

HELVETAS Swiss Intercooperation

Mozambique

Country Strategy 2012 – 2016

Mozambique at a crossroads:

Towards a ‘resource curse’ or finally overcoming poverty



Final version

July 2013

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Abbreviations

CAADP	Comprehensive Africa Agricultural Development Program
CDC	Community Development Council
CEPAGRI	Centro de promoção da Agricultura
CS 12	Country Strategy 2012 – 2016
CS	Civil Society
CSO	Civil Society Organization
EITI	Extractive Industries Transparency Initiative
e-SISTAFE	State’s Electronic Financial and Administrative System
FDI	Foreign Direct Investment
FRELIMO	Frente de Libertação de Moçambique
GAS	National multi-stakeholder coordination group “Grupo Água e Saneamento”
GDP	Gross domestic product
GOM	Government of Mozambique
HSI	HELVETAS Swiss Intercooperation
LOLE	Law on the Local organs of the State
MDG	Millennium Development Goals
MOPH	Ministry of Public Works and Housing
NAPA	National Action Plan for Adaptation to Climate Change
NGO	Non-governmental organization
ODA	Official Development Assistance
OLE	Local organs of the state
PAP	Program Aid Partners
PARP(A)	Poverty Reduction Action Plan (<i>Plano de Acção Redução Pobreza (Absoluta)</i>)
PEDSA	Strategic Plan for Agricultural Development
PNDA	Plan for Agribusiness Development
PNPDPF	National Program for Decentralized Planning and Finance
PNPFD	National Program for Decentralized Planning and Finance
PRONASAR	National Program of Rural Water Supply and Sanitation
SDC	Swiss Agency for Development and Cooperation
SECO	Secrétariat d'Etat à l'économie
SME	Small and medium enterprises
SPCR	Strategic Program for Climate Resilience
SWOT	Strength, weaknesses, opportunities, threats
WATSAN	Water and Sanitation

SUMMARY

HELVETAS Swiss Intercooperation, Country Strategy 2012-2016 for Mozambique (CS 12) gives a brief description of the context trends and then presents the future strategic direction in order to define the future program perspectives and the investment plan.

Mozambique remains one of the poorest and most severely capacity constrained countries¹ in the world despite its strong GDP growth for the last decade – above 7 % - and gradually deepening democracy. In 2012 Mozambique ranks 185 of 187 countries on the HDI and suffers from increasing inequality.

HSI concentrates globally on five working areas and offers competent cooperation as well as advisory services and provides specialised know-how based on long-term experience, networking, and a up-to-date knowledge management system. Currently, HSI in Mozambique implements projects under four of the five overall HSI working areas: i) Rural Infrastructure: Equitable access and use of quality rural water and sanitation; ii) Education and Skills Development; iii) Rural Economy; iv) Governance and Peace.

The organization will further seek opportunities to expand and increase the number of its projects under each working area provided they fit into the strategic framework outlined in this CS 12.

HSI-Mozambique has defined the following country-specific working approaches and transversal themes for its overall program: The program is based on a Human Rights Based Approach and will further develop a partnership approach. The program works at sub-national level and applies an integrated program approach at local level; The CS 12 defines Knowledge and Learning, Governance and Gender and Social Equity as its transversal themes.

The CS 12 builds on continuity of the longstanding experience and development practice in Mozambique but will introduce innovations where relevant to achieve social change towards advancing social, economic and political rights and improving livelihoods. The CS 12 puts into practice the overall HELVETAS Swiss Intercooperation “Principles for Development Engagement”.

The CS 12 expected outcomes are:

- Access to and use of equitable water and sanitation services is improved through expanded coverage and efficient and transparent management capacities as well as stronger public participation at sub national level.
- Rural income from natural resources is increased by addressing access to and control over production factors and improved market opportunities.
- Transparent and accountable use of public resources and performance is demanded by civil society organizations.

The investment plan for HSI-Mozambique foresees an annual budget of approx. 4,5 Mio CHF which comprises funds of approx. 1,8 Mio. CHF per year from program credit sources and planned new mandates from longstanding donors like SDC and EU and potential new funding sources.

¹ 55 % of Mozambicans live below the national poverty line (<0.5 USD a day) Source: HDI report 2011. In Nampula and Cabo Delgado the program intervention areas, 70 % of the population lives below the national poverty line.

1. Introduction

This HELVETAS Swiss Intercooperation (HSI) - Mozambique Country Strategy (CS 12) provides direction and steers interventions with regard to the program's thematic and methodological orientation, determines the main geographic intervention areas and provides guidelines about the allocation of funds.

The CS 12 gives a brief description of the changing context (chapter 2), and then presents the future strategic direction (chapter 6) in order to define the future program perspectives and an investment plan. (Chapter 11.2) summarises the projects in the four working areas and shows how steering and monitoring is fulfilled.

The second purpose of the Country Strategy is to inform staff and partners about HSI's interventions in the four working areas. An excerpt of this strategy will be converted into an easy-to-read leaflet and put on the HSI webpage *www.helvetas.org*.

The CS 12 has been developed through a series of steps, in which Helvetas staff, implementing partners and other stakeholders were involved. After agreeing on the process and the methodology, an initial launch workshop in February 2011 carried out an assessment of its external environment, a development agencies' mapping, a SWOT analysis of Helvetas in Mozambique. During March – May 2011, a blog <http://helvetasmozambique.blogspot.com/> allowed for invited participants² to contribute to vision, mission statement and strategic guidelines for the future country strategy 2012 – 2016. A next step was the assessment and a discussion on the current partnership approach, done by a local consultant in November/December 2011 with the aim to initiate a paradigm change within the organisation on the future partnership orientation (see chapter 12 for details). Additionally, two workshops provided ground for debate and inputs to the overall strategy discussion of HELVETAS Swiss Intercooperation, namely on the issues of “gender and social equity”, “development policy and advocacy”, “decentralisation” and “partnership approach” and enriched the CS 12 as well. After this, the country program was drafted and submitted to the managerial staff of HSI-Mozambique, the program coordinator at HSI head office and selected partner organisations for feedback. In July 2012 the draft CS 12 will be presented to the program commission of HSI jointly by the outgoing and incoming program directors for final feedback and approval. The detailed implementation steps and CS 12 log frame with performance indicators will be elaborated by the incoming program director and his staff from August 2012 onwards.

² The invitation to put contributions to the blog was sent out to 94 persons: all HSI-Mozambique staff, selected head office staff, partner organizations (both Government and civil society). Because of geographic distances between the offices and financial constraints, an online discussion was selected as a means to reach out to more stakeholders in the discussion.

2. Context

2.1. Political context

Overall, the political environment in Mozambique is stable with three multiparty general elections held since the Peace Agreement in 1992. However, the most recent elections in October 2009, won by the ruling party, *Frente de Libertação de Moçambique (FRELIMO)*, were held amid allegations of political exclusion. The constitution and electoral laws are currently being reviewed to ensure greater transparency and political inclusiveness, and these are being closely monitored by the donor community and civil society. The next national, provincial and presidential elections are due for 2014, but lack of consensus over the reform agenda may undermine political stability.

Governance and Accountability

The Government of Mozambique (GoM) remains committed to an ambitious reform agenda, but corruption remains a challenging issue mostly due to weaknesses in internal control systems, slow pace of implementation of reforms in the justice system and the prevailing state-party conflict of interest which results in inefficiency in the use of public resources³. Nonetheless, progress has been made in the management of public resources in terms of expansion of the coverage of the State's Electronic Financial and Administrative System (e-SISTAFE) to 76 out of 128 districts, increased number of performance audits undertaken by the Supreme Audit Court and the approval of the Strategic Plan for the Anti-Corruption in January, 2011. A report on Aid transparency concluded that there is a lack of transparency of government and aid budget, and recommended that civil society and parliament take a bigger role in monitoring and oversight⁴.

Civil society and citizenry

Its ability to participate in governance and development processes remains hampered by several internal and external factors. Mozambican civil society has weak structure and values, and operates in a constrained environment. Structurally, the main weaknesses are due to limited human and financial resources available to CSOs. In terms of values, the weaknesses relate to internal governance, social equity and diversity. While the environment in which Mozambican civil society operates has improved, citizens are hindered in the exercise of their rights and the state is at times undemocratic and marred by an inefficient bureaucracy. Civil society organizations at grass root level are steadily increasing in number and capacity concentrated around a common social, economic, cultural interest, or related to

Strengths, Opportunities	Challenges and Weaknesses
<ul style="list-style-type: none">• Political stability• Large natural resource endowments• Young population reflecting potential for social and economic dynamism• Geographic positioning and regional potential• Development corridors and economic diversification potential	<ul style="list-style-type: none">• Lack of efficiency and transparency, corruption and conflict of interest state-party• Weak economic diversification• Inadequate infrastructure and high costs of production• Weak institutional and human capacity• Underdeveloped private sector and lack of Competitiveness

Box 1: Context analysis at a glance

2 Mozambique ranks 2.7 on a scale of 0 (highly corrupt) to 10 (very clean) on the 2011 Transparency International Corruption Perceptions Index and scores 55 of 100 in the Mo Ibrahim Index of African Governance.

4 Transparencia da ajuda externa e do orçamento externa em Moçambique, Constrangimentos para a sociedade civil, a Assembleia e o governo. Grupo Informal de Governação e Aliança 2015. Maio 2010

realizing rights. Even so, they rarely influence the decisions of local government. At provincial level, there is a significant movement of civil society organizations, dominated by NGOs offering services to community organizations in the form of capacity building and technical assistance. At national level, a number of civil society organizations and forums are taking initiatives to monitor government policies and budgets, and the protection of human rights. Yet, links between the different levels (micro, meso and macro) are weak or hardly exist, nor are there good strategic links with the media and research institutes.

2.2. Socio-economic and environment Context

The political situation may become exacerbated by the deteriorating socio-economic conditions, in particular the increases in food, fuel and utility prices, which sparked urban riots in 2008 and 2010. The challenging socio-economic situation, despite relative high growth rates over the last decade raises concerns about a development model dependent on high Official Development Assistance (ODA) averaging 89.2 US\$ per capita (one of the highest Aid/GDP ratio in Africa and Foreign Direct Investment (FDI) linked to mining, electricity, tourism, construction and telecommunication sectors but with limited linkages to the rest of the economy. GDP growth rates are expected to remain near 8% over the next five years on account of new extractive industries activity.

Education and Skills Development

Access to education (both primary and secondary) attest to important positive trends in long-term development, as well as to success in achieving strategic government priorities. The proportion of the population with access to schooling rose from 30.8 % in 2002-3 to 37.3 % in 2008-9. The percentage of illiterate men/women fell significantly between 2004 and 2008, from 66 % to 54 % for women and from 40.3 to 30.8 % for men⁵. There was also progress in reducing the gender gap in basic education enrollment⁶.

In terms of labor supply, the level of vocational and academic training remains low. Only around 13 % of the workforce does complete the first level of primary school (7th grade). There is heavy concentration in small-scale (micro) commerce, operating with very low profit margins and offering few opportunities for savings and investment or other strategies for escaping from poverty.

Extractive Industries

The recent discovery of gas field off the northern shore in Cabo Delgado is a prime target for energy multinationals like Anadarko, STATOIL, MITSUI, ENI and Shell. Brazil's Vale in Tete province has been exporting coal since 2011. A number of large investments are now transforming the extractive industry sector, which is set to assume a more prominent role in the economy with planned 13 % contribution to GDP in the next five to ten years⁷. To date, the fiscal contribution of 1, 6 % of the GDP is considered derisory⁸ and a result of the lack, of appropriate instruments on the Government's part, to ensure the valuation of the mineral resources granted to the companies. On top of this excessive fiscal benefits are offered to the extracting companies⁹. Mozambique became a candidate of the EITI in May 2009. One of the great challenges that the GoM must overcome in order to be more transparent in this area of EITI is to end the secrecy surrounding the contracts it signs with multinational companies in

⁵ http://hdr.undp.org/en/reports/nationalreports/africa/mozambique/MOZAMBIQUE_2005_en.pdf

⁶ PARP 2011 – 2014 page 5, enrollment women/men 42 %/52 % in 2004 vs 59 % in 2008. (<http://hdrstats.undp.org/en/indicators/105906.html>)

⁷ Savannah, 28.4.2012: planned to reach 13 % of the GDP in 2016

⁸ the GoM received a total of just under US\$40 million from their extractives sector in 2009: US\$15m from mining and US\$25m from hydrocarbons⁸ which is less than 1 % of the State Budget. See CIP 2011 and EITI validation report 2012

⁹ Centro de Integridade Publica. EITI Implementation, natural resources management and urgency of renegotiating and publishing the contracts with mega-projects: The case of Mozambique. June 2011

order to respond to the main challenges of governance and management of the extractive sector in Mozambique¹⁰ and not to end in a “resource curse”.

Emerging partners and FDI

Emerging partners have assumed an increasing role in FDI. India’s investments in agriculture processing, energy and mining are expected to reach US\$ 1 billion in 2012. China became the second largest investor in 2010 and is expected to invest over US\$ 13 billion in the next 10 years mainly in infrastructure (ports, roads, energy). However, these emerging partners might also affect the political development if they do not consider the current progress on governance and democracy.

Agriculture

Although agriculture contributes only 23 % to GDP and represents just 20 % of total exports, it is the main source of income for more than 70 % of the population, provides employment for 80 % of the total workforce and generates 80 % of the income of rural households with only 10 % of arable land under cultivation¹¹. The sector grew by an average annual 7.9 % between 2003 and 2008¹², with much of the growth due to the expansion of the cultivated area, while yields stagnated at levels between 30 % and 60 % of their potential. Smallholders represent the greater part of the country’s farming sector. Low availability of modern inputs, lack of appropriate technologies and limited access to finance and other support services are the main determinants of low yields and low returns.

Food and nutritional security

Mozambique continues to experience food insecurity at the national and household levels. Except for maize and cassava, the country is a net importer of food staples and less than 25 % of smallholder families are able to cover their food needs throughout the year. Yet with an annual 4 % growth, the urban population is expected to generate increasing demand for agricultural products. Meeting the growing domestic demand for food products and reducing the country’s dependence on imports will require the competitiveness of domestic products to be developed, with an emphasis on reducing transaction costs and improving smallholders’ access to production and business development services.

2.3. Environment and Climate Change

Climate change poses major environmental challenges to Mozambique in terms of attaining a sustainable development path. The World Bank (WB) report¹³ indicates that the impact of climate change over the next 40 years would lead to a 2-4% decrease in yields of the major crops, and modest reduction in energy supply, in the range of 1.4 %. Severe rainfall may result in losses in the stock of roads, culverts and bridges, in a range of 2-12%. Mozambique could also lose up to 4,850 square kilometers of land and a cumulative total of 916,000 people could be forced to migrate away from the coast.

2.4. Water and Sanitation

Mozambique is very well endowed in water resources but these have not been properly harnessed. A recent assessment of progress made in the water and sanitation sector in Mozambique, indicated that between 2008 and 2010, access to water in the rural areas stagnated at 52%, whilst the access rate for urban areas improved from 50% to 60%.

¹⁰ The country scored well in 15 out of the 18 indicators and weaknesses were raised regarding: (i) the weak engagement of civil society; (ii) the limited scope of dissemination; and (iii) the discrepancies in the mineral resources revenues reported by GoM and the private investors, the question of social payments.¹⁰ The EITI Board renewed Mozambique's candidacy for 18 months (i.e. until 15 February 2013), by the end of which it must have completed a validation that demonstrates compliance with the 2011 edition of the EITI rules

¹¹ PARP page 15

¹² ebenda

¹³ World Bank, 2010, *Mozambique: Economics of Adaptation to Climate Change*.

Access to sanitation similarly stagnated at 40% in rural areas, but in urban areas it improved from 50% to 64%. Overall, water supply is unreliable during the dry season, and tends to be more erratic even during the rainy season. In rural areas, distribution networks are weak, with high proportion of non-operational water points. Nonetheless, the water sector remains a priority in Mozambique and GoM has plans to invest in the expansion of production, treatment and distribution systems and meet MDG target of 70% coverage by 2015. (for details see chapter 9).

2.5. Poverty situation

Of its population of 22.4 million people, 70 % live in rural areas, and economic growth has not yet led to sufficient reductions in poverty and food insecurity. In fact, poverty remains a predominately rural phenomenon with more than 70% of the poor households located in rural areas. Mozambique is ranked 184th of out 187 countries in the 2011 *Human Development Report*. Of 5,3 Mio. Inhabitants in Nampula and Cabo Delgado provinces 55 % live below the absolute poverty line (< 0.5 USD/day). In rural areas of both provinces, 70 % of the population live below the national poverty line (<0.5 % USD per day) which represent the target group of HSI-Mozambique activities.

Box 2 Agenda 2025 Strategic Objectives:

The strategic objectives are: (i) human capital increase through improvement of basic living standards; (ii) social capital improvement through strategic actions in the domains of national cohesion and peace and stability, promotion of social justice, access and ownership to land by local communities, and creation of incentives for effective participation of women and the youth in country's economic growth; (iii) macroeconomic development through the promotion of rural development and competitiveness of entrepreneurial sectors.

2.6. Relevant development policies

The country's long term goals are expressed in the Agenda 2025¹⁴, a document that resulted from a consensual debate involving government, political parties, development partners, civil society, and private sector in 2003 and was approved by the National Assembly in 2004. (see box 2). The Poverty Reduction Action Plan (PARP) 2011-2014 is aligned with the vision of Agenda 2025, designed to help achieve the Millennium Development Goals (MDG) and is the medium-term strategy of the Government of Mozambique for putting into operation the Five-Year Government Program (2010-2014), focused on the objective of combating poverty and promoting a culture of work, with a view to achieving inclusive economic growth and reducing poverty and vulnerability in the country. The PARP 2011-2014 represents the continuation of PARPA I 2001-2005 and PARPA II, which was implemented with a timeframe of 2006-2009, extended to 2010.

2.7. Sector plans

In Governance

Advances have been made in decentralization with regard to legislation laid out in the poverty reduction strategy, where Mozambique aims at decentralizing government functions down to the district level. A number of laws and programs have been approved, notably the Guide to the Organization and Functioning of Local Councils (Dec. 67/2009) and the National Program for Decentralized Planning and

¹⁴ Government of Mozambique, Ministry of Planning and Development, accessed on April 17, 2012 from http://www.mpd.gov.mz/index.php?option=com_docman&task=cat_view&gid=59&Itemid=50%E3%80%88=pt

Finance for 128 districts. A National Policy on Decentralization has been elaborated but is not yet approved. Recently the provincial assemblies have been installed who are starting to monitor provincial government activities, thus entailing budgetary repercussions, in order to facilitate local development. On the sub-national level, all provinces in Mozambique have Provincial Strategic Development Plans and all districts have annual plans.

In Water and Sanitation

The National Rural Water and Sanitation Strategic Plan, elaborated by the National Directorate of Water Affairs of the Ministry of Public Works and Housing (MOPH) in 2007 is being implemented and establishes the County's vision of the rural water supply and sanitation for medium and long term. The Plan has 4 objectives: (a) improve quality of services and increase of coverage and sustainability; (b) broaden technological alternatives; (c) decentralization and institutional development; (d) integrate planning and financing with decentralization process. Institutional structures are in place at central and provincial level, while at district level new posts have been created for technical supervisors. Personnel is being recruited and will increase with the implementation of the National Program of Rural Water Supply and Sanitation - PRONASAR. Roles of actors at different levels have been clearly formulated. An enabling environment for greater efficiency and stakeholder participation exists at national level with the GAS a sector network, and is being worked out at provincial and district levels. Decentralized funds are also channeled by the Central Government to the sub national level.

In Agriculture/Food security

The PARP - 2011-2014 aims at reducing the incidence of poverty from 54.7 % in 2009 to 42% in 2014, by promoting pro-poor, inclusive growth. PARP's first objective is to increase agricultural production, primarily by boosting the productivity at the level of family farms. This is to be achieved by improving access to production factors, facilitating market access and improving the sustainable management of natural resources. These priorities are developed in the *Strategic Plan for Agricultural Development* (PEDSA - 2011-2020), whose goal is to convert subsistence farming into a market-oriented agriculture ensuring food security and securing farmers' income, along an annual 7% agricultural growth.

2.8. Climate Change

GoM has prepared a National Action Plan for Adaptation to Climate Change (NAPA, 2007) with four main priorities: (i) strengthening early warning systems, (ii) strengthening the capacity of farmers to climate change, (iii) reducing the impacts of climate change along the coastal zone, and (iv) promoting water resource management. The GoM is currently preparing a Strategic Program for Climate Resilience (SPCR) under the Pilot Program on Climate Resilience (PPCR) aimed at mainstreaming climate resilience into development through piloting and demonstration investments (i.e. roads, agriculture, coastal cities and water).

3. Development actors

Performance Assessment of general budget support: The group of 20 Program Aid Partners (PAP) provides the major part of its funds as General or Sector Budget support with the aim to strengthen harmonization efforts in place in Mozambique. The PAP has developed a regular, comprehensive and structured policy dialogue with the Government on the basis of a set of agreed indicators (Performance Assessment Framework or PAF). The annual Joint Review produces mixed results, concluding that the Mozambican economy continues to show solid growth versus implementation of critical cross-cutting issues including (economic) governance, conflict of interests between the ruling party and the state and institutional reforms that continue to lag behind schedule. In the human capital area, in spite of expansion of service delivery, the quality of services has not improved.

3.1. Swiss Development Cooperation

For years Mozambique is one of Switzerland's priority countries (SDC and SECO) with a financial support amounting to CHF 30 Mio per year over the last 20 years (both SDC and SECO budget).

The new SDC country strategy 2012 – 2016 provides for continuity and capitalization of the Swiss support in the **three domains of interventions** which are **economic development, health and local governance**. While the intervention in health and local governance will most probably only undergo limited modifications, the domain economic development will undergo the biggest revision.

With the intention to reinforce the coherence and increase existing and possible synergies the following four identified **outcomes** will be valid for the *whole SDC program* and all three domains of intervention will contribute to their achievement relying on clearly targeted indicators.

1. Key policy issues for inclusive growth, sustainable funding of development and efficient use of resources are addressed through active dialogue with and capacity development of the relevant stakeholders, the stimulation of public debates and in donor relations.
2. Access to equitable and quality health and water and sanitation services is improved through expanded coverage and efficient and transparent management capacities as well as stronger public participation especially at decentralized level.
3. Rural income and employment is increased in addressing access to and control over limiting production factors for MSMEs and small holders, improved market opportunities and a business enabling environment.
4. Citizens and Civil Society Organizations take an active role in demanding high quality delivery of public and social services as well as a transparent and accountable use of public resources through the strengthening of their role in participatory processes and monitoring of governance practices at local level.¹⁵

4. Opportunities and challenges

In the current context as outlined above, new **opportunities** are emerging for HSI-Mozambique to support rural citizens in Northern Mozambique in their strive to improve their livelihoods, which are:

- **The development policy environment is favourable** for interventions by organisations like HSI and their partners who **work at sub national /local level**. Through the LOLE, the government has expressed its commitment for deconcentration of power and resources from central to districts government authorities. Deconcentration will bring opportunities for right holders to hold duty bearers accountable. HSI-Mozambique will be able to make use of its experience in community mobilisation, facilitating participatory governance including the use of social accountability tools.
- **Donor funding to sector-wide programs** are operating for rural WATSAN and inter alia productive use of water, civil society support, education and health. With HSI's long and in-depth experience in some of these sectors, opportunities will emerge for providing technical assistance and **institutional support to local partner organisations** during implementation and/or monitoring of public performance.
- Erratic food prices, changing climatic patterns and a stagnating agricultural sector keep **food security** high on the development agenda of the country. An opportunity for HSI to continue in proposing innovative and integrated approaches required by the poor to improve their food security through sustainable low-cost technologies.
- A major danger for Mozambique is the **“bad governance trap.”** Relative to governance problems in many countries in Africa and judged by its record of stability and growth since the end of its civil

¹⁵ SDC country strategy 2012 – 2016 for Mozambique Concept Note. Email communication Daniel Zuest, SDC Coordinator, 11.4.2012

war in 1992, Mozambique appears to be a success story. But its political stability and democratic progress could eventually be compromised by the **limited space for political pluralism**. The challenges of democratic and accountable governance in a country with such pervasive poverty and low education levels make it highly vulnerable to the governance trap. HSI with its commitment to and experience in decentralized governance has the competence and the trust of partner organizations to facilitate spaces for constructive dialogue for democracy.

- **Gender:** The Government declared its wish to guarantee gender equality, in terms not only of socio-economic benefit but also, especially, of a participatory role for women in decision-making process. PARP recognizes the link between gender and poverty as one of the leading concerns in the context of reducing poverty. Mozambique ratified all relevant conventions on gender equity and elimination of all forms of discrimination showing a commitment to advancing gender equity. HSI-Mozambique will continue to mainstream gender in its program activities focusing on institutional reforms and pro-active measures at project-level where deemed necessary. For details see gender strategy and action plan 2012 – 2016 which is planned to become an integral part of the CS 12.

HELVETAS Swiss Intercooperation will face the following **challenges** in its country program 2012–2016:

- Multiplicity of development actors in Mozambique: HSI will continue focusing on its core competencies and strengths while harmonizing its approaches with other actors. For that it will maintain and expand its credibility with government, donors, national and local NGO partners, private sector agencies and communities.
- Extractive industries in Cabo Delgado. To date it is unclear if along the development path there is a “resource curse” or economic boom to expect. Yet it already impacts the Mozambican economy especially fast growing sectors in particularly services and construction. HSI can play the role of strengthening the voice and influence of local civil society through facilitating access to information, assisting them in community mobilisation and facilitating contacts to international civil society networks for advocating corporate social responsibility.

5. Learning from past engagement

HSI-Mozambique has been operating as an active development organisation in Mozambique since 1979. Since then, the organization has implemented mostly long-term projects in the area of rural water and sanitation, rural development, food security, land reform, governance, education, and culture in collaboration with governmental, non-governmental and private sector organisations. The engagement in the WATSAN has lasted for more than thirty years,¹⁶ continuously adjusting to changing contexts, others like the engagement in land reform have shaped working modalities and policies in the entire sectors (e.g. land law in the mid 90).

The organization invested about CHF 21.3 million to achieve the outputs and outcomes of the five-year country strategy 2007–2011. The main achievements can be found in Annex C:

Trends in the last CS and Learning from the last Country Strategy 2007-2011

The five year period of the last Country Strategy from 2007 to 2011 was characterised by five major trends:

1. Focus and integration: Focus on the Northern provinces Cabo Delgado and Nampula and a thematic focus on WATSAN and governance, food security, literacy and culture and an integration of all projects into a programmatic approach at local level.

¹⁶ Helvetas was awarded with the Energy Globe in 2008 for its engagement in the Water and Sanitation Sector and in 2011 prized the best NGO in Cabo Delgado

2. Investment into knowledge management at all levels: best practices in all projects and a greater role of social media in the program.
3. Increased financial volume from 3, 5 Mio. CHF in 2007 to 5 Mio. CHF in 2011 with a diversification of donors and a trend towards complex multi-donor programs.
4. A trend towards implementation through local partner organisations and an effort to build local institutional capacities.
5. Major investment in national and provincial networks e.g. in WATSAN, NRM, governance; experience exchange, joint advocacy actions and co-financing of studies.

General lessons

The increasing pressure on resources, particularly natural resources, has led to sustainability becoming an increasingly important factor in project interventions. Fragile settings (systems, states, work in continuum) will remain a priority as conflicts over resources will continue and even increase.

- With the economic crisis in Europe, traditional funding of aid (through ODA) is expected to stabilize or decrease in the near future. There is a trend of declining core funding in favor of common fund or project-related funding in particular to local partner organizations in a more competitive setting.
- Emerging donors such as India, China and Brazil and global corporations, private investors will play a more important role with own agendas and do not necessarily engage in traditional donor relationships, aid modalities and frameworks agreed upon.
- Increasing collaboration and competition among development players is occurring. Local organizations do profile themselves through research, advocacy and in-depth extensive knowledge of local and national settings. Knowledge sharing and coordination will therefore remain of utmost importance.
- Long-standing cooperation with implementing partners help master the operational and administrative requirements with the risk of monopolization of resources. A future partnership approach will have to balance effectiveness and efficiency in implementation vs. long-term capacity building/institution development combined with governance principles (see context analysis) coinciding with a shift in emphasis from sub-contracting implementing partners towards more long-standing strategic partnerships eg in accessing funds.

5.1. Working area specific lessons learnt

In Rural Water and Sanitation and Governance:

- Support to local government, communities and the private sector in establishing, managing and maintaining drinking water and sanitation infrastructure and providing quality services to end users needs to include governance principles of transparency and accountability by strengthening citizen participation in water management to be sustainable and equitable.
- Knowledge management should be included as an integral dimension of any program. The national GAS as an active coordination working group in Mozambique should have a more comprehensive role in integrating best practices into water and sanitation practices.
- In sanitation, the community-led total sanitation methodology has to be tailored to the local context. The outcome of the approach is measured in terms of achieving a complete end to open defecation and sustained behavioral change, rather than in terms of latrine construction coverage.

In NRM/Food Security

- **Resources governance:** There is an urgent need for governance of mineral, land and water resources in a context of increasing pressure on these resources, especially with FDI of large

multinational corporations coming into Mozambique. This trend is likely to lead to large-scale industrialized agricultural production — sidelining again smallholder farmers exacerbating rural poverty and food insecurity.

- The most important challenge while working with smallholders is to bring them into value chains as **reliable and profitable partners** and link them to markets. Without small farmer-focused value chain development, increasing numbers of poor farmers are being sidelined and excluded from profitable markets and are being trapped in subsistence production.

In gender

- Food security interventions often focus on improving food production and food security at the community level and/or household level. They have to include intra-household gender dynamics. Women are more likely to channel the income that they control into the nutrition, health and education of their children. Thus, improving the status of women within the household and at the community level will deliver significant improvements to agricultural production, food security, child nutrition, health and education.
- Women-only groups do provide “enabling spaces” where women can gain self-esteem, confidence and skills by creating a space for them to identify their needs, understand their rights and begin to articulate their demands. Women-only groups can also provide a step towards wider participation in mixed groups and other decision-making forums.
- Investing in improving poor or non-existent public services help reduce a structural barrier to women’s empowerment as it increases the burden of care, making it difficult for women to engage in paid employment, continue their education and participate in public life.

6. Strategic Orientation

6.1. Helvetas Swiss Intercooperation Mission statement 2012 - 2016¹⁷

In Mozambique, HSI contributes and aligns to national development priorities and the Poverty Reduction Strategy. It acts as partner to local organizations both from civil society, Government and the private sector who strive for a just and inclusive socio-economic and political development that is beneficiary for all.

7. Geographic focus and level of intervention

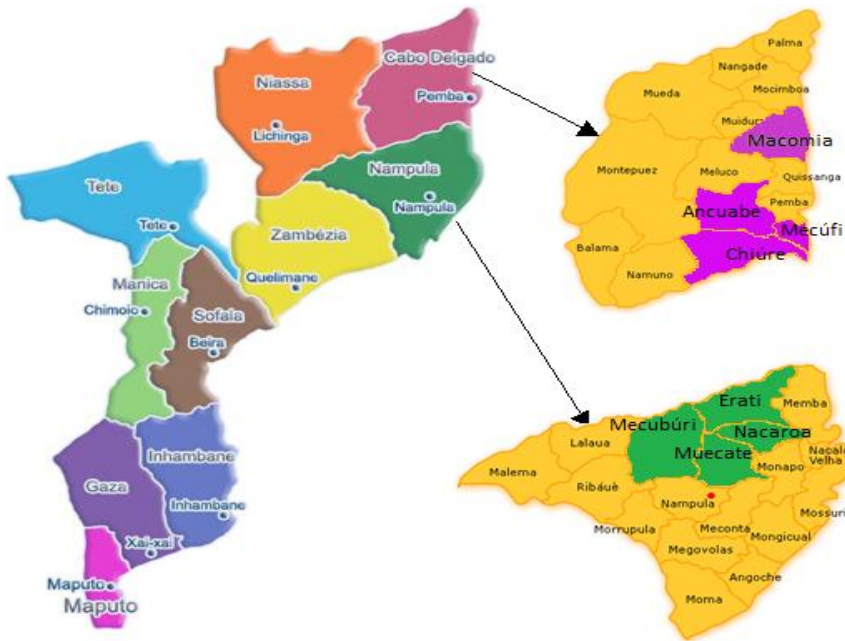
HELVETAS Swiss Intercooperation Mozambique will maintain its main focus on Northern Mozambique, Cabo Delgado and Nampula provinces in particular on rural and semi-urban areas where more than 80% of the population resides. However, specific activities in urban areas like provincial or district head town will be added due to the massive migration of rural population to those urban centres.

HSI-Mozambique has three main levels of interventions:

- **Local Intervention level** (cluster of communities and district level): Integrated program approach in all 8 districts where projects are being implemented. The plan is for the district government to take over the lead in the district inter-sector planning in future. Focus on technical and institutional support, coordination and knowledge sharing.
- **Provincial/National level:** Participation in networks and sector working groups, e.g. provincial GAS in Cabo Delgado and Nampula, and the Thematic Group on Governance and Natural Resource Management. The focus is on coordination, knowledge management, advocacy in collaboration with like-minded actors. See Annex B.

¹⁷ HSI-Mozambique adheres to the HSI mission statement and global basic values which are outlined in the overall HSI strategy.

HSI-Mozambique’s geographic coverage is shown below. The organization may add other working districts or even provinces, e.g. Niassa if the opportunity occurs based on long term funding possibilities, strategic partnerships and potential for replication of institutional competencies.



Graph 1: Geographical coverage of HSI activities in Mozambique

8. Theory of change

We assume that poverty in Mozambique has multi-dimensional causes: One dimension is **non-inclusive economic development** with slow growth in agriculture productivity, recurrent weather shocks, and unjust terms of trade due to increases in international food and fuel prices. A second dimension is **governance: lack of transparency and accountability in governance**, associated with corruption and conflict-of-interest party-state as central issues. The third dimension is along **weak institutional and human capacity of all societal actors (State, civil society, private sector)** that hinders the country’s response to poverty alleviation, basic rights advancement but also competitiveness and private sector development.

Based on these three dimensions of poverty, the proposed CS provides for continuity and capitalization of the HSI support in **three domains of change** which will be addressed: local economic development based on natural resources management, equitable WATSAN services, strengthening civil society in demand-led governance.

The theory of change reads:

“Inclusive, equitable and sustainable development will occur when:

- ✓ *Women and men citizens, including the most disadvantaged, and their organized representatives are informed of their rights and responsibilities and participate in socio-economic and political decision;*

- ✓ *Duty bearers in the public and private sphere have the institutional and human capacities to respond to the legitimate demands of rights holders;*
- ✓ *Local resources are managed in a participatory manner, processing products and adding value at the local level.”*

CS 12 will continue to strengthen civil society organizations representing their constituencies at community/local level, promoting sustainability of CBOs as vehicle for empowerment of communities and socio-economic interest groups. Following the definition of governance as a concept¹⁸, the CS 2012 - 2016 will also work with local government (administration and legislature) to strengthen its capacities to be more responsive and accountable towards right-holders and be more effective in their service delivery.

The logical framework (Annex D) for the overall country program qualifies the outcomes to be achieved to address the dimensions of CS Mozambique. The framework draws from each project logical frameworks and provides an overall umbrella to the country program.

9. Alignment with Millennium Development Goals and Country specific poverty reduction strategies

The CS 12 is aligned with GoM’s development policies (see chapter 10) and with the UN’s **Millennium Development Goals**. The CS will contribute in particular and directly to MDGs 1, 3 and 7:

MDG 1: Eradicate extreme poverty and hunger through improving access, better services, increased income from market-oriented agriculture, increased income from gainful employment outside agriculture and increased food sufficiency from improved seed systems.

MDG 3: Promote gender equality and empower women through increased representation, by equity and gender, in all decision-making bodies at local levels, increased income through gainful employment.

MDG 7: Ensure environmental sustainability through sustainable agricultural practices, integrated water resource management, rural drinking water and sanitation promotion.

10. Alignment with PARP

In terms of Mid-term development policies, the CS 12 will contribute to the achievement of PARP (2011-2014) the general objectives 1, 2 and 3, as well as to the supporting pillar 1:

General Objective 1: Increase the output and productivity in agriculture and fisheries through improving access to factors of production, increased production and productivity, support to producer’s associations and cooperatives to create economies of scale, and access to markets.

General Objective 2: Promotion of employment, promote the growth of production and accelerated, balanced economic and social development focused on the district. Expand access for youth and adults to literacy and life skills programs, through consolidation and harmonization of various programs.

General Objective 3: Foster human and social development, on the one hand, promote gender equality by enhancing the status of women and boosting their participation in the country's political, economic and social life through the expansion of access to and use of water and sanitation services in rural areas.

Supporting Pillar 1: Good governance through improving access to quality public services delivered to the people, enhancement of transparency and accountability,

¹⁸ Helvetas. Sharing Power for Development, page 5. Refers to the definition by UNDP/OECD

decentralization and local governance with institutional reform and capacity building for local administration, and strengthened citizens' participation in governance.

HSI-Mozambique's program is aligned with the Swiss Cooperation Strategy for Mozambique 2012-2016 (see chapter 3.1.). It shares the guiding principles of SDC and will contribute to SDC's governance and economic development domains. The HSI CS is aligned with the sector policies in governance; rural water and sanitation and agriculture/food security (see chapter development policies above).

11. Development goal

The CS 12 will be guided by the following **overall goal**:

HSI supports Mozambique in its fight against poverty and its transition to a politically, socially and economically inclusive society through advancement of basic water and sanitation services, local economic development based on natural resources, and demand-led governance.

11.1. Expected program outcomes

With the intention to reinforce the coherence and increase existing and possible synergies the following three identified **outcomes** will be valid for the CS 12:

Domain	Outcome
Equitable quality WATSAN services	Access to and use of equitable water and sanitation services is improved through expanded coverage and efficient and transparent management capacities as well as stronger public participation at sub national level.
Inclusive local economic development	Rural income from natural resources is increased by addressing access to and control over production factors and improved market opportunities.
Responsive and Accountable Governance	Transparent and accountable use of public resources and performance is demanded by civil society organizations.

11.2. Working areas

HSI concentrates globally on four working areas and offers competent cooperation as well as advisory services and provides specialised know-how based on long-term experience, networking, and a modern knowledge management system. Currently, HSI-Mozambique implements projects under four working areas as described below.

Rural Infrastructure: Equitable access and use of quality rural water and sanitation

A major constraint for people living in rural areas is the lack of infrastructure inhibiting their access to water for human consumption, sanitation and hygiene to protect people's health. HSI supports the GoM in implementing the National Water policy which make the provision to devolve planning, implementation and maintenance of local infrastructures to local bodies and enhance their capacities in local infrastructure development. In line with these policies, the organization envisages to strengthen the role of provincial, district and local communities as well as the private sector in the development of local infrastructures and efficient and effective service delivery through its programs. (See Annex A)

Rural Economy

Only about 10% of rural households are members of a *farmers' organisation*. Most farmer organisations deal with problems of poor management and organisation, limited focus on service provision, lack of knowledge with regard to post-harvest and marketing aspects, and lack of negotiation skills to develop partnerships. *Extension services* are available to less than 10% of farmers. District-based public extension lacks staff and financial resources and is centred on the production of food crops, leaving out critical elements such as cash crops, marketing, management and farmers' organisation. *Improved inputs and seeds* are rarely used because of their cost and a limited outreach of input dealers. HSI-Mozambique will continue working with local farmer associations, community development councils, local government authorities to increase agricultural productivity through low cost technologies firstly for local quality seed production, and conservation for higher yields and food security and secondly for nutritional security through diversification, increased cropping intensity (2nd cycle production) facilitated through small-scale irrigation and soil management. Smallholder farmers will be linked to markets based on integration into a value chains.. It will support the institutionalization of local service providers for community-run extension services. (See Annex A). Given the current dynamics of FDI in northern Mozambique (e.g. PROSAVANA programme), HSI will also engage facilitate the discussion on the topic of "land grab". A position paper will be elaborated on this topic.

Governance and Peace

Accountability mechanisms between government and citizens remain weak and there are very few checks and balances in place. Local government's responsiveness to basic needs remains inadequate which is however a key to enhance effective service delivery and democratic governance. More efforts are needed to promote a vibrant civil society at sub national level, which is largely absent at the moment, linking agendas and issues at community level to district level decision-making and finally, to provincial level. Contributing to the PARP, HSI will continue to strengthen social accountability at local level strengthening the capacity of local organs of the state (OLE) to manage public funds (planning, financial management and implementation) for local development in a participatory and transparent manner thus complementing the PNPDPF aiming at institutional reform and capacity building for local administration. In order to reach this objective, HSI will building institutional capacities of organized community members, community-based organizations and OLEs to increase awareness on citizenship, civic education via public debates, social media, literacy classes is needed, building on experiences of former PE 2007 – 2011.

Education and Skills Development

Literacy and basic education are governed by various legal instruments and development policies in Mozambique where illiteracy rates of 48%¹⁹ in rural areas prevail. Literacy is regarded, on the one hand, as the acquisition of the basic notions of reading, writing and numeracy and, on the other hand, as a process that stimulates participation in social, political and economic activities and lays the foundation for **continuing education**. HSI will continue to support community literacy centers in collaboration with the district education services to expand firstly -, access for youth and adults to literacy and numeracy, b) access to civic education and more generally life skills c) life skills for organized community members to meaningfully participate in community life and improve their occupational prospects in general and in NRM in particular.

¹⁹ INE database 2010.

12. Implementation Approaches

12.1. Role of HELVETAS Swiss Intercooperation

HSI is mandated to implement project activities in the frame of the country program. HSI has gained experience in managing programs with various donors (SDC, EU, private foundations) which will be further strengthened with pro-active fund acquisition.

To date, community level implementation is done by HSI extension staff and through local implementation partners (civil society organisations, and service providers). HSI will continue providing technical and financial assistance to primarily civil society organisations and secondly local governments and the private sector for project implementation. In the current CS 2012 – 2016 a paradigm shift towards long-term strategic partnerships will transfer field-based implementation to local partner organisations only. HSI will increase its role as institutional developer to local partner organisations (predominantly non-governmental organisations), knowledge broker and innovator. HSI will ensure quality of its programs through the development of or harnessing new tools, instruments, approaches and methods from the global knowledge network that contribute to a better and more effective achievement of goals and outcomes, and which will be field tested, piloted, and shared with partners and stakeholders for wider implementation and replication.

HSI will also facilitate dialogue through and support monitoring of actions and use of revenue in the extractive industries sector through CSO platforms like FOCADE (see point 3., Annex E)

12.2. Country-specific Working Approaches

HSI Mozambique has defined country-specific working approaches and transversal themes for its overall program which are listed below. They help to take into practice the overall HELVETAS Swiss Intercooperation “Principles for Development Engagement”.

- **Human Rights Based Approach:** HSI integrates human rights principles in project design, implementation and monitoring of its policies, programs and projects, particularly the principles of equity and non-discrimination, participation and empowerment, accountability and the rule of law. It commits itself to *empower the rights holders* (citizens, with particular priorities on rural community members) to realize their social, economic and political rights and to *strengthen the duty bearers* (mainly state, sometimes private sector and, Civil Society Organizations) to comply with their rights and duties.
- **Governance:** Civil society, the state and the private sector show an inherent weakness related to internal governance. Not only are they too reliant on external funding sources but do not have an agreed set of values and standards to ensure inclusive participation, transparency and accountability. Promoting internal governance will in turn increase society’s and its constituency confidence in civil society and the state and improve the currently low levels of governance impact on fundamental developmental challenges in the country²⁰. In the current political context amid allegations of political exclusion²¹ and poverty stagnation it is of utmost importance to promote governance principles of inclusive participation, transparency and accountability as a matter of contribution to political stability.
- **A paradigm shift: From project approach to partnership approach:** In the next five years HSI-Mozambique will shift from a project approach of implementing project mandates directly or through national implementing partners and national service providers towards a partnership

²⁰ One example of trend in low governance impact between society and state is the decreasing voter turnout during recent elections: for parliamentary elections the voter turnout decreased from 87 % in 1994 to 44 % in 2009; for presidential elections from 88 % in 1994 to 44 % in 2009. http://www.idea.int/vt/country_view.cfm?CountryCode=MZ

²¹ See Context analysis chapter I

approach that fosters (strategic) partnerships with national partners which will require an extra attention. The CS 12 will provide for a partnership framework, described progress and short- and long-term targets to pave the *way forward* in local capacity development of civil society organizations.

The partnership framework will be based on former experiences and will strike a balance between achieving program results and overcoming weak institutional and human capacity of local organizations (CBOs) for them to take a leading role in development.

The strategic objective of the partnership framework will be to “change from a project/program approach to a partnership approach”. To reach this objective, four sequences will take place:

- Formulation of a partnership guidelines for HSI-Mozambique
- Developing internal capacity of HSI-Mozambique staff
- Institutional / capacity development of current and future partners
- A gradual transfer of the implementation from HSI to partners to reach the CS objectives

In the past country strategy 2007–2011, local partners are not yet involved in the conceptualization, monitoring and evaluation of projects and programs. The majority of current projects mix direct implementation by HSI field staff and indirect implementation through partner organizations. Two long-term consultants have in 2010-2011 supported institutional development of selected partner organizations. Capitalizing on the institutional development done so far, institutional development will be mainstreamed into the PCM cycle. Strategic partnerships are being forged around common development objectives, on the basis of mutual accountability, transparency and joint learning, to upscale its concepts, models and approaches.

Transversal issues

Transversal themes address issues of overriding importance for the program of HSI-Mozambique. Transversal themes address issues of overriding importance for the program and aim at reinforcing the effect of interventions by integrating these themes in all stages of the project cycle as well as in policy and partner dialogue. Whereas the relevance and importance of Gender and Social Equity (GSE), Knowledge and Learning, and Capacity Development have been recognized at the organization’s global level, governance is of particular importance in the context of Mozambique and its adoption as transversal theme is an important to the current context in Mozambique.

- **Knowledge and Learning**

Objective: To promote an innovation and learning friendly culture within the organization itself as well as amongst partners and stakeholders.

HSI-Mozambique recognizes the importance of knowledge sharing within the organization, with partners and stakeholders, and the wider development community. Development work is a complex task, involving not only technical expertise but a sophisticated appreciation of the social, ecological, economic, cultural and political environments, within which development work takes place. This is all the more important in a vast country and a competitive environment like Mozambique. Knowledge sharing provides the base for learning and development. The Program Coordination Office through its communication and advocacy officer will strengthen knowledge sharing and learning processes among projects, with partner organizations and stakeholders and the wider development community. Methods and tools will be further refined and used in close collaboration with the knowledge manager at head-office in Zurich. Regular events to share knowledge and support reflection on experiences amongst PO

staff and partners, the promotion of participatory methodologies as well as the documentation and dissemination of best practices and experiences contribute to this aim as during the last CS 2007 - 2012. HSI-Mozambique makes use of IT applications (digital media), public debates, fairs, written publications to encourage sharing of best practices and lessons learnt and to promote spaces for dialogue and learning. HSI-Mozambique aims at systematically integrating project evaluations and impact findings into organisational policies, procedures and project implementation. Through the vertical integration of learnings from the communities to the national level, experiences can be turned into evidence-based policy dialogue.

- **Capacity development**

Objective: To strengthen capacities of partners and staff.

The paradigm shift to a partnership approach will imply a gradual change in which major efforts – in terms of resources and time – will be channeled to strengthening partnerships so that through them, partners’ institutional capacity can be developed. This way, partners will be able to implement the interventions in an integrated and comprehensive way. This approach will promote more sustainable local partners in programmatic and technical terms, as well as in terms of resources because it will make them more autonomous and with a better conceptual and technical understanding of the development interventions. The paradigm shift also implies that competences of own staff will need to build up in terms of facilitation, monitoring and supervision etc..

Specific partnership guidelines will be elaborated including orientation how to address capacity-building of partners and corresponding required competences of own staff (see point 2., Annex E)

- **Gender and social equity**

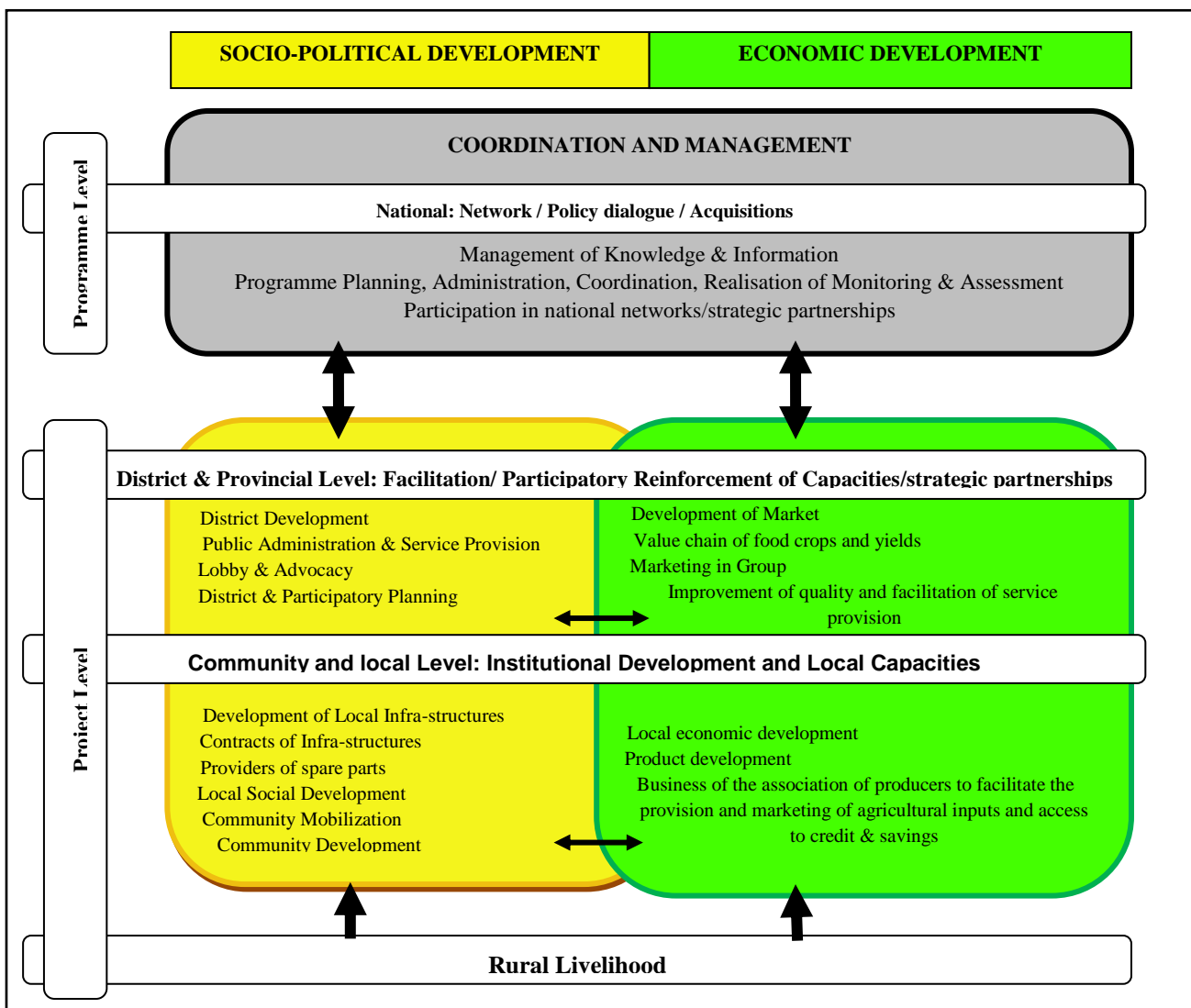
Objective: To promote gender and social equity in programming of HSI Mozambique

HSI-Mozambique will further mainstream gender into its program taking into account the existing gender disparity aiming at promoting gender equality by enhancing the status of women and boosting their participation in the country's political, economic and social life²². The CS 12 will include a GSE strategy and plan 2012 – 2016 that will include institutional actions, affirmative measures for gender and social equality. Each of the projects will have to ensure that activities reach out to the poor in the communities and elites do not capture major project benefits.

Specific gender guidelines based on overall institutional GSE policy and strategy will be elaborated (see point 5., Annex E).

²² During the CS 2007 – 2011, a separate Gender and HIV/AIDS strategy and plan for 2010 - 2012 was elaborated

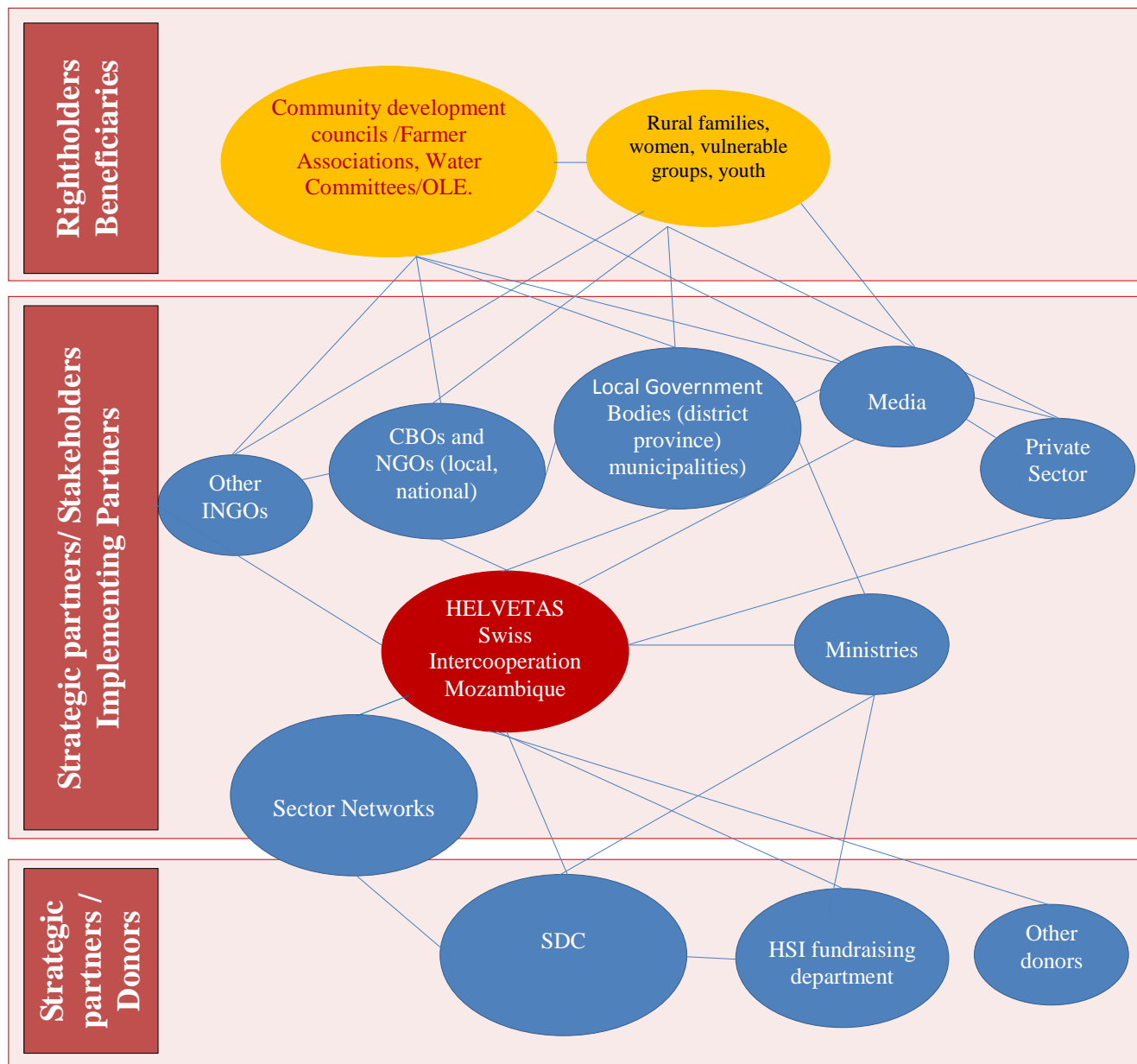
13. Strategic framework at a glance



Graph 2: Strategic framework at a glance

14. Stakeholders and Partners

HSI-Mozambique works with various partners to achieve its program objectives. The figure below presents an overview of its development partners in relation to the primary and secondary beneficiaries/right holders.



Graph 3: Stakeholders and partners

14.1. Primary beneficiaries: the right holders

The HSI-Mozambique CS 12 will focus on human rights and livelihoods to ensure an equitable and inclusive access for primary beneficiaries/ right holders to social, economic and political rights. We will define primary beneficiaries as follows:

Citizens (men and women) living in rural and semi-urban areas where poverty remains a predominately phenomenon with more than 70% of poor households with less than 0.5 USD per day) and an even higher proportion dependent on agriculture for survival.

HSI-Mozambique ensures that people living in poverty (estimated 5, 3 Mio. inhabitants in Nampula and Cabo Delgado provinces²³ participate and benefit from program activities.

HSI-Mozambique will continue to work with these primary beneficiaries through community development councils (CDC). CBOs represented in the CDCs are based on economic interest (farmer associations), common property (water committees) or other common interest (school and health committees, village leaders). Traditional power and party relations often dominate the dynamics in OLE and local governance processes whereas it is of utmost importance to promote governance as a transversal theme with principles of inclusive participation, transparency and accountability.

14.2. Secondary beneficiaries: Local governments as the Duty bearers

Public institutions (OLE, local administrations) are duty bearers towards their citizen who in turn have to claim and advocate their community agendas. HSI facilitates a culture of effective citizenship and democratic governance through dialogue between duty bearers and right holders by building both sides' capacities so that they can fulfil these roles competently and effectively provided by the LOLE and decentralisation process. Inclusive participation and accountability starting from community up to provincial level allow the emergence of new and diverging local organizations, which advocate for socio-political inclusion and socio-economic development.

All HSI-Mozambique projects maintain collaboration agreements with local governments and contribute to their overall and sector plans. All projects are implemented under Agreements with the Ministry of Foreign Affairs and a majority have Steering Committees led by the local government or their executive branch for guiding the projects. The relationship will be continuously strengthened through the district-level integrated program approach (see chapter working approaches).

14.3. Implementing partners: A mix of management schemes of partnerships

HSI Mozambique will continue to work in partnership with local and national NGOs areas along the three management schemes:

(1) Mandate agreements between HSI and local or national NGOs as implementing partners (long-term) or **service provider** (short-term): HSI will provide support to the implementing partners for them to comply with the program objectives (e.g. NGOs as trainers, training material producer, radio program producers),

(2) **Strategic partnerships in development** with the purpose of elaboration of common development objectives, joint acquisition of project funds, learning on specific issues and,

²³ Nampula province INE 2009: 3,77 Mio inhabitants; Cabo Delgado 1,6 Mio inhabitants

(3) Strategic partnerships in coordination and advocacy networks at provincial and national level (e.g. sector networks in Water and Sanitation, in natural resources Management, in Governance etc.) with the objectives of (a) common response to development challenges, (b) co-ordination and knowledge sharing among organizations, and (c) Joint advocacy and lobbying on thematic issues related to the CS program. See Annex B for list of strategic network partners.

Following the governance concept, HSI-Mozambique collaborates with the state, the private sector, and other CSOs based on the subsidiarity and complementarity principles. Wherever possible a business approach shall be applied in project implementation as experiences indicate that business-run enterprises are better positioned to organize solutions for sustainable development.

A further analysis of strategic alliances and networks HSI should engage in will be conducted (see point 1., Annex E).

14.4. Strategic partners: Donors

With SDC, HSI-Mozambique holds a continuous development dialogue. SDC is member of the donor group who provides general budget and sector support and is involved in policy dialogue at national level. HSI works at sub national level. HSI feeds into the SDC policy dialogue by providing information and knowledge from the sub-national level whereas SDC provides information to HSI on policy dialogue outcomes. Through this ‘elevator principle’ between HSI as a Swiss implementing partner and SDC evidence-based policy dialogue can be achieved and debated issues advanced and resolved.

In addition, HSI-Mozambique will continue to explore possibilities of partnership with other donors, with whom the purpose, value and principles match and a partnership allows innovations.

15. Resources and Management

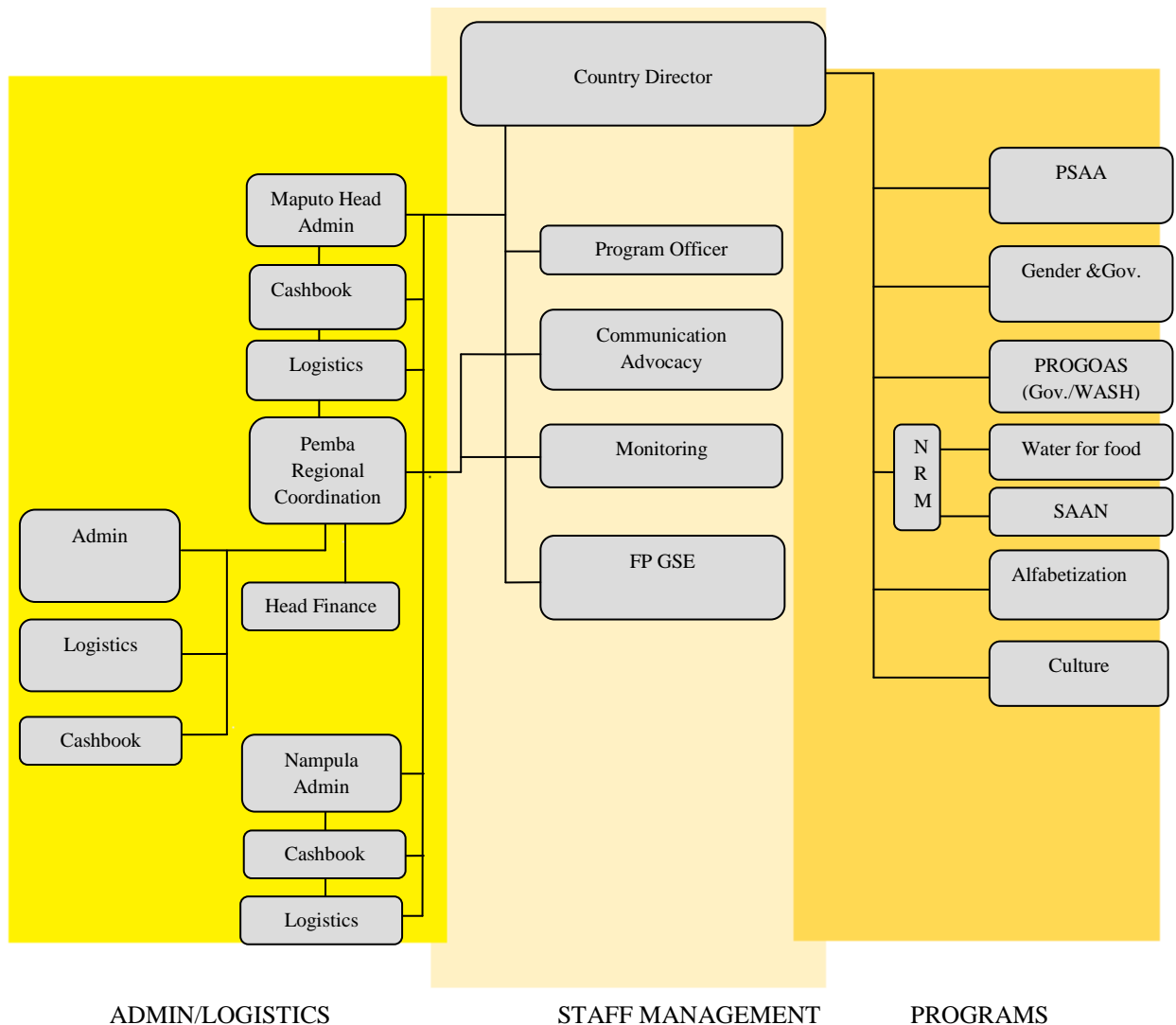
15.1. Human Resources

For an organisation like HSI the personnel with its experience, commitment and development vision is its most valuable asset. In 2012, the HSI-Mozambique team comprises of 3 expatriate and 56 local staff (39m/20f). Staff is encouraged to continuously enhance their qualifications according to the evolving needs of the CS 12. With the introduction of the partnership policy we expect HSI staff to reduce in numbers during the CS 12. Though HSI-Mozambique has 34% female staff among its employees it has yet to bring a proportionate number of women into senior positions in the organization. Thus, explicit efforts will be continued for affirmative measures for gender equity at institutional level e.g. provisions for internships will be expanded to promote the entry of young women professionals into the organization. (see gender strategy and 2012 – 2016).

The overall organisation’s management, advisory services, support in acquisition and fundraising is provided by the Head office of HSI in Switzerland.

Program Structure

The overall structure of HSI-Mozambique is outlined in the figure below:



Graph 4: Programme Structure

Program and strategic matters are discussed in a ‘Management Meeting’ by senior staff (all project managers, the regional coordinator in Pemba, the program officer, the program director) on a bi-annual basis. Due to the geographic distance between the Program Office in Maputo and the project offices in Nampula and Pemba, pro-active communication and knowledge transfer by the Program Office in Maputo to the regional offices is extremely important to guarantee a common vision on program objectives and its implementation.

16.2. Financial Resources

The overall budget for HSI-Mozambique has increased from 2007 to 2012 from 3,5 to 5 Mio. CHF thanks to successful acquisition and is planned to remain at around CHF 4,5 Mio per annum over the next five years during the period of this Country Strategy (see table below).

Budget Overview (2012-2016)						
Working Areas	Type	2012	2013	2014	2015	2016
Water and Infrastructure	PC	520'000	450'000		300'000	300'000
	M	880'000	160'000		200'000	200'000
Education & Skill Development	PC	120'000	50'000	50'000	50'000	50'000
	M					
Rural Economy	PC	700'000	650'000	650'000	500'000	500'000
	M		150'000	300'000	300'000	500'000
Governance and Peace	PC		350'000	500'000	300'000	250'000
	M	1'960'000	2'520'000	2'300'000	2'000'000	1'800'000
Programme Office/Regional coordination	PC	670'000	700'000	650'000	650'000	600'000
	M					
Total	PC	2'000'000	2'000'000	1'850'000	1'800'000	1'700'000
	M	2'850'000	2'680'000	2'600'000	2'500'000	2'500'000
Overall		4'850'000	4'680'000	4'450'000	4'300'000	4'200'000

PC: Program Credit / M: Mandates

Box 3: Investment plan 2012 – 2016

17. Monitoring and Evaluation

The HSI CS provides a framework for the period of January 2013 to December 2016. The logical framework, including CS performance indicators will be elaborated by the incoming program director and the team in August 2012 and presented in Annex C. **Monitoring** will be conducted with the set project indicators as presented in each individual project framework. Half-yearly outcome monitoring will be continued by all projects and collected by the Monitoring officer. Project reviews or evaluations will be implemented as outlined in each project document or as agreed with the respective donors.

The implemented projects will have to contribute to the program outcomes which will be measured with HSI performance indicators. Those will be collected by projects as part of their annual progress reporting and compiled and used in the annual reporting to the Ministry of Foreign Affairs and the HSI to be included into the annual report and Helvetas MO at a glance factsheet.

Projects normally are planned in three or four year phases which are broken into Yearly Plans of Operations which are evaluated on a yearly basis in a participatory way which lead into the half-yearly and annual reports. The Program Coordination Office in Maputo prepares the Yearly Plan of Operations and the Annual Report for the HELVETAS Swiss Intercooperation country program which is distributed to Ministry of Foreign Affairs, the relevant Ministries, local governments and stakeholders. All financial transactions of HSI-Mozambique are audited by a recognized auditing firm on an annual basis. In addition, its finance section conducts internal audits of all its projects and partner organizations at least once a year with the purpose to ensure compliance with organizational policy and procedure and effective utilization of funds.

From 2012 onwards HSI-Mozambique will complement its performance monitoring as described above with a monitoring tool “video diary” of selected beneficiaries which will be accessible through the website www.helvetas.org/mozambique. This rural diary will allow to monitor development processes in most significant changes in attitude and behavior that cannot be easily captured by quantitative data alone (e.g. empowerment, governance, awareness raising).

Annex A: Country Programme outcomes respectively specific objectives

1. Rural Infrastructure: Equitable and quality rural water and sanitation

Projects	Outcome 1	Outcome 2	Outcome 3	Outcome 4
<p><i>Water, Sanitation Programme</i> Coverage: 2 provinces</p> <p><i>Funding source: SDC, HSI</i></p> <p><i>Period: 2012-2015</i></p>	Organized citizens participate in local development planning and monitoring of public resources and services, especially in the water and sanitation sector.	District service providers have increased responsiveness and accountability towards the communities, with focus on WATSAN service delivery.	Good practices/methodologies to foster citizen participation in local planning and decision-making and public service delivery in the WATSAN sector are disseminated and influence policies	
<p><i>Improving decentralized water & sanitation service provision in small towns of Cabo Delgado province</i></p> <p><i>Period: 2011-2012</i> <i>Funding: SDC, private found.</i></p>	The population of the targeted small towns have access to water supply infrastructure that fulfills established standards for domestic and economic use, and is affordable to all	Water system management capacities that secure a sustainable and reliable operation and maintenance of the water schemes are in place	The consumption of safe water and improved sanitation and hygiene practices lead to a significant reduction of water related diseases among the target population	Lessons learned and best practices of current PSAA activities in Mozambique are capitalized, further advanced and documented.

2. Education and Skills Development

Projects	Outcome 1	Outcome 2	Outcome 3
<p><i>Culture in Cabo Delgado</i></p> <p><i>Funding source: Merry Foundation</i></p> <p><i>Period : 2010 – 2013</i></p>	A Local Capacity Development Fund for culture (LCDF) provides training and micro-grant facilities to cultural actors in Cabo Delgado	Access to the local, national and international market is facilitated jointly with other agencies working in the area of culture and opportunities for quality production and dissemination of art work at local, national and international market are created	A lively membership based civil society provincial platform on Culture is established coordinating information exchange, cultural marketing, advocacy and lobby of its members.

3. Rural Economy

Projects	Outcome 1	Outcome 2	Outcome 3	Outcome 4
<p><i>Promotion of Seed Systems (working title) former SAAN</i></p> <p><i>Funding source: HSI and mandate</i></p> <p><i>Period: 2012-2016</i></p>	Farmer households have reduced their storage losses to < 5%	Average food crops yields increase by up to 100%	Farmer households have improved access to quality seeds	Locally adapted technologies are tested and documented and promoted through Rural Advisory Systems/ Networks
<p><i>Water for Food</i></p> <p><i>Funding: SDC, Foundation Ensemble</i></p> <p><i>Period: 2011 - 2013</i></p>	Increased availability of “water for food” during the dry season	Increased access to agricultural inputs and advice for vegetable production during the dry season	Improved capacity of the associations for the production and marketing of vegetables	Improved variety in diet in target communities

4. Governance and Peace

Projects	Outcome 1	Outcome 2	Outcome 3
<p><i>Water, Sanitation Programme Coverage: 2 provinces</i></p> <p><i>Funding source: SDC, HSI</i></p> <p><i>Period: 2012-2015</i></p>	Organized citizens participate in local development planning and monitoring of public resources and services, especially in the water and sanitation sector.	District service providers have increased responsiveness and accountability towards the communities, with focus on WATSAN service delivery.	Good practices and methodologies to foster citizen participation in local planning and decision-making, and public service delivery, especially in the WATSAN sector, are disseminated and influence policies and programs at different levels (local, provincial, national).
<p><i>Public debates “Terraco Aberto”</i></p> <p><i>Funding source: HSI</i></p> <p><i>Period 2012 - 2016</i></p>	A culture of critical reflection & transparency is created by public debate	Civic education and participatory democracy is promoted	

Annex B: Strategic Partners: Network partners

Networks at national/provincial level	Activity	Role HSI
GIG (informal group on governance at national level)	Knowledge sharing, strategic alliance for research and advocacy	Founding member
GMD (alliance of 27 civil society organisations on debt relief at national level, representing Mozambique civil society at Busan)	Policy influencing (strategic alliance), preparation national Development Observatory	Member
Fórum de Monitoria do Orçamento Estatal	NGO Platform for state budget monitoring, training on budget analysis, policy influencing (strategic alliance)	Member
Network of partners on Governance in Nampula (multistakeholder)	Coordination, knowledge sharing policy influencing preparation of Development Observatory at province level	Member
Civil society platform in Nampula	Coordination, knowledge sharing policy influencing, preparation of Development Observatory at province level	Member
FOCADE (civil society platform in Cabo Delgado), active cultural subgroup	Coordination, knowledge sharing, advocacy	TA/Member
GAS sector WATSAN working group www.gas.mz.org	Multi-stakeholder coordination group, policy influencing, joint review WATSAN sector, planning & evaluation PRONASAR	Member
WATSAN Networks in Nampula and Cabo Delgado (multistakeholder)	Coordination, knowledge sharing policy influencing	Founding member

Annex C: Programme Achievements 2007-2011

ITEMS	2007	2008	2009	2010	2011	Total 2007-2011
Number of people who received a new access to drinking water and/or sanitation	34.260	100.000	50.000	83.539	151.127	418.926
Number of apprentices and students who successfully completed a vocational training/education	50 ²⁴	657	-	60 ²⁵	195	962
Number of people who received additional income thanks to support for marketing their support	-	1.960	-	895	1.870	4.725
Number of people advised and trained in agriculture, forestry or husbandry	2.388	9.853	9.870	11.413	4.330	37.854
Number of pupils who have successfully completed basic education in a school or institution supported by HELVETAS or partner organization	13.736	-	-	2.107	1.202	17045
Number of people who attended a course on decentralization, democratization or local governance	887	9.853	2.866	10.279	20.823	44.708
Number of development plans at village, district and provincial levels facilitated in a participatory manner	72	157	304	245	184	962
Number of people directly involved in conserving and/or sustainably managing natural resources	-	-	-	-	479	479
Number of artists or groups with technical or financial support	34 ²⁶	2.710	8.090	48	22	10.904
Number of farmer associations assisted	40	100	115	116	91	462
Number of participants in HIV/AIDS and/or gender training sessions.	-	11.271	300	-	-	11.571
TOTAL ANNUAL COSTS IN SWISS FRANCS	3.500.000	4.300.000	4.000.000	4.550.000	4.935.000	21.282.000

²⁴ Number of Reflect and alphabetization facilitators trained.

²⁵ Number of facilitators trained for vocational training/education.

²⁶ In 2007, the support focused more on groups or associations rather than on individual artists.

Annex D: Logical Framework

Context trends

- Non-inclusive econ. dev. will ignite conflicts
- Conflicts over (natural) resources will increase
- High economic growth rates on account of extracting industries might mitigate poverty stagnation
- Political exclusion and state-party conflict of interest might undermine political stability
- Climate change will have negative effect to farming households Increasing demand by youth (>45 % under 16) for employability and economic opportunities
- Lack of efficiency and transparency, corruption will undermine political stability

Geographic Area

- Swiss supported to Northern provinces Cabo Delgado, Nampula and Niassa;
- National coverage for strategic partnerships

Population

Rural citizens (men/women) living in rural areas because poverty remains a predominately rural phenomenon with more than 70% of poor households (45 % with less than 1 USD per day) located in rural areas and an even higher proportion dependent on agriculture for survival.

Working approaches

Integrated Program approach at local level
Human Rights based approach. governance, partnerships

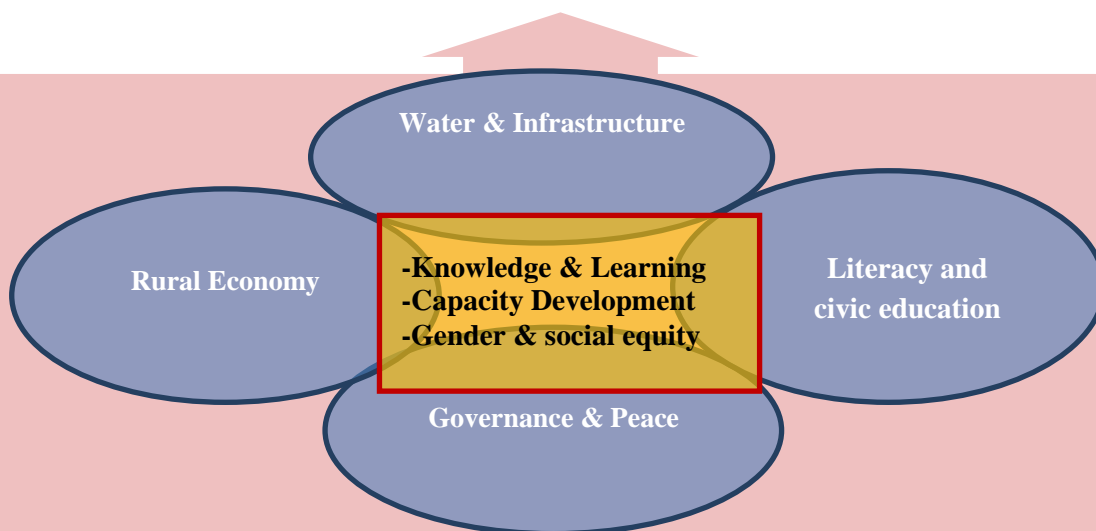
Transversal themes

Gender & Social Equity, Capacity Dev, knowledge sharing

Mission In Mozambique, HELVETAS Swiss Intercooperation contributes and aligns to national development priorities and the Poverty Reduction Strategy. It acts as partner to local organizations both from civil society, Government and the private sector who strive for a just and inclusive socio economic and political development that is beneficiary for all.

Development Goal HSI supports Mozambique in its fight against poverty and its transition to a politically, socially and economically inclusive society through advancement of basic water and sanitation services, local economic development based on natural resources and demand-led governance.

<u>Domain</u>	<u>Outcomes</u>
Equitable quality WATSAN services	Access to and use of equitable water and sanitation services is improved through expanded coverage and efficient and transparent management capacities as well as stronger public participation at sub national level.
Inclusive local economic development	Rural income from natural resources is increased by addressing access to and control over production factors and improved market opportunities.
Responsive and accountable governance	Transparent and accountable use of public resources and performance is demanded by civil society organizations



HELVETAS Swiss Intercooperation in Mozambique implements projects and programs in the four working areas.

Annex E: List of complementary documents to country strategy 2012-2016

Issue	How addressed
1. Role/participation of HSI in CS networks and topics addressed by these networks for policy influencing.	<p>Conduction of analysis of strategic alliances and networks for HSI engagement and topics addressed for policy dialogue. Identification of risk and opportunities of HSI engagement.</p> <p>Deadline: June 2014</p>
2. Partnership approach & capacity building of partners	<p>Capacity dev. included in Country Strategy as a transversal theme.</p> <p>Elaboration of specific partnership guidelines and its implementation. Guidelines must include a vision/strategy how to address capacity-building of partners.</p> <p>Support from Coordinator Capacity Development, head office.</p> <p>Deadline: June 2014</p>
3. Position and future role of HSI towards extractive industries	<p>Topic will be further addressed through CSO platforms like FOCADE supported by HSI and open forum (“Terraza aberto”</p> <p>HSI will engage in initiatives on monitoring of actions of extractive industries and use of revenues. Should also include the topic of fiscal decentralization: how are revenues from extractive industries shared with communities?</p> <p>Deadline: None, an on-going process, different initiatives (e.g. participation on tender GPSA in 2013)</p>
4. Foreign direct investments/”land grab”	<p>A position paper will be elaborated. Reference to case PROSAVANA.</p> <p>Deadline: June 2014</p>
5. GSE	<p>Elaboration of specific gender guidelines based on overall HSI GSE policy and strategy. Support from Coordinator Gender & Social Equity, head office.</p> <p>Deadline: December 2014</p>