes and strategies achievement on results have at best been mixed, and not always leading to the expected results and outcomes.

According to the Embassy staff, all aid modalities have been tried and all did not work fully in the long run or did not reach the desired results or impacts. Therefore, there is a general feeling of the Embassy staff that the decisions taken to phase out of this ARDF sector is a reasonable and substantiated. This decision was based on the 2016 evaluation (MFA, 2016b).

In PRODEZA II, the ambitious objectives, the slow start-up and the considerable under-expenditure meant that there is little evidence of impact. However, there are signs of positive change in food security, literacy, savings and farming systems at the local level among the groups working with the project. Although the Project was reasonably well coordinated with other development partners, it was not so with the government and, because many of the lessons of the first phase were not incorporated into its design, PRODEZA II continued the unfocussed approach of PRODEZA I.

Additionally, the way Finnish support materialised and decisions have been taken have even influenced the results and outcomes. For example, Finland monitors bilateral projects via agreed reporting, mid-term reviews and audits, and management arrangements, including Steering Committee meetings (MFA, 2014). Results show that the implementation of bilateral interventions has been slower, and results proved to be more modest than originally anticipated. Another example is the fact that PROAGRI was much donor driven, and the Embassy might have had too much confidence that government budgets would come through. And finally, the decision - after PRODEZA II's MTE - to extend the project by just one year (option B) may not have been the best option. The MTE team actually recommended an extension of 2 years (option C), which would have created an opportunity to consolidate the work on the ground rather than using the available time mainly to implement the planned activities. The decision seems to have been driven by an input-based M&E approach, whereas results-based M&E would have shifted the focus to more long-term sustainability.

Finding 26. Weak management capacity of the Mozambique government system, combined with weak inclusion of local authorities in planning and implementation, were major challenges that Finnish ARDF support did not manage overcoming.

A common remark of different stakeholders is that it is difficult to work with government officers at district/province level. Furthermore, interviews confirm a rather low level of ownership of PRODEZA II at local/district level. Likely reasons for this are:

- The lack of joint planning and design at district level. Planning of PRODEZA II took mainly place at the national level; only one meeting seems to have taken place at local /district level. As local-level district agricultural officers have hardly contributed to the planning process, PRODEZA did not sufficiently take local situations and context specific issues into account (MITADER and FCG International).
- The fact that the national budget of MASA, hardly trickled down to district levels, where the main agricultural activities took place.
- Distances in the area, as well as distances between national level (Maputo) and local/district/level (Mocuba/Quelimane) are huge and means of transport are too limited for government staff. This means that the district officers do not have means of transport e.g. a motorcycle, or functional, or financial means to buy fuel or spare parts for the motorcycle.

- Frequent changes of government officials implying a loss of institutional memory.
- The fact that the PMU office was located separately from the government offices, due to the lack of available space in these offices.

Interviews and project reports show that, during the implementation period of PRODEZA II, attempts were made to better coordinate and involve local authorities in the planning process, leading to some level of positive results. However, too many project activities were planned, which made coordination very difficult. In contrast, in the ADPP FC project, coordination with government, both at national and district level, seems to have been more appropriate and effective. The formal overview of this project was with the Steering Committee (SC) in which local authorities of the four target districts were represented. An informal high-level supervisory board (SB) included the MFA Maputo and MASA.

Finding 27. The question of how best to channel Finnish support – through government, PMUs, CSO, etc. – remains an unresolved challenge, not only for Finland.

This dysfunctionality of the Mozambican system is likely to be one of the reasons for this. Solutions have been sought in different kinds of channels; in the specific case of PRODEZA II, funds were channelled through the project itself. Different resource persons brought up different alternatives, amongst others to channel the funding directly through the district level of the MASA, on a separate bank account. Funds for Farmer's Club ADPP project on the other hand was channelled through an NGO.

The Finnish Embassy indicated that all alternatives had been tried and none really worked in a satisfactory way. For example, after the PRODEZA project, funds were channelled through NGOs, but this did not yield positive results either, in some of the cases. The difficulties encountered in the ARDF sector and the respective governmental bodies have contributed to the decision by the Finnish Embassy, some years ago, to phase out its support to the RD sector.

Similarly, multilateral or financial institutions use to work through governments. However, there seems no tendency to shift back to PMUs, due the GoM's low capacity and high staff rotation, e.g. a step that the African Development Bank (AfDB) has taken acknowledging that the Paris Declaration principles did not work. Such PMUs are usually located in government institutions and 90% of staff are Mozambicans.

A paper of the Swedish Agency for Development Evaluation (SADEV) shows how difficult it can be to answer this EQ. The study focused on the composition of aid modalities, proposes a framework for assessing incentive structures relevant for decisions on aid modalities. The main purpose of the paper was to serve as a basis for subsequent country case studies and to initiate discussion about implicit and explicit factors influencing aid modality patterns. The study concludes that the choice of aid modality is influenced by a number of factors, both explicit (e.g. partner country preferences) and implicit (e.g. structure of the organisations), contextual, country and sector. It further shows the difficulties of analysing how the factors influence and to what extent -not least since the array of interests is broad and sometimes conflicting (e.g. political interests may differ from those expressed in international declarations). For GBS, partner countries' political, their level of democracy, financial and economic systems as well as the historical development matter. In addition, the study highlights that there seems to be a general acceptance among donors that sector specific characteristics determine which aid modality to use. SPS is regarded as more suitable in the education and health sectors than for instance in the agricultural sector or for supporting the development of infrastructure. (SADEV, 2007)

3.7 M&E in the context of wider support for achievement of SDGs

EQ7: What type of monitoring and evaluation system is most appropriate for outcome monitoring of Finnish projects in the context of wider support for achievement of SDGs?

Finding 28. PRODEZA II's M&E system was linked with Finland's Country Strategy, so it did with the Mozambique's PARPA, but it was not developed to fit to current requirements for outcome monitoring of Finnish ARDF projects in support of SDGs.

PRODEZA II had a logframe that reflected a logical connection between the project and the MFA Country Strategy used at the time of the project formulation. Connecting PRODEZA II's results framework with PARPA has linked it up with the country system. At that same time Logical Frameworks, instead of Theories of Change were commonly used, which makes it a bit more challenging to establish linkages between the project the Pillar 4 Theory of Change, which concerns management of natural resources.

This Finnish Policy Priority Area 4: *Natural Resources* caters to achievement of SDG 1 (*no poverty*), SDG 2 (*zero hunger*), SDG 5 (*gender equality*), SDG 6 (*clean water and sanitation*), SDG 7 (*affordable and clean energy*), SDG 9 (*industry, innovation and infrastructure*), SDG 12 (*responsible consumption and production*), SDG 13 (*climate action*), and SDG 15 (*life on land*).

Finding 29. PRODEZA II has undergone an MTR, but its useful recommendations were only partially integrated in further implementation.

PRODEZA II's MTR (May 2013) report shows that the recommendations made during the MTR of PRODEZA I had not been taken into account when developing PRODEZA II. The same applies to some recommendations made during the MTR of PRODEZA II, e.g. the shift in the implementation approach from the construction of a superstructure cooperative to a platform for direct linking between cooperatives/unions and markets, or the necessary change of some project staff, among other.

Finding 30. PRODEZA II's M&E system was not properly installed and did not follow the guidelines of the Finnish MFA. However, some project-internal M&E took place, but with very limited engagement of the government.

Planning and implementation documents were fragmented and did not give a clear picture of what had actually been achieved in relation to planned targets; they also did not clearly indicate the state of progress on achieving results. Evidence suggests that some project-internal monitoring took place, with very limited engagement of the government, if any at all. The functioning of the management structures, including a Supervisory Board and advisory committees at different levels is therefore unclear; the evaluation team has not found any reliable evidence on this. Annual reports tend to focus on activities carried out during the year of reporting without providing any further detail on progress towards achievement of project objectives. There was further a lack of follow-up or taking on board of certain recommendations of the MTR of Phase I meant to guide the design of PRODEZA II. Similarly, regarding the ADPP FC's project, the MTR also pointed to a few improvements to be made. But evidence suggests that the project management did not agree with a conclusion on 'one size fits all' model and did not follow-up on the MTR's recommendation.

Finding 31. PRODEZA's activity and output-oriented M&E system has diverted the attention too much from reaching the more important outcomes, putting sustainability at high risk.

Interviews with some former staff members revealed that the PRODEZA II's M&E system, which was more input-based, was not suitable to monitor on outcomes due to the lack of appropriate indicators for it.

If the focus had been more on outcomes, sustainability of support would have been a major issue. However, the project tried to implement as many of the planned interventions as possible until the last moment. This approach made it impossible to strengthen or consolidate project activities, which consequently severely puts at risk longer-term sustainability. If a proper results-based M&E system had been in place, some adjustments in this regard would have been possible.

In addition, interviews and project documentation assert that recommendations of the MTR report have not all been taken into account (NIRAS, 2013). In particular, it was finally decided to grant a one-year extension for implementing ‘all planned’ activities and to spend the corresponding input-oriented budget. To clarify, the MTR recommended that, due to the enormous delays among others during the first 2.5 years, the project had to refocus certain activities and its implementation approach (please note the MTR report was a very negative report according former staff responsible for the PRODEZA project at the Finnish Embassy). This meant the delays had to be made up, which means accelerated implementation of activities and increased expenditure, while at the same time a shift in emphasis was required. This did not allow for proper consolidation of the activities implemented. In hindsight, it might have been sensible to implement fewer activities and focus on consolidation and follow-up, even if this would mean an underspending of budget. A results-based M&E could have steered such a process much better.

Finding 32. Without an operational outcome-oriented monitoring /a results-based M&E that is embedded in a broader framework, PRODEZA and other ARDF support in Mozambique missed opportunities to prove possible contributions to higher-level frameworks, be they Mozambican, international or Finnish.

If the PRODEZA programme outcomes were to be measured against today’s Agenda 2030, it would be useful to highlight some contributions to SDG1 (no poverty), SDG2 (zero hunger), SDG4 (education/ illiteracy) SDG8 (decent work and economic growth), SDG12 (responsible consumption and production), SDG13 (climate action) and SDG15 (Life on land). In addition, the programme would had contributed to SDG16 (peace, justice and strong institutions) by its good governance component. Mozambique has a framework for measuring implementation of the Agenda 2030 in place, and actively monitors its progress, although it has not yet submitted a National Voluntary Review (IISD, 2018).

3.8 Lessons learned and implemented, and approaches to tackle challenges in the sector

EQ8: How have the lessons learned from the donors/development partners and development organizations been taken into account or implemented at project level and what kind of approaches do the organizations have for future challenges in the sector?

Finding 33. PRODEZA II has successfully taken on board lessons learned from one of their implementing partners, and another implementing partner has taken on board lessons from both. It seems this cross-fertilisation has only had a regional focus.

PRODEZA II has been developed on the basis of several lessons learned from its first phase, and its implementing partners, e.g. ADRA, which had developed successful and result-oriented agrobusiness interventions in the region. Among other, ADRA experiences in Zambezia showed that organised producers can reach better and more profitable markets ways than without such an organisation. A pre-condition for that is a strong producer organisation.

Additionally, the functional literacy courses implemented by ADPP when being still an implementing partner in the PRODEZA project were carried out with a view to increase the opportunities of vulnerable producers, especially women, to know how to read, write and also how to understand concepts that are important for business, such as measures and prices.

Finding 34. While, in the planning phase, due care was given to considering lessons learned from other projects or previous experiences, especially from PRODEZA I, implementation followed different and less successful paths thus reducing potential performance.

The MTR 2013 and other stakeholders’ comment on the lack of coherence between activities supported by the project and the fact that these were not linked to a clear value chain approach. This was taken in due

consideration during the formulation of PRODEZA II. Hence, the overall project design was supposed to be more focused on supporting agricultural value chains issues.

Although it seems that there have been good intentions to follow the lessons learned from the previous phase during the design of the project, reality and practice slightly differ. PRODEZA II is actually not perceived as a second phase of the PRODEZA project by many stakeholders. What happened is that the project started to design its own strategy without taking into account the lessons, experiences and strategies from PRODEZA I or addressing the recommendations from its MTR. Subsequently, some PRODEZA I shortcomings were perpetuated in PRODEZA II and opportunities to improve performance were missed. The result was a poor design of PRODEZA II that may explain some of the implementation challenges.

Finally, from ADPP FC project sources it appears that, in hindsight, ADPP should have done a few things differently, taking into account lessons and experiences from other organisations. Interviewees indicate that the intention is to use the experiences and lessons learned from the FC project for a new project they are currently developing.

Finding 35. While well-functioning inter-sectoral coordination mechanisms existed in the ARDF sector, the quality and intensity of exchange has substantially reduced in the past years. Additionally, though improvements seem to be underway, the role of the government in sector coordination currently is weak.

In 2018, Mozambique had a well-established aid coordination framework, with the G19 (Programmatic Aid Partners) being the most influential forum (AfDB, 2018a). At national level (Maputo), currently there are several many aid coordination mechanisms in place, but most of them work in isolation. There are platforms among the NGOs' and at government level, some include DPs and donors. Further thematic platforms exist, e.g. a Swiss-supported platform in Natural Resources for CSOs, meeting twice a year. However, most of the platforms or coordination mechanism currently do not really work or operate in a rather closed circle, e.g. among EU countries only. According to MITADER, there are some initiatives for setting-up a broader coordination mechanism for the agricultural sector, which are still at incipient stage. NGO stakeholders indicate that the agricultural coordination is weak but has reportedly improved lately. Furthermore, the discussions with stakeholders during the kick-off meeting revealed that relations for coordination among the government and NGOs seem to be somehow antagonistic. In the past, some well-functioning coordination mechanisms existed, such as the AgRED donor working group in relation to PROAGRI. The idea in this was to support the sector both at policy level (PROAGRI) and field level (PRODEZA), which would also show if donor investments to sector budget support materialise at the field level.

At the regional level, coordination happens at NGO level without any involvement of local or district government. ADRA currently coordinates the FONGZA (Forum of NGOs in Zambezia) at provincial level, and also participates in the Platform for sustainable development, where they respond to the thematic network of agriculture.

Finding 36. PRODEZA established an innovative partnership with the local radio, for sharing market information on agricultural products (inputs and outputs) available in the region.

Interviews with the Community Radio Licungo (RCL) staff revealed that the partnership that had been established was very much appreciated and that the market information was followed by the rural population. However, when PRODEZA II ended, sustainability of this activity could not be ensured, despite a commitment from SDAE. As a consequence, the radio did no longer received new input for their programme. PRODEZA's final report mentions that it had not been possible to conduct a study to determine the real impact of this service on the sales of producers and their organizations.

3.9 'Finnish added value' in the ARDF sector

EQ9: How can 'Finnish added value' in the ARDF sector be realised (e.g. through access to Finnish markets and expertise or to Finland's experience in creating a favourable business environment)?

According to a study from the MFA, Finnish added value (FAV) might be understood as 'something' extra that Finland can bring to development cooperation (Kopenen et al., 2012). In other words, can a small donor such as Finland make a difference in its development cooperation by bringing in something extra beyond the sheer volume of aid – i.e. funding – and what could that extra be? The study goes on explaining that 'Finnish value-added', like 'aid effectiveness', has to be understood as a political concept that can be used in many different ways. As such, their political usefulness varies, and that their prominence may become less. Meanwhile, the concept of 'Finnish value-added' no longer appears in the 2012 Development Policy Programme.

Finding 37. Finnish added value for international development cooperation and beyond has not been an important element for partners in Mozambique and is likely not to be in the future.

Although Finland has a long history in the support of the ARDF sector, its role has been rather modest, but relatively more important in the forest sector. Finland is known for its coordinating role in PROAGRI programme and is therefore also highly valued.

Finnish added value was a key theme in the development cooperation policy of 2007 and thus in the design of most sample projects. Its significance has diminished ever since. There is little evidence that Finnish added value would have significantly contributed to the expected results of the sample projects. It is difficult to attribute the successes or failures of the assessed projects to their "Finnishness". Other factors, such as a strategy that is appropriate in relation to the operating environment, are more important. In most cases, the beneficiaries and stakeholders in Mozambique did not think in terms of added value from Finland or any other donor country.

4 Conclusions

Conclusion – on the role of future Finnish support for ARDF

Conclusion 1. Finland has succeeded to establish itself as a trusted development partner in Mozambique in ARDF and beyond, which would have constituted a basis for Finnish future support to the ARDF sector. However, due to its withdrawal from the sector, further opportunities to strengthen SDGs related to the sector remain somewhat limited. *(This conclusion is based on Context 9, Context 10, Context 12, Finding 1, Finding 2, Finding 3, and Finding 4, and is the basis for Recommendation 1.)*

Finland's experience and lessons learned could constitute a sound basis to adequately respond to the country's current challenges and emerging needs in ARDF and related areas, such as for example climate change related issues.

Conclusion – on application of the value chain approach for sustainable development

Conclusion 2. The VC approach applied in Mozambique has, overall, failed to address a number of major elements that would have required consideration to boost the approach and make its benefits sustainable for a broader range of beneficiaries. These elements include: building blocks, analysis on the best suitable type of commodity, strengthening unions and creating access to markets, existence of local good and reliable service providers, saving and credit groups. *(This conclusion is based on Finding 5 Finding 8 and is the basis for Recommendation 2.)*

PRODEZA II, and, to some extent, also ADPP's approach, were weakly design and lacked substantial quality. As a consequence, its proper functioning and sustainability cannot be guaranteed. The VC approach failed the necessary study, analyses, such as the appropriateness of the specific VC for each type of smallholder farmer and a market analysis and the creation of fundamental conditions required in the specific context. It would have needed an analysis of each of the relevant actors of the chain. This includes all actors from suppliers (the so-called upstream parts) to marketing and down to the level of consumers (the downstream part). PRODEZA II's only market analysis on the rice commodity was far too little to help linking farmers to markets as a crucial aspect of the value chain. The project changed its focus to the establishment of a platform to facilitate the marketing and provision of member unions and associations, in order to link farmers to markets which was expected to yield better results as the previous strategies.

Moreover, as highlighted in the findings, a VC approach does not work for the poorest rural populations who can only produce for their own subsistence, without any market surplus; explicitly defining the targeted type of farmers during project design is important. While PRODEZA did somehow focus on those who have the potential to produce for the market, the so-called emerging farmers (smallholder farmers) that were slightly better off. Meanwhile its component 2 on food security and nutrition was targeted towards the real poor farmers and more vulnerable groups.

Strengthening the involvement of good and reliable service providers could also be an important element in a future approach, e.g. in Public-Private Partnerships, in case support for agricultural and forestry VC development will continue.

Conclusion – on the integration of cross-cutting objectives in ARDF interventions

Conclusion 3. The failure to systematically include cross-cutting issues in Finnish ARDF support in the country has considerably reduced its potential benefits and impacts in the areas of gender equality, environment and climate and human rights. *(This conclusion is based on Finding 10, Finding 11, Finding 12 and Finding 13, and is the basis for Recommendation 3.)*

This is partly due to the period of implementation of the projects, especially with regard to the PRODEZA project. In addition, e.g. PRODEZA did not have a strategic plan to mainstream or integrate these themes. Also, both projects confined the HRBA mainly to gender equality, which is likely due to limited understanding by the project teams, on how to address human rights issues in the context of agricultural and rural development projects.

As a consequence, only a few of such activities were implemented, but this did not happen in a structured way. However, some of these activities were rather promising, e.g. the literacy training for the food security/nutrition groups (women mainly) and the production blocks for women. Beyond the plans, the absence of gender-aware or gender-sensitive staff in the project team has certainly considerably limited successful integration of gender equality issues. Contracting external gender experts might have been an option to fill such gaps; but this would still have required project staff to be aware of, and sensitive to, gender issues.

Conclusion - on 'success' factors for reduction of poverty and inequality

Conclusion 4. The broad ranges of success factors in ARDF support in Mozambique includes, among other, setting up the right conditions so that progress can reliably be measured in all its dimensions, linking this to the overarching policy frameworks, and making it context specific and focusing on the different dimensions of inequality is essential. PRODEZA's attention to social inclusion and gender inequality, mainly in component 2, is a good practice in that regard. (This conclusion is based on Finding 14, Finding 15, Finding 16 and Finding 17, and is the basis for Recommendation 4.)

PRODEZA II developed indicators for measuring poverty reduction, for example the decrease of families with food insecurity, which, in practice, was translated into a decrease in numbers of month of hunger throughout the year, which is a very relevant indicator. Regarding reduction of inequality; it referred to social inequality only, being one of the cross-cutting objectives of Finnish Development Policy during project implementation. There was, however, no attention given to the economic dimensions of inequality. The project therefore missed the opportunity to create an enabling environment for addressing both.

Conclusion - on inclusive investments in ARDF development

Conclusion 5. Without adequate political commitment and largely improved skills to support land policies that are pro-poor and inclusive, and that are geared towards improving the framework conditions that could support smallholder farmers in scaling up their agribusiness, inclusive investments in sustainable land use and land management are bound to fail, at least in Mozambique. (This conclusion is based on Context 3, Finding 18, Finding 19, and Finding 21 and is the basis for Recommendation 5.)

The existence of weak enforcement of environmental and social safeguards, lack of incentives in the legal framework, insecure land tenure and low public awareness are the common challenges to sustainable land-use investment, as well as equitable distribution of benefits from investment, in the forestry, energy, agriculture and mining sectors hampers inclusive investments. An enabling environment, including, among other, an adequate legal framework to align investments with national priorities and to ensure compliance with environmental and social safeguards, is needed. Mozambique's existing laws governing the agricultural, forestry, energy and minerals and mining sectors, are insufficient to ensure the sustainability of future investments.

Finland also contributed to the acquisition of DUATs for many smallholder farmers, men and women, by through its support to the Terra Segura Project. Insecure land tenure is one of the mayor obstacles for inclusive investment.

Conclusion 6. Strong cooperatives and unions can constitute an important ingredient helping smallholders in scaling up their agrobusiness, but they often would require substantial skills and capacity development. *(This conclusion is based on Finding 20 and is the basis for Recommendation 5.)*

Cooperatives need capacity building for improving their leadership and management capacity, providing services to their members, representing them in price setting towards potential buyers and improving their business management.

Conclusion – on appropriateness of cooperation approaches and modalities

Conclusion 7. Finnish support to ARDF in the country has struggled to find reasonably appropriate set-ups and modalities for a collaboration with Mozambican partners that could produce sufficient tangible results at beneficiary levels. The weak government capacity is one of the main reasons, while the return to a pre-Paris-Declaration-situation with PMUs in charge of implementation is at least questionable. *(This conclusion is based on Context 4, Finding 22, Finding 23, Finding 24, 0, Finding 26, and Finding 27 and is the basis for Recommendation 6.)*

Even if they have been less-positive, they are valuable sources for developing new strategies and approaches. There is the feeling that all aid modalities have been tried and all did not work out in the long run, or did not reach the desired results or impacts. However, the fact that the ARDF sector remains the sector in which the majority of poor people make their living, and that recently a few climate change related events devastated the livelihoods of many of these people, it may be worth exploring if new efforts could not focus on different forms of involvement in the ARDF sector, or ARDF related areas.

Conclusion - on the functionality of monitoring and evaluation systems

Conclusion 8. Without a results-based M&E system, reflecting the challenges in the ARDF sector, being embedded in country-owned SDG-based framework and forming the basis for outcome monitoring of, and reporting on, Finnish ARDF support in the context achievement of SDGs, measuring achievements of support will remain fragmental, and not contribute to strengthening evidence base for broader decisions. *(This conclusion is based on Finding 29, Finding 30, Finding 31 and Finding 32 and is the basis for Recommendation 7.)*

PRODEZA II's M&E system, though linked with respective strategies it was neither developed to fit current requirements of the Finland's development cooperation, nor were guidelines followed. It also failed to integrate the recommendations of the MTR. PRODEZA missed the possibilities to monitor if the implementation of many activities so close to the end of the project allowed for the proper consolidation of them, due to its input-oriented M&E system. A results-based, M&E system is better geared to guiding project implementation and monitoring of outcomes, in a sustainable development perspective. If embedded in an SDG-based framework, sound monitoring and reporting on results would be possible, also in the context achievement of SDGs

Conclusion – on lesson learning from other organisations

Conclusion 9. Useful lessons that Finnish ARDF support was about to consider were not always finally considered, which has limited especially the results that PRODEZA intended to achieve. On the other hand, cross-fertilisation has worked between PRODEZA and implementing partners. However, such learning only took place at the regional level, as deteriorating sectoral co-ordination mechanisms could not add substantial lessons that could have been useful, mainly for PRODEZA. *(This conclusion is based on Finding 33, Finding 34, Finding 35, and Finding 36 and is the basis for Recommendation 8.)*

PRODEZA II has provided many lessons to be learned, though most of them less positive, that can be used to inform the design and implementation of future support. Failures and weaknesses on part of the donor and

DP would equally form part of this process, in order to avoid of them. Lessons from a previous phase or from related projects in the country or sector are therefore crucial when new interventions/ programmes are planned or considered; they may provide sources for developing of new ideas and practices.

Conclusion - on the realisation of Finnish added value in the sector

Conclusion 10. As in other countries, in Mozambique, the beneficiaries and stakeholders do not think in terms of added value from Finland or any other donor country. Good projects are appreciated and poor ones criticized, regardless of the origin of the resources. It seems as if bilateral MFA support, through a VCA, to ARDF is not a very effective way for promoting Finnish business interests. It is likely that Finnish businesses would benefit more from tools designed for their particular purposes. *(This conclusion is based on Finding 6 and Finding 37, and is the basis for Recommendation 9.)*

Finnish added value has had diverging interpretations, ranging from export promotion to any sort of cooperation between Finland and a partner country. In practice, during the period 2007-2011 Finnish expertise, know-how, and capacity across the sectors was portrayed as a way to provide or utilize added value that originates from Finland. MFA made efforts to converge Finnish added value with the needs of developing countries.

While Finnish capacities should be used when they are available, effective and cost-efficient, the projects should continue procuring their resources on a competitive basis.

5 Recommendations

Recommendation - on the role for future Finnish support for ARDF

Recommendation 1. Finland's reputation and recognition, not only in ARDF, should be used to further support new directions of Finnish support to Mozambique. Some channels to strengthen SDGs related to ARDF would exist that are worth being further explored while preparing the next CS. (This recommendation is based on Conclusion 1.)

For its future support, there are options with which Finland could address current ARDF-related challenges, such as climate change, input supply or service provision. In case the scope for bilateral cooperation in the ARDF sector is considered to be limited, opportunities for strengthening other initiatives that pursue similar objectives should be explored. This includes also linking to support towards ARDF related international agreements. In this context, the Green Climate Fund (GCF), the Global Environment Facility (GEF) or other climate change related entities seem interesting to be explored further, as well as the new FNDS initiative related to reduction of emissions from deforestation.

Recommendation – on the value chain approach

Recommendation 2. Whenever promoting the VCA in the future, Finland should carefully consider the lessons emerging from Mozambican experience, among which are: first define the targeted type of farmers, in order to define if indeed a VCA is the most appropriate for the intervention or other approaches could be more relevant. If the VCA is the best choice, a proper mapping of the respective value chain and design are imperative to enhance the likelihood of sustainable benefits for farmers. (This recommendation is based on Conclusion 2.)

Implementing this recommendation would require systematic stock-taking at the level of the MFA and making these experiences available whenever new projects are launched, but also during their implementation.

A typology of farmers helps to define if a VCA indeed is relevant as it does not work for the poorest rural population who do not have any market surpluses. A proper value chain mapping and design should be carried out for all potentially valuable commodities in the intervention area and should include an analysis of each of the relevant actors in the chain, from input suppliers down to the level of markets and consumers. The analysis should also consider the type of farmers, male and female, with interest and potential for the different VC commodities. Furthermore, in the specific case of Mozambique there would be a need for a stronger focus on entrepreneurship, including of smallholder producers, in order to increase production and access to markets at the same time, thereby improving food security as well as the value chains of agricultural products. Based on the experience in Mozambique, a focus on only food security and nutrition instead of VC development should be the preferred option

Recommendation - on the integration of cross-cutting objectives in ARDF interventions

Recommendation 3. For ARDF support, the MFA should put more emphasis on ensuring that existing guidelines and/or tools on the how to incorporate and monitor CCOs are used throughout the project cycle by well-trained staff. (This recommendation is based on Conclusion 3.)

ARDF interventions can make important contributions to cross-cutting objectives if these objectives are systematically and explicitly considered throughout the project cycle. There exists material and guidelines that just would have to be more strictly applied or transferred to the Finnish context (e.g. the HRBA and climate sustainability checklists).

Among the means to further enhance CCO consideration are increasing awareness of gender issues in ARDF project teams and/or considering if more solid gender expertise can be included in, or supporting, project teams, all this to ensure that gender issues are adequately addressed or better mainstreamed. Gender criteria could also be used when selecting project staff. Tailor-made gender training for all programme staff may equally be an appropriate means, as could be gender focal points in each of the implementing partners which would be a way to strengthen the partners. In addition, when working with women farmers, experience shows that female extension workers and female staff in the project team can play a crucial role.

Finally, overall stronger guidance by the MFA on how to implement the HRBA, how to monitor, score or classify its implementation and how to deal with unintended or unexpected outcomes in the areas of CCOs is recommended as well.

In the same way as regarding integration of gender equality throughout the project cycle, something similar could be developed whereby Rio markers, as developed by the OECD, OECD DAC Rio Markers for Climate, could be used.

Recommendation –on reduction of poverty and inequality

Recommendation 4. Clear definitions on poverty and inequality, addressing both dimensions, should be included in ARDF-related Project Documents. They should allow for setting up the right framework conditions so that progress on the reduction of poverty and inequality can reliably be measured, taking into account the specific context where the intervention is planned to take place. (This recommendation is based on Conclusion 4)

Effective reduction of poverty and inequality require an enabling environment, in which poverty (SDG 1) and inequality reduction (SDG5 and SDG10) go hand in hand and are given equal attention. This approach should include both economic and gender inequality. In order to achieve significant change, both economic strategies and social policies are needed, as reduced poverty does not automatically result in a reduction of inequality. Raising the living standards of the poor will require various mechanisms, such as increasing employment, income, productivity through new and alternative opportunities and approaches for women, vulnerable groups and small-and-medium farmers, e.g. the introduction of VC development, as well as through social protection and quality public services.

Recommendation - on inclusive investments in ARDF development

Recommendation 5. Whenever providing ARDF support in the future in other countries, Finland should carefully consider the lessons emerging from Mozambican experience regarding the enabling framework for inclusive investments in ARDF. Political commitment would need to be thoroughly tested, the skills levels at all levels of the public sector would require sound analysis, and a focus on strengthening service providers would have to be ensured. For Mozambique itself, Finland might consider some further support to ARDF through a governance lens. (This recommendation is based on Conclusion 5 and Conclusion 6.)

Implementing this recommendation would require systematic stock-taking at the level of the MFA and making these experiences available whenever new projects are launched, but also during their implementation.

In the case of Mozambique, while the lack of or weaknesses in the legal framework are blocking factors for good land policies, poor implementation and oversight proved to be more important. In addition, the lack of technical and financial resources has severely affected the government's ability to apply existing laws. Furthermore, capacities and good governance of local service providers, including transparency and tracing of commodities across the value chain has been too weak to attract inclusive investments in ARDF.

While the recommendation goes beyond Mozambique, in the country itself Finland could support such a process of building political commitment and skills to support land use and land management e.g. through its support to processes of good governance, i.e. indirectly. Finland is aware of the efforts to put unused land in production by MITADER through the ‘Terra Segura’ programme, which has been recognized as a positive action of political commitment to strengthen and protect the rights of all land users, including smallholder farmers, among others, and contributing to inclusive and sustainable land use and land management investments. A continuation of Finland’s support to this programme, although from the angle of contributing to good governance, could therefore be an interesting future opportunity of cooperation. It would facilitate land titling, or DUATs, contributing to the inclusion of smallholders in sustainable land use investments. It would further facilitate the access and engagement of the private sector, whether or not in coordination with the development or strengthening of smallholder enterprises and/or cooperatives or farmers’ unions.

Recommendation – on cooperation approaches and modalities

Recommendation 6. In future support to ARDF, and after having carefully taken stock of successes and failures of approaches and modalities, the MFA should assess whether there is room for new approaches or modalities to support the ARDF sector, or ARDF-related processes. *(This recommendation is based on Conclusion 7.)*

Again, systematic analysis at the level of the MFA is required and making these experiences available whenever new projects are launched, but also during their implementation. Alternatives include: (i) business relationships; (ii) working at other levels than the field level (leaving this level to other DPs and/or Finnish companies – despite having quite some comparative advantage in that regard); (iii) further exploring the opportunities offered by multilateral organisations, multi-bi aid modalities, by NGOs and by PPPs; (iv). strengthening private sector engagement in the ARDF sector, where the lack of good and reliable service providers is one of the main challenges.

Even if there is the feeling that all aid modalities have been tried and all did not work out in the long run, or did not reach the desired results or impacts, the fact that the ARDF sector remains the sector in which the majority of poor people make their living, and recently a few climate change related events devastated the livelihoods of many of these people it may be worth exploring if new efforts could not focus on different forms of involvement in the ARDF sector, or ARDF related areas.

Recommendation - on monitoring and evaluation systems

Recommendation 7. Embedded in MFA efforts to further improve the quality of results-based M&E systems, future ARDF support (in Mozambique and probably elsewhere) should put substantial efforts in devising and implementing results-based M&E systems that are embedded in the relevant policy frameworks to which reporting should contribute, i.e. country-specific ARDF policies including the SDG framework and MFA objectives. *(This recommendation is based on Conclusion 8.)*

Monitoring and evaluation systems should have clear indicators and be linked, not only to national frameworks of the partner country, but - where possible – also to the Finnish framework for Development Cooperation. This will also allow to measure results-based and outcome-oriented progress towards Finnish development priorities. Linking the monitoring and evaluation indicators to the SDG targets will allow measuring the achievements towards the SDGs of the interventions.

Recommendations – on lesson learning

Recommendation 8. For future MFA support to ARDF, in Mozambique or possibly elsewhere, the MFA might consider devising a strategy and possibly related tools and templates on how to systematically consider lessons learnt in the same country and elsewhere in planning and

implementation, for the benefit of faster learning and avoiding errors made and already documented. Such learning should take place at both central and decentralised level of Finnish support and presence in a country, and it should be devised in a way to work in both directions *(This recommendation is based on Conclusion 9.)*

In implementing this recommendation, attention should not only be given to positive lessons learned, but also to negative ones. Taking stock not only of Finnish experience, but as well of experience and lessons that could be learned from e.g. different UN organisations working on VC development should form integral part of such systematisation efforts. Lessons should also include experience on replication or scaling-up.

Recommendation - on Finnish added value in the sector

Recommendation 9. Finnish added value should not be applied as a decisive criterion when making strategic choices about the Finnish support to ARDF in Mozambique. *(This recommendation is based on Conclusion 10.)*

Finnish added value is too restrictive as a concept and, if used as a selection criterion for procurement of services, may not always bring the value for money than a wider competition. This does not mean that the Finnish ARDF expertise and capacity would not be up to international standards or be worse than in peer countries. It means that the added value to the beneficiaries should have the priority over the country of origin of the resources.

The future orientation of Finnish support in Mozambique can go hand in hand with more opportunities for business partnerships, including in the ARDF-related sectors. Investments of Finnfund, FFD and other Finnish companies should be further explored, in the light of the new 'branch' of commercial cooperation, without discarding the more traditional development cooperation. The possibilities of PPPs, mentioned already a few times, should also be studied.

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Annex I: Mission calendar

Date	Time	Place to visit / activity	Type of stakeholder /Institution	
Sunday 10/2		Arrive in Maputo		
Monday 11/02	Morning	Finnish Embassy:		
	08.00–09.00	Short briefing	Embassy staff	
	09.00-12.00	Kick-off meeting with key stakeholders	Min. of Agriculture and Food Security (MASA)	
			MASA	
			IIAM- Institute of Agrarian Research	
			Min. of Land, Environemnt and Rural Development (MITADER)/DNDR	
			MITADER	
			GAPI (NGO)	
			GAPI	
			OMR - Research Institute	
			OMR	
			ADPP	
			AGRIMAG (Private Sector)	
			Green Resources	
AfDB				
SNV				
		Independent Consultant		
12.30-14.30	Joint lunch with key stakeholders			
Afternoon	Maputo	Team meeting prepare further mission		
Tuesday 12/02	9.00 am	Maputo	ADRA - Programs Director	
	11.30 am		OMR - Observatorio do Meio Rural www.omrmz.org	
	14.30		AfDB - Program Officer	
	16.00		IFAD	
Wednes- day 13/03	9.00 am	Maputo	ADPP	
	12.00 am		FAO	
	14.00		AGRIMEC CTA – Promotion of Agriculture Sector	
Thursday 14/02	8.30 am	Maputo	EU - European Union	
			World Bank	

Date	Time	Place to visit / activity	Type of stakeholder /Institution
	12.00 am		IIAM- Institute of Agrarian Research
			Sweden Embassy
			Austria Embassy
Friday 15/02		Maputo	Private consultant- COWI
			CEPAGRI (former director)
Saturday 16/02		Maputo	
Wednesday 13/02		Maputo	ADPP
		Travel to Zambezia	
	17.00	Meeting with key stakeholder	Provincial Director of Agriculture
		Zambezia	
		Quilemane	AMME
			EOZ - Rice Company Zambezia
Thursday 14/02		Mocuba	MIRUKO - Coop of Agro Business Development Services
			AGEMO - Mocuba
			SDAE - District Service of Economic Activities
			ACOF - Agrocomercial Olinda Fondo - private company
			AKA - Aniwana Kanvanhiana Comercial - Mocuba
Friday 15/02		Maganja da Costa	Coop. Muda Mudemone - Nante/Maganja da Costa
			Johnny Collon - Project Coordinator PRODEZA II
		Mocuba	SUSTENTA project office - regional coordinator
Saturday 16/02		Mocuba	Beneficiaries Mocuba/Namagoa - Union de Nadala
			incl. women's groups
			ADPP - Farmers Clubs supported by ADPP
			PRODEA
Sunday 17/02		travel back to Quilemane	
		Quilemane	preparations for wrap-up meeting
		Travel back to Maputo	
Monday 18/02		Maputo	Embassy : Wrap-up meeting with Embassy staff
			EX - Counselor Rural Development Emb of Finland / CTA PRODEZA I
		Travel back home	

Annex II: People interviewed

Last name	First name	Title (at the time of the intervention)	Organisation (at the time of the intervention)
Kick Off-Meeting (Finland Embassy)			
Torvinen	Laura	Ambassador	Finland Embassy
Jakkila	Jaakko	Counsellor	Finland Embassy
Pinto	Lia	Communication Officer	Finland Embassy
Heydman	Marinus	Counsellor	Finland Embassy
Psico	Aurora	Director Investments	GAPI-Gabinete de Apoio e Consultoria a Pequenas Industrias (Gabinet of Consultancy and Support to Small Industry - Microfinance Institution)
Abdul	Amiro	Senior Officer	GAPI-Gabinete de Apoio e Consultoria a Pequenas Industrias (Gabinet of Consultancy and Support to Small Industry - Microfinance Institution)
Martins	Margarida	Researcher	OMR - Rural Development Observatory
Feijo	João	Researcher	OMR - Rural Development Observatory
Tinga	Jorge	Independent Consultant	
Zandamela	Barnabé	Managing Partner	AGRIMAG - Agribusiness Company
Cuco	Arlito	Managing Partner	Green Resources
Chauque	Jeremias	Deputy Director	Ministry of Agriculture and Food Security
Chachuaio	Deodete	Technician	Ministry of Land, Environment and Rural Development
Muchanga	Cristina	Technician	Ministry of Land, Environment and Rural Development
Pereira	Inacio	Senior Agronomist	Ministry of Agriculture and Food Security
Penicela	Luisa	Researcher	Ministry of Agriculture and Food Security
Martins	Manuel	Consultant	SNV-Netherland Development Organisation
Tique	Cesar	Rural Development Specialist	BAD - African Development Bank - African Development Fund
Other Meetings - Maputo			
Carlos	Mario Jorge	Consultant	ADPP - Ajuda de Desenvolvimento de Povo para Povo
Madureira	António	Fund Raising Specialist	ADPP - Ajuda de Desenvolvimento de Povo para Povo
Holm	Birgit	Country Director	ADPP - Ajuda de Desenvolvimento de Povo para Povo
Salato	Armindo Pedro	Program Director	ADRA - Adventist Development and Relief Agency

Last name	First name	Title (at the time of the intervention)	Organisation (at the time of the intervention)
Tique	Cesar	Rural Development Specialist	AfDB - African Development Bank - African Development Fund
Rubino	Francisco	Rural Development Specialist	AfDB - African Development Bank - African Development Fund
Mucavele	Custodio	Country Head	IFAD - International Fund for Agricultural Development
Manhenje	Narciso	Programme Cordinator	IFAD - International Fund for Agricultural Development
Feijo	João	Researcher	OMR - Rural Development Observatory
Mosca	João	Researcher	OMR - Rural Development Observatory
Atterfors	Olov	Programme manager	Sweeden Embassy
Saraiva	Erasmus		Austria Embassy
Pereira	Claudia	Assistant FAO Representative-Program	FAO - Food and Agriculture Organization
Ribeiro	Rui	Managing Partner	Austral Cowi - Consulting Company
Vaaranma	Leena	Former Counsellor /CTA PRODEZA I	Finland Embassy
Zandamela	Barnabé	Managing Partner	AGRIMAG - Agribusiness Company
Gruenewald	Ilona	Programme Manager	EU - European Union Mission
Matsinhe	José	Programme Officer, Agriculture	FAO
Cuambe	Carla	Programme Officer, Forestry	FAO
Others Meetings – Zambézia Province			
Zibia	José	Provincial Director of Agriculture and Food Security - Zambezia	Provincial Directorate of Agriculture and Food Security
Ligonha	Maria Xavier	Executive Director	AMME - Mozambican Association for Women and Education
Cosme	Yara	Coordinator	AMME - Mozambican Association for Women and Education
Sulemane	Carlos	Coordinator	AMME - Mozambican Association for Women and Education
Pereira	Gervasio	Director	Nicoadala Rice Mill - EOZ
Muquissirima	Atumane	Coordinator	Miruku - Cooperative of Agro Business Development Services
Cardoso	Florentino	Director	SDAE -District Services of Economic Activities - Mocuba
Aguacheiro	João	Extensionist	SDAE -District Services of Economic Activities - Mocuba
Sotomane	Geraldo	President	AGEMO - Mocuba Association of Economic Agents
Muzafa	Dr.	Chairman	AGEMO - Mocuba Association of Economic Agents
Fondo	Olinda	Managing Partner	ACOF - Agro comercial Olinda Fondo - Agriculture Company
Lampião	António	Manager	AKA - Aniwana Kanvanhiana Comercial - Mocuba

Last name	First name	Title (at the time of the intervention)	Organisation (at the time of the intervention)
Sindique	Olimpio	Rice Mill Manager	Cooperative Mudhe Mone - Maganja da Costa
Matamba	Henriques	Board member	Cooperative Mudhe Mone - Maganja da Costa
Albuquerque	Lindo	Rice Mill operator	Cooperative Mudhe Mone - Maganja da Costa
Garrido	António	President	Cooperative Mudhe Mone - Maganja da Costa
Tiroso	Adelina	Journalist	Radio Comunitaria Licungo (RCL)
Gonçalo	José	Regional Coordinator	SUSTENTA - Agriculture and Natural Resources Landscape Management Project
Collon	John	Project Coordinator	PRODEZA II - Support to Rural Development in Zambézia Province
Afonso	Felicio	Supervisor Farmers Clubs	ADPP - Ajuda de Desenvolvimento de Povo para Povo
Neves	Estevão	Director	PRODEA - Environment Development Programme
Others interviews virtual			
Hirvonen	Soila	External gender consultant	Independent Consultant
Ruuska	Eva	JPO	PRODEZA II - Support to Rural Development in Zambézia Province
Muchiguel	Farai	Programme officer	ADRA - Adventist Development and Relief Agency
Cardoso	Jorge	Executive Director	NANA
Nascimento	Benjamin	Project staff	PRODEZA II - Support to Rural Development in Zambézia Province
Huvio	Tiina	Programme Director	FFD- Finnish Agri-Agency for Food and Forest Development
White	Pamela	Senior Manager	FCG International
Pekkola	Marjaana	Ex-Counsellor	Finland Embassy

Annex III: Interventions of other DPs in the ARDF sector in Mozambique

Development partner	Interventions/projects of other development partners in ARDF
AfDB	<p>AfDB in 2018 had a budget for ARD 60 mUSD. All are grants, but in 2021 it will get back to loans. Five years ago, the budget was 300 mUSD. For AfDB, agriculture is one of the key areas, another one is infrastructure. Their focus is in Gaza region. VC Approach in agriculture includes horticulture and rice, and livestock. AfDB supports processing factory. In the North of the country it has an Investors' Platform (IP), and in the Centre it pilots Processing Zones (PZs) to expand them to the North, with a focus in poultry and beans. The approach entails building enabling environment for private investments. Through the IP it will bring in other donors. PZs signify a 200 mUSD investment for one zone. There are three zones in Nampula, Manica, and Cabo Delgado. A consulting company will operate the Zone, many companies are interested. There will be out-grower schemes. AfDB applies the same concept elsewhere in Africa, including Ethiopia.</p>
IFAD	<p>IFAD's annual budget is 8-10 mUSD. IFAD is currently supporting four projects:</p> <p>In agriculture, VC, ProSul, three VCs: cassava, read meat, horticulture. The project started in 2013, with a budget of 45 mUSD, it covers 22 districts, and ends in Dec 2019. A Global Environment Facility (GEF) project, 5mUSD, focuses on adaptation and is combined with ProSul.</p> <p>Fishery: ProPesca, includes all the coast, started in 2011, ends in March 2019, supports artisanal fishery, cooling facilities, with a budget of 58 mUSD.</p> <p>Aquaculture: ProAQUA, Manica, Sofala, aquaculture combined with farming, advisory services, it is a small project.</p> <p>PROMER with MITADER, in Centre and North, strengthens market linkages, with farmer associations, builds small roads, small storages, provides rural finance, the budget is 48 mUSD. - IFAD agricultural extension project closed six months ago. Coming is a rural finance project, 62 mUSD, that will take financing components from other projects, and PROCAVA, scaling up of ProSul, for all the country, in 75 districts, 3+2 value chains: cassava, read meat, horticulture, vegetables and poultry, starts in 2020-21, VCs identified through exhaustive studies.</p> <p>15 Years ago, IFAD never thought about private actors, money was meant directly to the poor. Now the poor are targeted through non-poor.</p>
FAO	<p>FAO works in forestry, with WB supporting Mozambique Forest Investment Program. Government contracted FAO to implement it. With MITADER, FAO supports forest information system and capacity building. FAO supports improvement of forest concessions. In forestry many active partners are there: WB, Sweden, EU, IFAD, NGOs. Forest plantations are needed, the policy is there, but ecologists oppose. There is no awareness of plantations' benefits, and natural forests are severely damaged. Forestry was moved from MASA to MITADER, it is now more complicated, these ministries are not articulated. FAO Mozambique has an annual budget of 12 mUSD. It is mainly from EU, also from GEF, and the WB. The country program 2016-20 focuses on food security, natural resources management, and resilience (emergencies and climate change).</p>
EU	<p>EU's National Indicative Programme 2014-20 includes two focus sectors: good governance and rural development. Its total volume is 507 mEUR. The new programme until 2025 will allocate to rural development in total 330 mEUR, through PROMOVE consisting of five sub-sectors: roads, energy, nutrition, biodiversity, and agribusiness. Overarching goal is to support the achievement of SDGs. Focus regions will be Nampula and Zambezia. The implementing partners of PROMOVE are FAO, GIZ, WB/DIME, and FNDS. EU's Local Economic Development Program, PRODEL, was implemented with MITADER. From 2012 onwards, it included three provinces, also local authorities. Six VC programs: honey, sesame y cashew, cassava. First it was very government focused, concentrating on VCs, also important to local development. First two years nothing happened, then there were studies resulting in some new VCs. After four years they called for Proposals, 33 came, mostly INGOs with local partners. They gave grants to 9. Only one private company they made contract with. "Good businesses do not need grants from us." New agribusiness approach focuses on smallholders & SMEs for adoption of better practices, technology, and business models. It emphasizes more and better services & VC actors' linkages, and improved regulatory framework. With FAO support it applies vouchers to farmers. There is</p>

Development partner	Interventions/projects of other development partners in ARDF
	not much private sector in the two provinces. In Zambezia cashew is easy, elsewhere or for other products they develop market. They link partnerships, with GIZ.
Sweden	Sweden's total portfolio for Mozambique used to be about 80 mEUR/a, now it is 60 mEUR/a for a period of six years. SIDA always works with the government and districts, but does not channel funds there; it contracts NGOs. SIDA uses a market-based approach to increase productivity, access to markets, and to reduce post-harvest losses. Swedish support to MITADER is through the WB: forestry policy support, activities in Cabo Delgado, piloting in plantations, and global funds. The support to MITADER is through FNDS. So far it has very good performance, but it is expensive and not sustainable. However, FNDS has been a right step. Another alternative would be WB, even more expensive. FNDS modality includes not many donors, because they fear give funds to government and MITADER.
Austria	Austria is in ARD since 1990's. First projects were four and TA driven. Then came PROAGRI. Still some things by farmers continue in Sofala. Austria's annual budget is 4 mEUR, in agriculture and WASH. It will remain this level. Sofala projects are implemented by SDAE, there is no TA. Austria works with MASA, not MITADER.

Sources: Interviews with relevant staff

Annex IV: Timeline of Finland’s bilateral interventions in the ARDF sector in Mozambique

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PROAGRI II														
PRODEZA I & II, Zambezia Province rural development project														
Support to Agriculture sector policy and investment plan (PEDSA & PINISA)														
National Forestry Sector Programme (SUNAFOP)														
Forecas (ICI)														
ADPP Farmers’ Clubs														

Source: Evaluation on Finland’s Development Policy and Cooperation 2016/3b. Evaluation of Finland’s Development Cooperation Country Strategies and Country Strategy Modality. Mozambique Country Report (By: Mokoro Ltd in collaboration with Indufor Oy)