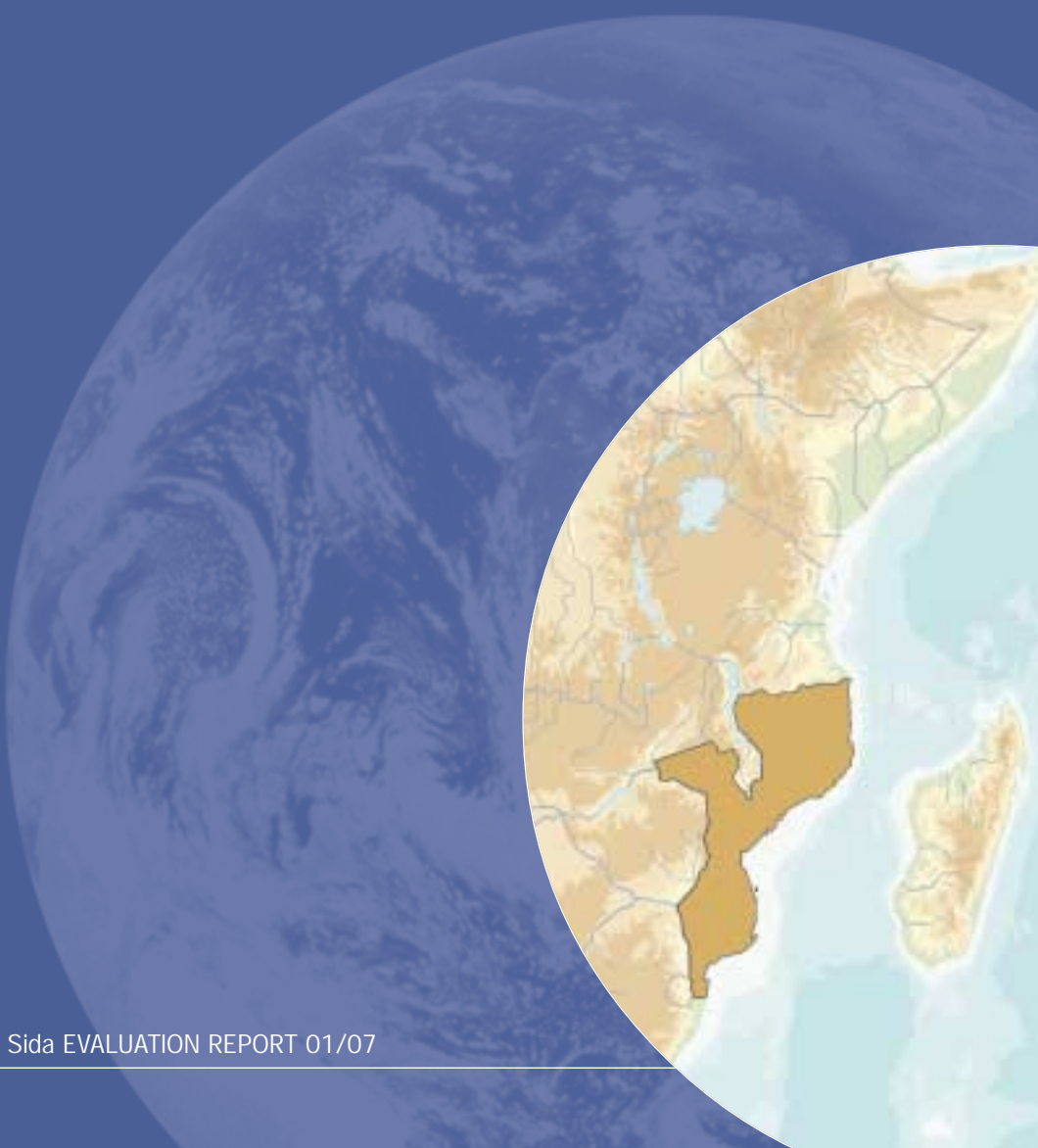


Assumptions and Partnerships in the Making of a Country Strategy

An Evaluation of the Swedish-Mozambican Experience

Institute of Social Studies



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Sida Evaluation 01/07

Commissioned by Sida, the Swedish Embassy in Tanzania, Department for Africa and Department for Evaluation and Internal Audit

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Registration No.: 2000-2279
Date of Final Report: August 2001
Printed in Stockholm, Sweden 2001

ISBN 91 586 8802 1
ISSN 1401-0402

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Preface

Poverty reduction is the overarching objective of Swedish development co-operation, an objective shared with partners as well as with the donor community. Poverty reduction has been the overall Sida objective since the creation of the agency in the 1960's. But new problems and solutions, as well as new working methods, are constantly emerging in the struggle to reduce poverty. The advent in the 1990's of the country strategy as a strategic tool for aid management reflected a shift towards a greater concern for the macro policy environment. The basic rationale for the introduction of this tool was to improve aid effectiveness.

The very first country strategy for Sida-financed co-operation was the Mozambican one, prepared in 1995 and valid during the period 1996–2001. A new country strategy for 2002–2006 is currently under preparation. It is therefore important to evaluate if the previous country strategy was relevant in terms of poverty reduction. Is the portfolio strategically positioned to help reduce poverty in Mozambique? Has the strategy been adequate as a management tool guiding the direction of the country programme? These questions are the points of departure for the evaluation presented in this report.

The evaluation was jointly commissioned by the Swedish Embassy in Maputo, the Regional Department for Africa and the Department for Evaluation and Internal Audit at Sida. The Institute of Social Studies in the Netherlands was contracted to carry out the evaluation. The evaluation is not an impact evaluation, but an assessment of the relevance and coherence of the Sweden-Mozambique co-operation given the overall objective of poverty reduction. The study can also be seen as a progress report on issues concerning poverty reduction, democratisation and decentralisation in light of the emerging SWAPs, as well as on a range of complex issues concerning partnership. The report also highlights the problem of missing links between different levels of objectives for development co-operation.

The report contains six chapters. The first chapter is an introduction to the evaluation, and the second chapter a discussion of the findings regarding the way the country programme was steered. Chapter three deals with the formulation of the 1996–2001 country strategy, and chapter four concerns the operationalisation of the country programme in view of the objectives and guidelines laid down in the country strategy document. Chapter five focuses on a set of key strategy objectives which were found by the evaluators to lack clarity or reflect anomalies, which, in turn, were carried over to the operational level. Chapter six looks at the country strategy as a management tool in light of Sida's working methods, institutional culture and organisation.

Stockholm, August 2001

Lars Ekengren
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FOREWORD

As stated in the terms of reference, the purpose of this evaluation is to give Sida an independent view of Swedish-Mozambican Development Co-operation. The evaluation concerns the 1996–2001 Country Strategy and Implementation with the explicit aim of providing suggestions and recommendations for the formulation of the upcoming Country Strategy. The explicit focus of this evaluation concerns an evaluation of the process by which relevance is constructed and coherence maintained in the making of the country strategy – both at the level of its formulation and of its operationalisation. In other words, this evaluation investigates whether or not the Country Strategy was or can be made to be an effective tool to manage Sida’s aid programme in Mozambique. It is not the purpose, nor intention, of this evaluation, therefore, to undertake an impact assessment of Sida’s aid programme in Mozambique during the period of the Country Strategy 1996–2001.

The evaluation team wishes to thank all people, both in Mozambique and in Stockholm who kindly lend their time to answer our queries or assist with giving us information.

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Table of contents

Executive Summary	v
Recommendations	xii
Map of Mozambique in its Regional Context	xiv
1. The Study and its Methodology	1
1.1 Introduction	1
1.2 Overview of argument	1
1.3 The methodological approach of this study	5
2. Defining Relevance: The Role of Assumptions in the Country Strategy Process	14
2.1 Introduction	14
2.2 Coherence and relevance in strategic documents	14
2.3 Improving analytical quality: Checking assumptions with data analysis	21
2.4 Conclusion and recommendations: Improving the assessment of relevance in country strategy formulation	29
3. Coherence and Voice in the Formulation Process	30
3.1 Introduction	30
3.2 Country strategy documents as reflection and guide for Sida's strategic thinking	31
3.3 The voice of the partner: The politics of possible alternatives	34
3.4 Summary and conclusions	41
4. Visualising the Margin: Investigating Relevance and Coherence in Operationalisation	43
4.1 Introduction	43
4.2 The concept of the margin: A conceptual framework	44
4.3 Investigating synergy: Checking coherence and relevance	49
4.4 The country strategy matrix as management tool	59
4.5 Conclusions	62

5.	Operationalisation and the Construction of Relevance in the Context of Partnerships	65
5.1	Introduction	65
5.2	Challenges in constructing the substantive meaning of relevance: Rural poverty, private sector support and democratisation	66
5.3	Operationalisation and the politicountry strategy of partnership	74
5.4	Conclusions and recommendations	84
6.	The Country Strategy as a Development Management Tool	87
6.1	Introduction	87
6.2	The country strategy as a flexible tool in the context of flux, SWAPs and programme aid	88
6.3	From a time-consuming formality to an effective tool	90
6.4	Country strategy: Revisiting roles, responsibilities and time frames	96
6.5	Conclusions and recommendations	102
	Annex 1: Summary of Country Strategy and Orientation Documentation	104
	Annex 2: Terms of Reference	115
	Annex 3: List of Persons Interviewed	123
	Annex 4: Documentation Consulted	126

Executive Summary

Introduction

Based on the experience of the 1996–2001 Country Strategy process, this report suggests ways to make the Country Strategy a more effective tool for Sida's management of development cooperation in Mozambique. It attends particularly to the changing context of partnership within which development cooperation must work. The major shifts in the context of partnership are:

- the move towards multilateral programme support and SWAPs;
- emphasis on extending the voices of partnership beyond the national government to provincial and district levels;
- emphasis on forging partnership with beneficiaries of aid through the organisations of civil society.

Recent events in Mozambique – two years of disastrous flooding and very close election results – remind Sida that a country strategic must be a flexible tool and that the politics of partnership can shift very rapidly.

The report observes that the country strategy process was not an effective instrument for constructing a coherent and relevant programme of development cooperation in Mozambique during the 1996–2001 period. The country strategy process provoked reflection and dialogue, and thus contributed to building coherence. Content-wise, however, the strategy was not concrete enough to construct relevance at the operational level. Process-wise, the formal steps were not followed with the consistency needed to assess and foster relevance in the operationalisation of the country programme.

Yet the report also concludes that the country strategy process can be a useful instrument for constructing development cooperation in Mozambique that is coherent and, more importantly, relevant to Sida's action plans and to the needs of Mozambicans. To use the country strategy process more effectively, Sida staff involved in the making of the country strategy and in its operationalisation, both at the embassy and in Stockholm, must be willing and able to:

- be explicit about the assumptions that underlie the relationship posited between objectives and alternative ways of reaching them;
- recognise how the politics of partnership constrain or shape the construction of possible practical alternatives.

Finally, the report also identifies some changes in Sida's culture and institutional practices needed to make it easier for those involved in the country strategy process to assess the relevance of assumptions and to manage the politics of partnership.

The formulation process

The study found that the relevant Swedish documents were internally consistent, but vague in their handling of assumptions on the links between objectives and alternative ways of reaching them. Sometimes this vagueness masked actual divergences within Sida or between Sida and its Mozambican partners; in other instances vagueness reflected a lack of any strong rationale linking objectives with proposals for action.

The formulation of the 1996–2001 Country Strategy was a contentious process within Sida, with differences arising among the three spheres involved in decision-making – the embassy, sector desks and the regional department. The basis of these conflicts was not explicitly discussed in the relevant documentation. Many within Sida described them as turf or power struggles. Yet they also concerned important strategic issues about the relevance of different kinds of programmes to political, economic and social development in Mozambique. These issues are complex and difficult; they legitimately merit debate. Such debate requires clarity about underlying assumptions. This clarity was lacking in the handling of the contentious issues of the relationship between decentralisation and democratisation and of the causes of poverty in Mozambique.

All parties involved agreed, for example, on the need for greater decentralisation in the country programme, in part to promote broader democratisation. The implicit assumption was that the preponderance of development aid in the South reflected the weak political voice of the central and northern provinces in making decisions at national level. The Africa department, unlike the Embassy, appeared convinced that this implied developing a partnership with a single province. The documents, however, gave little or no rationale for this proposed course of action. Vagueness was left lingering in this case. In other cases, vagueness led to policy reversals. For example, the country strategy specified that public administration should be largely decentralised. Disagreement existed, however, over whether a decentralised programme of public administration should solely focus at provincial level or also involve strengthening the central capacity to support decentralisation. Neither these positions, nor their underlying assumptions, featured in the documents. At a later stage, however, the decision to decentralise public administration was reversed, again without an explicitly documented rationale.

Another example concerns the strategy for poverty reduction in Mozambique. The country strategy document shows some divergence between Sida and the Mozambican government on strategies of poverty reduction. The Mozambican government gave more importance than did Sida to employment creation in poverty reduction. The documents did not, however, explicitly discuss the different assumptions underlying this divergence, nor draw lessons from it for the construction of relevance.

This report argues that the failure to investigate assumptions impedes the exploration of viable alternative ways to meet specific objectives. More specifi-

cally, to register and explicitly bring differences in argumentation and positions, both within Sida and between Sida and its partners, to the formulation process constitutes an important way of identifying alternatives.

Vagueness in the country strategy documents does not always hide difference; sometimes it merely reveals lack of analysis. For example, the documents provide little or no rationale for how support to the private sector relates to the overall objective of poverty reduction. A closer adherence to the analysis of the relation between overall and intermediate objectives – in Sida’s own language of log frame analysis – would have clarified the discussion of the underlying assumptions.

It is this failure to make the assumptions linking objectives with proposed action explicit that explains why the country strategy documents, while reasonably coherent at a formal level, were not an effective guide for the process of operationalisation. Unless assumptions are made explicit, it is impossible to revisit them later in the light of experience or new information. For example, the Country Strategy argued explicitly that, given the enormous task of reconstruction and rehabilitation in the wake of the war, the objective of poverty reduction through economic growth should take precedence of that of environmental protection. This was a defensible premise. The recent floods in Mozambique, however, provided vivid evidence that not all environmental concerns could be relegated to the background, even if economic growth for poverty reduction was the major objective. It is essential, therefore, to revisit this critical assumption anew in the light of recent events.

Sida’s methodology for country strategies demands that a new country strategy builds on the premises and lessons learned from the previous one. Such an iterative process is not possible, however, if assumptions are not rendered explicit and if there is no practice of revisiting them. In effect – this report argues – the 2002–2006 Country Strategy process has been largely unconnected to the first.

The report further argues that the Country Strategy formulation process attended to partnership in the narrow sense, i.e. discussion with the government, but did not attend to broader changes in the context of partnership. While Sida recognises the need to consult with partners, in practice it has found it difficult to do so. The current Country Strategy methodology largely abstracts from the context of partnership (see Figure 1 from the TOR, Appendix II). The report concludes that there are no quick fixes for the construction of partnership in the current complex context. At a formal level, the Ministry of Cooperation remains Sida’s principal Mozambican partner, but, in practice, Sida must create conditions of dialogue with relevant partners, both executors and beneficiaries. Formal consultation with other donors is also infrequent. Debate and discussion within SWAPs constitute an opportunity for dialogue both with Mozambicans and with other donors, provided differences are discussed and registered.

The operationalisation process

In assessing the operationalisation of the country strategy, we have focused on the use of the margin. The margin concerns the new decisions to be made across the time horizon of the strategy in terms of renewal of old projects and programmes or the introduction of new ones, given resource availability. The country strategy process supported the policy of concentrating on fewer activities within fewer sectors by limiting the range of what new activities could be undertaken (and, hence, what could not be done). But the strategy documents did not play an important role in deciding which new projects to undertake within the earmarked sectors. Because assumptions were not made explicit, the strategy gave no handles to formulate alternatives and choose between them – that is, the criteria for constructing relevance at the operational level.

To assess the relevance of the activities undertaken in the operationalisation of the country programme, this study mapped the available (incomplete) documentation and backed it up with selected in-depth case-studies. This allowed us to revisit the hidden assumptions made in the country strategy around three central action areas for Sida cooperation in Mozambique: rural poverty, private sector support and democratisation.

With respect to rural poverty reduction, Sida's present approach (apart from limited participation in Proagri) takes the form of projects and programmes within areas complementary to agriculture, rather than through support to agriculture itself. Indirect, rather than direct support to agriculture, that is, constitutes the main approach. This is, in itself, a tenable position, but requires that the analysis and assumptions at meso level – those having to do with achieving synergy (through indirect action) in poverty reduction – are clearly spelt out. The strategy documents did not do this. Consequently, it is hard to see how such strategy could effectively have guided concrete choices related to this important objective.

With respect to private sector support, this report stresses that Sida's policy on private sector support in Mozambique lacked coherence at the meso level because the rationale for the choice of particular projects or programmes was never clearly argued. Is private sector development an objective in itself, or should support to the private sector constitute an essential ingredient for poverty reduction? For example, Sida substantiates its withdrawal from support to agricultural marketing largely in negative terms – public marketing boards have proven to be inefficient. If the issue is relevance to poverty reduction, then the question may still be whether there is an effective need for public intervention within agricultural markets from the perspective of both poverty reduction and the promotion of agricultural production. If the issue is relevance to private sector development, then the question may be how small commercial enterprises can secure crop finance on a profitable and sustainable basis.

With respect to support to democratisation, this report argues that the country strategy failed to clarify the inter-linkages between democratisation and

decentralisation and to analyse the possible contradictions arising from them. At one level, Sida clearly favours more decentralised action, as manifested, for example, in the start of the Niassa programme. Ambiguity existed here as to whether greater support for local level democracy and decentralisation implies bypassing the central state or instead strengthening its capacity to support the local. At another level, however, the move towards pooling arrangements (the Macro Financial initiative and SWAPs), equally favoured by Sida, has meant a reverse shift in emphasis towards centralisation. They channel financial resources to the central state. This tendency towards centralised budget support, in turn, poses questions as to how to provide direct support to civil society. Such support is also emphasised by the Country Strategy, but has proven difficult to implement in practice. Finally, Sida's support for central public administration – an apparent anomaly in the country strategy – could be justified in terms of enhancing the process of democratisation. Stable public-sector employment and sufficient autonomy of the civil service from political interference enhance state effectiveness within a democratic set-up.

In monitoring the operationalisation of the country programme, the study also paid particular attention to difficulties of partnership:

- the inequality, both political and economic, of the donor/beneficiary relationship;
- the need to function with a plurality of partners, particularly (but not only) other donors;
- the need to recognise its principal partner, the government of Mozambique, does not necessarily represent the interests of all stake holders and intended beneficiaries;
- and, the need to come to terms with the fact that no partner (including Sida) is homogeneous.

The effectiveness of voice in partnership can be enhanced in the context of long-run relationships within specific sectors, but patronage may weaken their effectiveness and erode the autonomy of the partner. The practice of cooperation can create the opportunity and space for partners to develop and articulate voice. In developing its own position, however, Sida has to come to terms with the forces operating not just within its own organisation, but also outside of it. In particular, special attention has been paid to pressures exerted by other Swedish players (Private firms, NGOs). Similarly, there is not one homogeneous Mozambican position, either centrally or locally. Making room for listening to different voices and recognising difference between them is an important aspect of forging relevance through partnerships. When no partner (including Sida) is inherently homogeneous, it is important to analyse how positions emerge out of a multitude of voices – some strong, some weak, some silent.

Pooling arrangements such as SWAPs and the Macro-Financial Initiative pose particular problems of partnership. They provide a potential basis to

enhance ownership by eliminating dispersed project-based donor activities. But they also tend to structure donors within a cartel with a common voice, often at the expense of more differentiated individual donor positions. Mozambicans rightly view the latter aspect with some concern since it may jeopardise Mozambican ownership. Furthermore, the present-day move within the donor community towards SWAP arrangements entails the danger of generating powerful, if not exclusive, centralising sector-based tendencies. These may possibly hamper integrative development policies, impede effective decentralisation, and eclipse complementary activities such as support to civil society.

Another dimension of the move towards pooling arrangements is that they appear to override the need for a country strategy. The analysis of a data matrix mapping the documentary record of projects and programmes operationalised in the 1996–2001 period revealed that, in practice, the upcoming margin for the new country strategy has already been significantly foreclosed. Decisions – particularly those relating to pooling arrangements – were taken well in advance of the up-coming strategy. The fact that the strong momentum towards pooling arrangements took place after the initial formulation of the country strategy does not mean that these new challenges are to be responded to in an ad hoc fashion. Instead, this study argues that flexibility, uninformed by strategy, merely constitutes drift. When aid programmes increasingly involve joint action (pooling) and take place in a context of partnership, the need for a country strategy is reinforced, given the leverage that can be obtained or lost in the process. To engage in a meaningful dialogue, Sida must know what its objectives are.

More generally, this report argues, a country strategy should give guidance, but also allow flexibility to learn from past experiences and to respond to changing circumstances. To do so requires more than prioritising sectors in accordance with a policy of concentrating effort on fewer activities within fewer sectors. This helps to identify where action should take place, but does not specify the direction it should take when circumstances change. To specify the direction it is necessary to make explicit the assumptions underlying the linkages between objectives and concrete actions.

To use a strategy flexibly at the operational level, however, requires some way of continually monitoring the margin for coherence, relevance and overall synergy with strategic principles and assumptions. For that, Sida needs an analytical management tool, perhaps similar to the country-strategy data matrix used in this study. This would also require a change in the present data-management system as well as more effective use of logical framework planning at the level of projects and programmes. Failure to do so, this study argues, promotes built-in obsolescence of the information for decision-making and impedes flexibility within a strategic perspective.

Institutional culture and organisation

Some of Sida's institutional culture and practices have made it difficult to employ the country strategy process as a tool for managing the country programme. Sida has often operated through absorbing conflict rather than creating consensus. Sida does not effectively use the monitoring and evaluation documentation it produces in the country strategy process including consultancy reports, log frames, and results analyses. Making assumptions about relevance explicit in the country-strategy formulation process and revisiting them in operationalisation would mean that Sida would think with its conflicts rather than absorb them. The revisiting of assumptions requires, however, that informal conversations (the 'oral culture') are supported by an improved use of documentation in preparation of country strategy documents and particularly in monitoring coherence and relevance in implementation.

The study also suggests that the present organisation of roles, responsibilities and scheduling in the country strategy process constrains the effectiveness of the process. To make the country strategy process more effective and efficient would thus require some shifts in the ways decisions are made and at what level they are articulated. More specifically, this suggests that the centre of gravity in decision-making in the country programme be brought more firmly towards the embassy level.

Recommendations

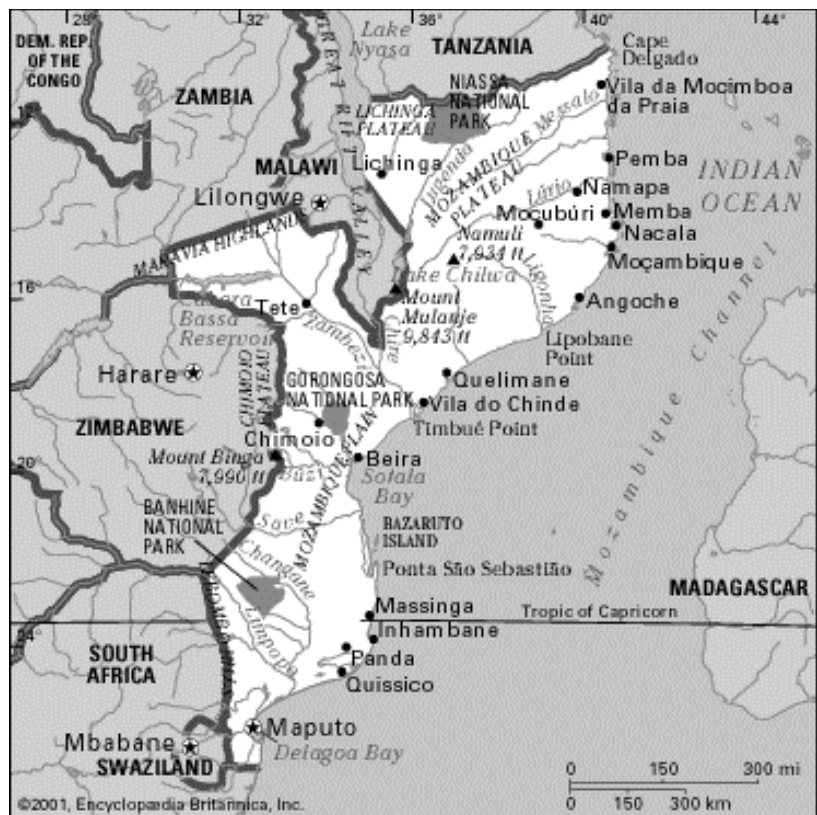
1. In formulating the Country Strategy, assumptions should be clarified or made explicit. The formulation process should create a documentary record explicit enough in its reasoning to explain why certain options were considered to be more relevant than others and hence to guide subsequent choice of projects and programmes, particularly in relation to Sida's central concern with poverty reduction in Mozambique. By reasoning is meant specifying how intermediate objectives are expected to lead to overall objectives and how the activities chosen lead to achieving the intermediate objectives in the context of Mozambique. This would imply:
 - internal documents annexed to the Country Analysis that register differing positions within Sida and the reasoning behind them (thinking with conflict rather than absorbing it);
 - internal documents annexed to the Country Analysis that register the differing positions of partners – Mozambican and other donors – and the reasoning behind them;
 - a more committed if flexible use *in written (and simplified) form* of the logical framework analysis in fact envisioned by the country strategy methodology and employed by Sida.
2. Not only the priorities outlined in the Country Strategy, but also the assumptions underlying them, should be *revisited* in determining what projects and programmes should be undertaken during the strategy period, in monitoring results and in developing the subsequent Country strategy. This implies:
 - a more committed if flexible use *in written (and simplified) form* of the logical framework analysis in results analyses;
 - paying specific attention in CS operationalisation to the use of the margin in the construction of relevance and maintenance of coherence (possibly using rolling plans);
 - the minuting of discussion within SWAPs, with and between Mozambican partners and other donors as an input into the revisiting of assumptions;
 - the existence of a system of data management, perhaps in the form of an (appropriately modified) country strategy matrix as used in this evaluation study, that makes it possible to at any moment in time oversee and determine the relevance of the overall programme as well as of particular projects and programmes;

- a system of archival management (preferably web-based) that makes it possible for programmers to find relevant documents and information, including Sida's own commissioned consultancies, and to decide what information is missing for the determination of relevance.

Where debate has been particularly sharp within Sida as in the case of decentralisation in the 1996–2001 formulation process, it is possible to revisit assumptions even if they have not been written down explicitly. We would recommend that the embassy, relevant sector desks and regional department review the objectives underlying decentralisation in the light of the Niassa experience as an input to the 2001–2006 Country Strategy process.

3. The centre of gravity in decision making for the management of the Country Programme should shift towards the embassy. This would require:
 - a study of the possibilities for adjustment of responsibilities and roles among the sector desks, regional desk and embassy;
 - a simplification of the scheduling and formal requirements of the CS process;
 - a programme of skills development in country-specific economic, social and political analysis for programme officers;
 - archival access to Sida documentation and other relevant documentation held by Sida (probably web-based);
 - adjustment of the CS methodology to take more explicit account of the demands of dialogue with partners;
 - recognition of the fact that in Mozambique particularly relevance is constructed in a regional context – and thus that strategic coordination through the regional desk must be maintained.

Map of Mozambique in its Regional Context



Chapter 1

The Study and its Methodology

1.1 Introduction

This study presents an evaluation of Sida's country strategy for Mozambique during the period 1996–2001 in terms of its relevance to and coherence with Sida's stated development objectives. This review of past experience is undertaken with the explicit purpose of drawing lessons for the future use of country strategies as a management tool.

This chapter consists of two sections only. The first section presents a brief overview of the argument and structure of this study. The second section outlines the methodology used in this evaluation.

1.2 Overview of argument

There is now increased awareness in the aid community that aid effectiveness is linked to the overall political and economic policy frameworks in recipient countries. This has led both to a more conscious design-driven approach to aid and to a greater concern with broad-based partnership in aid delivery.

The emergence of country strategies as a tool for aid management in the 1990s reflects this shift towards greater concern with the macro policy environment. The rationale for the introduction of country strategies in Sida (as in many other development organisations) is to improve aid effectiveness (Catterson et. al 1999: vi). Past development cooperation is viewed as fragmented and micro-focused; development aid managers tended to loose track of broader development issues and became stuck in the nitty-gritty of micro-level operations.

The move towards partnership and consensus building within a multi-objectives multi-actors and multi-layered context implies that donor agencies develop appropriate management tools to come to grips with consensus building within this more “design-driven” or “strategic” approach to aid (ODI, 2000). Both donors and recipients need to manage the overall constellation of different projects and programmes across various sectors and issues such as to direct scarce aid resources towards addressing key development issues. Their perspectives on how these resources should be managed are not, however, necessarily the same.

Within this new paradigm of achieving poverty alleviation and growth through partnership in the aid relation, the country strategy arose as a management tool deemed to be appropriate for steering aid policy. From a macro perspective, it is supposed to allow aid to be concentrated on a limited number of issues and sectors. It should further provide an instrument for consensus building and thus for constructing relevance and coherence in aid policies and their operationalisation. Consensus building in this context concerns both the construction of consensus within the aid agency and its direct stakeholders, on the one hand, and between this agency and the other actors in play, on the other.

This report asks two different questions implicit in the Terms of Reference (See Annex 2) about the usefulness of the country strategy process in managing Sida's development cooperation in Mozambique in the period 1996–2001. The first is: 'Has the country strategy process been an instrument for constructing a coherent and relevant programme of development cooperation in Mozambique?' Here the answer is a qualified no. Sida has had a reasonably coherent country programme in Mozambique during the 1996–2001 period. Reflection and dialogue have been at certain points motivated or provoked by the country strategy process, and thus contributed to building coherence. The formal steps of the country strategy process have not, however, been followed with the consistency needed to make it a management tool that can serve to assess or foster relevance.

The second question is thus: 'Can the country strategy be an instrument for constructing a coherent and relevant programme of development cooperation by Sida in Mozambique?' This is a real question, to which we heard many negative responses during our study. Some felt that a five-year planning exercise is too rigid for the changing priorities of development cooperation in Mozambique. Others argued that a common Mozambican government and donor agenda that corresponded to the overall action plans of Sida would be both more efficient and more legitimate than a separate country strategy process.

Yet our answer in this report is 'Yes, the country strategy process can be a useful instrument for constructing development cooperation in Mozambique that is coherent and, more importantly, relevant to Sida's action plans and to the needs of Mozambicans.' For it to be so, however, requires adjustments to institutional practices and culture that will allow Sida to:

- Be explicit about the assumptions that underlie the relationship posited between objectives and alternative ways of reaching them;
- Recognise internally how the politics of partnership constrain or shape the construction of possible or practical alternatives.

Our argument in this report is thus based on our response in the inception report to the challenge raised in the TOR: how to develop a definition of relevance 'that implies comparisons of other feasible inputs and activities, and an assessment of their respective efficiency, as well as assessing if other outputs and immediate objectives to a greater extent would have contributed to the achievement of the overall objectives.' Other feasible alternatives can

only be those that it is possible to recognise (hence the importance of making explicit assumptions implicit or unrecognised within the argument) and that are possible to implement within the context of partnership. By the politics of partnership we mean first there are differences of power among partners and secondly that no side (including Sida) is homogeneous.

In Chapter 2 we assess the coherence of the country strategy documents and the extent to which they serve as a guide to relevance for the operationalisation of the country strategy. We relied on documentary evidence from Sida archives in Stockholm and Maputo. In identifying areas of implicit assumptions, we relied on research by ourselves and others on Mozambique and on interviews with Sida and Mozambican personnel and consultants. We found that there was good internal consistency among Swedish documents, but some evidence of unresolved divergence between Sida and the Mozambican government positions on strategies of poverty reduction and democratisation. We show how these differences are related to different unarticulated assumptions about relevance. The formulation process did not create a documentary record explicit enough in its reasoning sufficient to explain why certain options were chosen rather than others and hence to guide subsequent choice of activities.

In Chapter 3 we look beneath the formal language of the country strategy documents to the process through which they were constructed. Here we relied principally on interviews in Maputo, Stockholm and Dar-es-Salaam. The process took place under pressure of time, but difficulties were also related to conflicts within Sida, particularly to differences of position among the three principal circles of decision-making: embassy, sector desks and regional department. We found that these conflicts were often referred to as turf struggles, but that they involved important debates and discussions about what kinds of activities would be relevant to poverty reduction and democratisation in the Mozambican context. We found that the process attended to partnership in the narrow sense, negotiation with the government, but did not attend to broader changes in the context of partnership. The present formulation process will have to address both of these problems. Focusing particularly on the identification and assessment of alternatives, we show the importance of use of existing logical routines, of recourse to existing data and research, and of political assessment of the context of partnership in Country Strategy formulation.

In Chapter 4 we assess to what extent coherence was maintained and relevance constructed in the operationalisation of the programme, with particular attention to the management of the margin. We define the concept of the margin and locate it in a context of partnerships. We used a matrix constructed from a documentary review in Stockholm and Maputo of all projects and programmes in the country frame (see the separate report, *The Matrix and its Data*, available upon request at Sida/UTV) to ascertain what ended, what was maintained and what was new (what was done with the margin). Comparing these patterns with the country strategy document,

we located gaps, looked for anomalies and delays and assessed overall synergy. Finally, we argue that the matrix constructed for analytical purposes in this study can also serve, with suitable modifications, as an effective tool to manage the margin in the context of a country strategy. To do so, however, will require a change in Sida's practices of data system management concerning projects and programmes.

In Chapter 5, we consider the reasons for the difficulties in achieving coherence in the operationalisation of the country programme. These derive from two different kinds of problems. The first is the same kind of analytical unevenness in assessment of relevance that troubled the formulation of the Country Strategy. Just as the links between overall and intermediate objectives are not spelt out, so also are the ways in which particular activities should lead to intermediate objectives not made clear. It is therefore difficult to envision relevant alternatives when those first proposed are difficult to operationalise. We argue that there are three central areas of relevance that need strategic clarity: reduction of poverty, democratisation, and private sector development. We also argue that the pursuit of gender equality must work through these processes, not in parallel to them. The second set of issues of coherence derive from the politics of partnership, including, for example, political concern with national unity, or the subtle influence of Swedish firms, etc. The politically possible is an important measure of relevance, though it can rarely be made explicit and can compromise the coherence of the country programme.

Finally, in Chapter 6, we assess the institutional culture and organisation of Sida in relation to the requirements for using the country strategy process as a management tool. Here we rely on some interviews in Stockholm but primarily in Maputo, given the importance assigned to embassy ownership of the country strategy process. Here we argue that Sida's internal culture tends to absorb conflict rather than create effective consensus which requires thinking with conflicts. This, we argue, is essential if assumptions are to be made explicit and revisited when necessary, thereby providing a basis to generate alternatives. We also argue that the present organisation of roles, responsibilities and scheduling constrains effectiveness in the making of a country strategy and renders it potentially more conflict prone than is necessary. It is suggested that moving the point of gravity in decision making more firmly towards embassy level may provide a way forward.

To facilitate an active but reflective reading of this report, we have included two central annexes at the end of this report. Annex 1 includes the Ministerial Instructions and an English summary translation of the country strategy document 1996–2001. Annex 2 shows how the TOR are covered within this evaluation.

1.3 The methodological approach of this study

In accordance with the terms of reference, the process of data collection for this evaluation consisted of a desk study (mainly carried out in Sweden) and a field study (carried out in Mozambique). Methodologically this presented the evaluation team with two challenges that needed to be addressed.

The first analytical challenge of this study was to devise appropriate tools to develop a framework for data analysis (based on documentary evidence) to address the question of relevance and coherence of the operationalisation of the Country Strategy. This issue was tackled through the design of the ‘fact sheets’, on the one hand, and of the ‘country strategy matrix’, on the other. How this was done is explained in sub-section A below.

The second analytical challenge was to conceptualise how fieldwork was to take place. As indicated in the inception report, no attempt was made to undertake a comprehensive field survey of all programmes and projects within Sida’s country programme to avoid coverage going at the expense of depth of insight. Instead, ‘case studies’ were used to generate ideas on, and draw lessons from, the process of the construction of relevance in the context of partnerships at the level of operationalisation. The reason behind the use of case studies and the rationale for the specific choices of cases is discussed in sub-section B.

Before elaborating both these methodological dimensions of study, however, first a word of warning. Field work and intensive interviewing was done in Mozambique, and not in Sweden (where only relatively few interviews were done, mainly to back up the gathering of documentary evidence). This was in line with the practical set-up suggested in the terms of reference for this study. But it also reflects the proposition that Mozambique is the terrain within which the strategy is set, the place where the ownership of the strategy both at the embassy and in relation to Mozambican partners is articulated in practice.

This focus on Mozambique, however, means that some of the arguments developed in this study may well reflect the points of view at embassy level or within Mozambican structures more strongly than those prevalent within Sida’s headquarters. This may have led to some imbalance in the representation of views and arguments in this study. Given, however, that the country strategy plays itself out within the Mozambican context, and can only be understood as shaped by the interplay of Sida with Mozambican partners within a wider scene in which other donors are also active, this focus on Mozambique was warranted, given the time available for fieldwork.

1.3.1 The fact sheets and the country strategy analytical matrix

The terms of reference (in particular, point 4.2.a) required the evaluation team to ‘gather available results – outputs and effects – for all projects and programs in the Swedish Mozambican cooperation in order to provide an indication of the impact of the aid activities’, and to ‘assess the quality of avail-

able results'. The gathering of this information, however, was not to serve as an input to an evaluation of the overall impact of the country programme. Rather we were asked to assess the usefulness of the country strategy as a tool to construct relevance and maintain coherence within and between its formulation and its operationalisation. It was, therefore, necessary to design a framework for data gathering, organisation, and analysis capable of addressing this specific purpose of the evaluation.

What matters in assessing the construction of relevance in the context of operationalisation, is to check how in the varied set of actual programmes and projects:

- overall objectives are achieved,
- immediate objectives are articulated,
- assumptions are made,
- and how outputs are recorded and evaluated.

It was furthermore important to know:

- when projects and programmes were started and due to end;
- the amounts involved;
- the range of recipients and intended beneficiaries,
- and whether the activity is carried out by Sida on its own, or through co-operation with other donors (either as lead agency or follower), or indirectly, by channelling funds through NGOs.

What was needed, therefore, is a framework that allows an overview, not only of quantitative information (amounts paid out), but also of a varied range of qualitative information needed to assess how relevance was constructed in the process of operationalisation.

In practice this involved a two-step procedure:

First, there was a need to get and organise the available information about different aid activities within a standardised format with headings reflecting the quantitative and qualitative information needed (as listed above). Given the chaotic and disperse nature of information management within Sida, the only way to achieve this aim was by designing a *fact sheet format* to guide the detective work undertaken by Maria Nilsson.

Each fact sheet pertains to a different project or programme and organises its data within prior specified fixed set of headings relevant to the investigation – that is, reflecting the data requirements listed above. As a collection, the fact sheets provide a wealth of relevant information. The separate report on “The Matrix and its Data” contains the fact sheets across different activities – the raw materials of the documentary part of this study. Reading through the 140 + pages of the fact sheets is an enriching experience, revealing what is ‘available’ and where the gaps are to be found – a running commentary of the

past, organised under a fixed set of headings (some without content due to absence of documentary information).

The collection of fact sheets, however, only provides a structured *listing*. What it does *not* provide is *analysis*. A long listing is akin to eating too much food – hard to stomach and leading to indigestion if not properly spaced in appropriate menus over time. Data seldom give information when eaten in bulk. In fact, the assembly of fact sheets was nothing else but a *manually reconstructed* data-base of basic information capable of serving multiple uses in terms of analytical questions fired at them. Manual reconstruction was tedious and time consuming, but unavoidable given the prevailing, but not necessary understandable, conditions of information management at Sida.

Second, therefore, there was a need to feed these structured bits of information – the fact sheets – into an analytical framework. Data seldom illuminate unless questions are thrown at them and the data are organised in ways that answer each question in turn. To do this, what was needed was a flexible framework, which allowed the data to be investigated from different angles, relevant to the problem at hand. This is where the *country strategy analytical matrix* fits into the picture.

The design of the matrix, however, presented a particular challenge. As argued above, investigating the relevance and coherence of Sida's aid activities in Mozambique requires a *comparative* framework capable of handling and comparing the diversity of projects and programmes with respect to a number of criteria. It is relatively easy (and useful) to make comparisons across projects and programmes with reference to their quantitative features – in this case, for example, the moneys disbursed for each activity. The analysis of relevance and coherence, however, is not just, nor mainly, a question of quantitative features, but inevitably requires us to enter into making qualitative arguments and comparisons across the various programmes and projects. This calls for a tool capable to compare, not just quantity, but also *qualitative distinctiveness* – for example, whether the objective of poverty reduction is achieved, what the immediate objective is, what the underlying assumptions are, how success is perceived, etc.

This reasoning led the evaluation team to make two methodological decisions:

- To use a matrix framework to deal with multiplicity of action (the rows) to be assessed by a set of evaluative and comparative criteria (the columns),
- And to make (mainly) qualitative comparisons, possibly, where appropriate, enhanced by appropriate coding (= using mutually exclusive categories) to allow for investigating relative frequencies of occurrence.

The matrix set-up, therefore, is basically, qualitative in design (but could easily be enhanced with quantitative features such as disbursements – not done, because getting accurate information lagged behind the need for it), using coding to make possible vital cross-tabulations of important frequencies.

The matrix is designed using *Microsoft Access*, a database software programme. This programme organises the data in *fields* as columns, and cases as rows. Fields are *angles* with which to approach the data and can be qualitative (text-boxes) or quantitative (numbers) in nature. Numbers also include the use of codes – a set of mutually exclusive categories – which can be used to make cross tabulations. Cases, in our case, are the different projects and programmes in which Sida was involved with in Mozambique.

The purpose of the data matrix is *not* to print it out – a mere summary version of the list of fact sheets, but to analyse it by throwing questions at it. For this reason, this report does *not* provide a printout of the matrix. This would be pointless. It would defeat the purpose for which it was designed. Reading the fact sheets is far superior on this count. The purpose of the matrix is not to be seen, but to be listened to – after asking questions. Not for printing, but for analysis. It sifts compacted information in accordance to *questions – queries* – to get analytical insights in a problem. Further details can be obtained from the fact sheets, if needed, after – and as part of – analysis. The matrix itself is available on diskette.

To construct the matrix in practice, the number of cases (the rows) were compressed to keep the analysis within manageable boundaries as well as to avoid a multitude of empty boxes (entries) – in part due to the lack of information in Sida's archives. Included in the matrix are those projects and programmes where support was ongoing at the beginning of the country strategy, as well as new projects and programmes started during the strategy period (1996–2000). In principle, the support is registered based on the specific agreements between Sweden and Mozambique for each project/programme, with one entry for continued support to the same project/programme under successive or prolonged agreements.

In the case of education and public administration, the entries represent different projects and programmes under the same specific agreement for each sector. The support to the university is considered as one entry, representing both the agreements on research support from SAREC and support given under other agreements. Support to the private sector registers the 5 longer term and more substantial commitments. Preparations and budget support to Niassa province administration is considered as one entry. Preparations for support to road building and to the electricity transmission line in Niassa are not registered as entries (only mentioned under comments on ongoing road and energy programmes). Support to Swedish NGOs is listed as one entry, which is also the case for emergency support in relation to the floods in 2000. The number of entries according to the above criteria is 45. Note, however, that this selection had to be made long before the final draft of fact sheets became available.

As to columns (the so-called fields), text summaries and coded classifications were used to allow for the analysis of questions of relevance and coherence. The columns of this matrix, therefore, reveal the analytical handles employed in the analysis. Some are merely classificatory, but important – starting year, sector, etc. Note that sector matters as a policy criterion, given the

policy of sector concentration. One field deals with the specific objectives of the activity. Others are designed to answer specific questions – about what is to be continued, or phased out, or new (leaving room for emergency) and why?, or their relevance to broad overall objectives (poverty reduction, democracy, gender, environment). Further fields identify the donor context, the recipients, and the beneficiaries. And, finally, the remaining fields deal with a summary of available results or evaluations.

Most of these variables are text-like in nature – a textbox of qualitative information. Some of these text-boxes have a corresponding twin. These are coded variables to allow for cross-tabulation. Hence, the margin code, for example, allows us to distinguish whether a programme was discontinued, maintained, or new. If discontinued, it differentiates between whether the programme was phased out because of – or despite of – the country strategy, etc. In contrast, the field margin, as distinct from its code, gives a brief textual explanation about the decisions taken, and reasons for the phasing out, continuation or introduction of activities. The codes on overall objectives specify whether, judging by the documentary evidence, a particular overall objective was judged to be not relevant, possibly relevant (indirect argument), or highly relevant (explicitly mentioned as such). The text fields corresponding to these codes give a brief explanation of the explicit or implicit assumptions given as to why this particular activity is deemed to be relevant or not to the objective in question.

For readers interested in details, the design of column categories can be visited by looking at the design view of the matrix within Microsoft Access. Alternatively, when in data matrix view, putting the cursor (or clicking with the mouse) on any cell within a particular column will reveal a brief description of the field and explains the coding where it concerns a coded variable. To use the matrix analytically, however, requires familiarity with Microsoft Access.

At the start of the research, the whole process was planned as a sequence of activities: first, the fact sheets, then the matrix. In practice, however, both processes ended up being done only partly in sequence, and subsequently in parallel. The matrix in use was essentially constructed from the first round of fact sheet collection, and subsequently cross-checks during the field work period were made to secure adequate robustness. Parallel to this, and afterwards, the work on the fact sheets continued (up to the final deadline). The initial intention to combine both qualitative and quantitative (disbursement) data within the matrix could not be carried out because of the unavailability of the information when it was needed for analysis. For this reason, aggregate data on disbursements were entered in separate spreadsheets instead.

Despite the fact that short-cuts had to be made and that the work on the fact sheets and on the matrix proceeded only partially sequentially, and thereafter in parallel, the matrix – through its organisation which allowed different ways of posing questions from the data – proved to be a handy and robust analytical tool to study issues of relevance and coherence in operationalisation. Its capability to undertake comparative analysis across projects and programmes facilitates evaluation.

1.3.2 The rationale for, and choice of case studies

In this evaluation, case studies were used to enhance depth of insight rather than to achieve a wide range of coverage. Case studies were not, however, chosen to constitute ‘little islands’ of in-depth analysis of results and impacts. In fact, in this study, cases are not analysed individually (and, hence, dealt with in separate sections). Instead, the lessons drawn from the case studies are woven within the fabric of general arguments pertaining to the process of the construction of relevance and the maintenance of coherence in strategy operationalisation. As stated earlier, the purpose of this study was not to make an analysis of the impact of aid – neither overall, nor in specific instances. Consequently, cases were not chosen because of either their relative importance in terms of actual or potential impacts, or to achieve comprehensive (sampling) coverage across all activities. The quantitative importance of a case, therefore, mattered less than its potential to yield qualitative insights into policy processes. In other words, cases were chosen because of the light they could throw on the problems inherent in the construction of relevance and maintenance of coherence. The cases raise issues with respect to anomalies, gaps, silences, and other inconsistencies in the operationalisation of the country strategy. They also illustrate tensions arising in the process of making a strategy work in practice, particularly in a context of partnership.

The country strategy data matrix provided the ‘sampling frame’ for the selection of case studies. The text or coded entries within its range of cells gave clues and hints to what might be interesting cases. But this did not mean that the cases fell mechanically out of the matrix. For one, at the time of selection, the matrix itself was still under construction. But, more importantly, the careful reading of the country strategy documents also gave clues as to potential tensions, differences in views between partners, lack of clarity in assumptions, etc. Both the tender and the inception reports for this study already highlighted the importance of analysing the construction of relevance within a multi-actor perspective and of considering the articulation of partnerships at different levels (hence, the early inclusion of the Niassa programme as an extended case study). Finally, the short span of early warning pre-field work interviews in Mozambique also added further insights on what cases might be fertile of more general insights.

Time constraints made it impossible to deal with each case in equal depth. Some cases – like the Niassa programme – were more extensively dealt with than others. ‘Doing a case’ did not imply looking at all aspects of that case, nor – as stated earlier – was its principal concern an analysis of its impact. Results and impact were looked upon from the perspective of whether they fed back into the (re-) construction of relevance and maintenance of coherence in the strategy process.

The cases chosen and the rationale for these choices are briefly summarised below.

Table 1.1

CASES	RATIONALE FOR CHOICE
1. Niassa Provincial Support (PROANI)	<ul style="list-style-type: none"> · The issue of delay: why has it been so difficult to move forwards in an area of high priority? Why did so many studies? · Why is nothing envisioned in areas like agriculture and education, given the Country Strategy and Sida's action areas? · How to reconcile regional concentration with the move towards sector based SWAP arrangements at national level? · The question of synergy: how are the roads programme and proposed assistance to private sector development coordinated with agriculture, when the latter is not a focus of PROANI? · The question of partnership: what does it mean when Sida's historical partner has lost the elections at provincial level? How to build a wider network of partnerships? How can excessive donor dependency be avoided, given the inequality of resources between Sida and the provincial government?
2. Adult Education	<ul style="list-style-type: none"> · A potential anomaly in terms of synergy. It was dropped like other educational programmes, yet – in theory – it would seem to be closely related to Country Strategy priorities – either poverty reduction (e.g. technical and vocational training) or democratisation (literacy).
3. Support to UEM (higher education)	<ul style="list-style-type: none"> · A potential anomaly or silence at the level of synergy (see above). · Should research be of direct relevance to either one of the major objectives, or instead lay a deeper foundation in terms of capacity building? · Should research assistance remain concentrated on UEM or be divided across old and newly emerging universities (particular those located in the regions)?
4. SEMOC (Agricultural Seed Production)	<ul style="list-style-type: none"> · A possible issue of coherence. The positive assessment given to the project did not tally with the various evaluations upon which the results analysis should have been based. · Raises the real issue as to the mechanisms through which Sida expected to promote the development of the private sector, given that Sida is legally barred from direct support or from joint ventures.
5. PROAGRI	<ul style="list-style-type: none"> · The slow advance of Sida's work in agriculture would seem to indicate a gap or lack of balance in the overall relevance of the country programme (perhaps due to problems of partnership). This gap is repeated in Niassa at provincial level. · The question of participation in a SWAP, on the one hand, and maintaining relevance, on the other. Does Sida's participation in a SWAP allow it gain leverage in constructing relevance deemed appropriate, or is Sida being leveraged within a different concept of relevance. · Underlying this is the question of articulating or losing voice within the changing forms of aid delivery (e.g. SWAPs, but also the recent Macroeconomic Financial Framework of likeminded donors).

<p>6. Public Sector Capacity Building (Staff Administrative Capacity Building and Technical Assistance to the Gabinete de Estudos)</p>	<ul style="list-style-type: none"> • On the face of it, there appeared to be an anomaly between the decision to reduce public administration (and phase it out at the central level) and the importance assigned within Country Strategy and the regional document to institutional capacity building. Ownership without capability to back it up is indeed largely meaningless. • In practice, however, support continued, indicating policy reversal – an area of contention. • The balance between training and incentive: training cadres to loose them to donor employment or the private sector? Has this been effective in Niassa? • The meaning of support to decentralisation in public administration: bypassing the central authorities or developing local capacity in part by reinforcing central structures as well? • Articulating the political and the administrative in a democratic environment: the challenge of securing the relative autonomy of the civil service from the politicians in office.
<p>7. Support to Private Sector Development (FFPI, IDIL, CTA, PoDE, Malonda)</p>	<ul style="list-style-type: none"> • Lack of clarity of underlying rationale • Operationalisation of support to the private sector to be slow in taking off and scattered in its approach: micro-finance proposals, financing for rural traders, associations of established enterprises. To what extent did these differences reflect different conceptions of the place of the private sector in poverty reduction: indirectly, by promoting growth and employment, or directly, by promoting entrepreneurship? Or is the problem finding forms of partnership, given the prohibition on Sida's direct involvement with private sector enterprises?
<p>8. Avenida Group</p>	<ul style="list-style-type: none"> • A case of policy reversal: culture was to be dropped at the national level, but nevertheless continued anyhow – an anomaly. • Theatre as culture could be construed in two different ways under the Country Strategy: (1) as part of the democratic process, given the iconoclastic critical tradition in Mozambique theatre; or (2) as an elite, urban-centred activity. Which of these two notions guided Sida programmers in making decisions whether or not to support the Avenida Group? • Culture though not a national priority was included in the Niassa Programme. Can support for Maputo-based organisations be a way to reach embryonic cultural groups too small for Sida funding?
<p>9. The CAIA bridge</p>	<ul style="list-style-type: none"> • During field work, we also identified what could be a new anomaly (or silence – unstated objective). The decision to do a consultancy for the construction of a bridge over the Zambezi River appeared to be in contradiction with the Country Strategy.
<p>10. Budget aid</p>	<ul style="list-style-type: none"> • How does the movement towards budget aid shape the context in which aid delivery is structured and is being restructured. In Particular how is voice constructed or lost within broader pooling arrangements between the donors in partnership with Mozambican authorities.

With broad-ranging projects and programmes, it was of course not possible to look at all instances of operationalisation outside Maputo. Where our matrix indicated strategic issues of partnership in these areas, we opted not only to take PROANI as a case, but also to use Niassa as a site where we could probe issues of operationalisation arising in the context of decentralised co-operation. We thus looked at the operationalisation of the above cases in Niassa from the perspective of decentralised partnership. From this limited viewpoint, we also looked at the operationalisation in Niassa of other areas of importance in the Sida country programme that were not chosen for intensive study. The table below shows the additional projects and programmes chosen for particular consideration in Niassa.

Table 1.2:	
PROJECT OR PROGRAMME	ISSUES STUDIED IN NIASSA
Roads	How are national and regional priorities articulated in Sida financed construction?
Energy	An anomaly? What was the process through which energy financing for Cuamba line enters after Country Strategy decision on phasing out of support to energy?
Africa groups	The relationship between Swedish INGOS, other INGOS and Mozambican INGOS and Sida in province where Sida is becoming a major donor.

Chapter 2

Defining Relevance: The Role of Assumptions in the Country Strategy Process

2.1 Introduction

In this chapter we ask whether the principal documents of the country strategy present a coherent vision of Swedish development cooperation with Mozambique for the period 1996–2001. In section II, we argue that though the country documents are formally coherent, they contain a number of implicit or unarticulated assumptions about the causal linkages between overall objectives and the particular directions of activity outlined for Swedish development cooperation. These silences compromise the usefulness of the country strategy documents as guides to programme implementation for Sida and its partners.

The argument that assumptions should be made explicit such that the link between intended action and overall objectives can be clearly understood and that alternatives can be considered is central to this study. In section III, therefore, we take one important overall objective of Swedish development cooperation in Mozambique, the reduction of poverty, and show how one can assess the relevance of different assumptions about who is poor in Mozambique and why they are poor. We illustrate how making assumptions explicit allows for a continuing assessment of relevance in the light of new information. This continuing assessment of relevance is what allows one five-year country strategy process to feed into the formulation of the next, in this case, the new country strategy for the period 2002–2006.

Finally, section IV contains the summary and conclusions of this chapter.

2.2 Coherence and relevance in strategic documents

2.2.1 Steering documents

The three steering documents which are expected to be coherent with the Country Strategy are: (a) the Parliamentary objectives, (b) the Country Analysis

and (c) the Results Analysis. Sida's 1999–2002 action programme for development cooperation in sub-Saharan Africa is also of interest. It could not be an input into the formulation of the 1996 strategy document, but its consistency with the Country Strategy is important in an assessment of operationalisation of the 1996 Country Strategy and for the formulation of the new Country Strategy. To make the reading of this section easier, a summary of the 1996–2001 Country Strategy Paper has been annexed to this report (Annex I).

1. The Parliamentary Goals

The Parliamentary goals are six: economic growth, economic and social equality, economic and political independence, democratic development, care for the environment and equality between women and men. All but environment, which is grouped in Mozambique with rural development, are referred to in the country strategy.

Although the document 'Sida at Work' is prominently displayed at Sida offices and is in the possession of staff members – the link between the aspirations as set out and a check against their application in the Mozambique Country Strategy implementation is less clear. There are no procedures in place to make this control routine.

2. The Country Analysis

The country analysis clearly formed the basis of the country strategy. The two documents are consistent in their understanding of the needs of Mozambique and Sida's priorities. The CA locates the Country Strategy period within the history of Swedish aid to Mozambique and within an analysis of the post war conditions of the Mozambican economy and polity. The country analysis provides a justification for the fact that economic growth is given priority over environmental protection and thus explains the absence of environmental concerns (a parliamentary action area) from the country strategy. It links discussions of gender equality to the role of women in agriculture and to the legal position of women, including under customary law.

3. The Results Analysis

The Results Analysis is less discernible as an input into the process. It was provided no clear input to either the CA or the Country Strategy. According to interviews the Results Analysis were not provided as a major input into the 1996–2001 Country Strategy process. This may have been circumstantial due to Mozambique being the first country to attempt the Country Strategy approach.

4. The Africa Region Action Programme

The regional programme emphasises many of the same strategic orientations outlined by the Mozambique country strategy: combating poverty, furthering democracy and human rights, institutional and capacity development, debt relief, developing the private sector, gender equality.

There are, however, some divergences with implications for the Mozambique country strategy. Research cooperation is to be extended, a commitment is made to sectoral cooperation in education, and issues of health (particularly

HIV/AIDS), environment (particularly water control) and culture (particularly development of the media) are to be approached at the level of the Southern Africa region.

In the 1996 country strategy, however, environmental protection is downgraded because of the importance of economic growth while culture and education were to be limited to decentralised provincial support. Support to the private sector is linked to the financial sector and to possible assistance to infrastructure in the regional programme, whereas support to energy and to privatised infrastructural enterprises was to be phased out under the Country Strategy.

There is a more explicit commitment to pluralism in partnership and to the role of Swedish NGOs in the regional programme. The new theme of children's rights is linked to support for gender equality. The range of alternatives envisioned by the regional programme is thus wider than the areas chosen for concentration under the Country Strategy.

2.2.2 The Country Strategy: summary and observations

1. Mozambique's priorities and priority sectors

According to the Country Strategy document, Mozambique's priorities are to promote peace, stability and national harmony through the fight against poverty and for improved standards of living. Mozambique's priority sectors are mentioned as: education, health, improvement of living conditions in rural areas and creation of employment. (See Country Strategy section 3.1.) Sida's major issues presented in the strategy document are:

a. The reduction of poverty

The poverty issue is mentioned differently in different places – but the dominant sensibility is a pro-growth orientation as the approach to combat poverty – and the following possible activities are mentioned:

- Tackle the effects of war and drought through the reconstruction of social infrastructure, the renewal of economic activities, and ensuring access to agricultural implements and seeds
- Tackle structural poverty through restoration of general economic growth, particularly of small scale agriculture and the small scale private sector. (Again it should be noted – this is clearly not a narrow approach concerned with poverty alleviation only, but reflects a pro-poor growth approach.)
- Other activities are identified as important for the creation of enabling conditions: restoration of the rural trading system, credit for farmers and traders, decentralisation of resources, and last but surely not least, the necessity to pay attention to the gender issue.

b. The establishment of a democratic order

Institutional reform is identified as a cornerstone of democracy. The decentralisation of resources and decentralisation of the power of decision making over those resources is identified as an essential component of democracy. It

is confirmed that there should be aid for electoral process and to support a range of activities which promote debate.

c. The maintenance of peace.

The threat of demobilised soldiers should be attended to; the issue of contributing to the ongoing demining process is important.

d. The reduction of dependence on foreign aid.

Donor coordination is identified as a factor to receive greater attention. The strengthening of the national economy is seen to be assisted through: increasing the availability of resources at local level, reinforce the national economy through balance of payments support and the support of the state budget. Lastly debt forgiveness is mentioned as an important factor.

e. Improving the quality of foreign aid

Concentration is identified as the one outstanding factor, which if successfully undertaken can be expected to result in an improved quality of foreign aid.

f. Dialogue

The Country Strategy states the intention to engage in several areas of dialogue in the years 1996–2001: democracy and peace (understood as including the decentralisation of access to resources and decision making), governance, the fight against poverty, debt reduction and the need for the government to reduce its external dependency through better mobilisation of internal resources.

2. Actions proposed

The Country Strategy action proposals are premised on the need for programme reorientation. A list of action areas is recorded: roads, agriculture at a decentralised level, tertiary education, peace, security and democracy, private sector development and a focus of assistance in a north or central province comprising assistance to education, culture, and public administration, non-conditional support to the balance of payments and the budget, and contributing to debt relief. In the interest of coherence, the programme was to be concentrated in fewer areas. Support to energy, culture and the consultancy fund were to be terminated in the 1996–2001. Support to public administration and education were to be concentrated, with the number of sub-activities reduced to a joint maximum of three at the central level.

2.2.3 Relevance and the quality of analysis: finding alternatives

Both the country analysis and the resultant country strategy take the important first step in establishing a relevant country programme: they begin by asking what changes, both in Swedish development cooperation and in Mozambican society, have to be taken into account in developing a new country strategy. The relevance of the overall objectives both to the action areas of Swedish development cooperation and the needs of Mozambique are argued.

The Country Strategy is clear as to its overall objectives and specific in its identification of what it will do and not do.

The links between overall objectives and the alternatives chosen or dropped are not, however, spelt out in the document. We are not, told, that is, why these options are relevant. Why is electrification not relevant to rural poverty? Is concentration on a northern province intended to redress regional inequities in income or is it to support democratisation? Each might be a possible reason.

There are many conditionalities which lie outside of Sida's control and which impact on the programme delivery, and thus on its overall relevance. However, some parts of the Country Strategy process are completely under Sida's control: more specifically,

- the quality of the country analysis,
- the selection of the activity that may best correspond to addressing an issue,
- the accompanying explicit exposition of the underlying argumentation as to how the selected activity links to the analysis.

2.2.4 The missing analytical link between objectives and how to reach them (overall and intermediate objectives)

Despite Sida's adoption of a logical planning framework for the country strategy process (see Figure 1 in the TOR Annex II), the country strategy document does not provide the argumentation to link overall and intermediate objectives, to explain why a particular area of activity rather than an alternative is the best way to achieve an objective. Rather the linkage is assumed to be self-evident. Log-framing does not of course insure the quality of an analysis of relevance, but it does require one to think about the relative feasibility and desirability of different alternatives.

The general analytical issues and the objectives are not linked organisationally to the selected programme activities in the document. This makes it quite difficult to use as an orientation document. There is no justification or reasoning provided for the selection of particular areas of activity. There is a middle step missing between the analysis and the naming of activities; this is the explicit identification of assumptions and immediate objectives. The lack of this intermediate step weakens the document as a tool that can serve Sida's own personnel when arguing for a programme position. The document analysis and explicit outlay of assumptions and objectives should turn it into an effective negotiating tool vis a vis both Mozambican partners and the donor community.

Strategic question (Country Strategy section 3.3.)	Selected activity	Comment
Not stated	Support for tertiary education	No clear link between the choice to continue this support and the analysis presented
Local level gender analysis to inform programming	Not stated	
Aid for electoral processes and activities that foster open debate	Not stated	
Restoration of rural trading system	Not stated	
Reduction (versus alleviation) of poverty	Not clear	Confused
Demobilised soldiers alternative occupation		Issue identified but no follow up
Reconstruction of social infrastructure	Rehabilitation of roads using labour intensive methods and special attention to the recruitment of female workers	Alignment between issue and activity clear – the expected benefits are not spelt out

There are many limitations to logical framework planning [cf. Gasper 1998]. Routines may appear to be substitutes for analytical thinking; linear routines can lead to inflexibility in response to new conditions; the approach is easier to use at sector or project level than in integrating the various linkages of an overall country programme. It can, however, be a useful tool for developing strategic thinking.

2.2.5 Structuring documents to facilitate strategic thinking

The way in which documents are written can also facilitate or impede strategic thinking. Currently the Country Strategy document structure comprises:

1. Introduction
2. Cooperation to Date
3. Future Cooperation
 - 3.1. Mozambican priorities
 - 3.2. Other donors
 - 3.3. Strategic questions and observations
 - 3.4. General Considerations for Cooperation
 - 3.5. The question of dialogue in the next five years

4. Directives for Specific Areas of Cooperation
 - 4.1. Rural Development
 - 4.2. Natural Resources; Assistance to Small farmers
 - 4.3. Activities of peace, security and democracy

This structure is not helpful in making the linkages between overall objectives, intermediate objectives and activities. The ‘Strategic Questions and Observations’ are set out at length in section 3.3. of the document. These are followed by section 3.4. ‘General Considerations on Cooperation’ and section 4 ‘Directives for Specific Areas of Cooperation.’ The organisational structure does not assist the flow of logical thinking. In Box 1 we trace a possible organisation of Section 3 for a new country strategy that would facilitate logical thinking and the justification of alternatives chosen.

Table 2.2:
Example: Structure and guidelines for an alternative Section 3: ‘Future Cooperation’

3.1.	Strategic Questions and Observations <i>This will be rooted in and therefore aligned with the country analysis. It should synthesise in the minds of the programmers and readers what are the essential issues facing Mozambique.</i>
3.2.	Mozambican Priorities <i>It is likely that there will be a shortfall between the resources required to address the essential issues and their availability. Hence it is important to consider the Mozambican priorities both in the interest of better partnership and the improved effectiveness that is gain through synergy</i>
3.3.	Other donors <i>This section is currently limited to a statement of co-ordination expected to take place with other donors with regard to debt relief, budget support etc. However the activities of other donors have to be taken into account by Sida when making choices – and it would be helpful if these considerations were to be set out.</i>
3.4.	Dialogue with relevant Mozambican partners <i>The current Country Strategy document refers to formal and informal discussions that have taken place with different Mozambican role players. The embassy staff expressed regret over declining opportunities for dialogue. In the present context of partnership, Frelimo/the government is no longer the only relevant Mozambican partner. Creating opportunities for dialogue thus first depends on identifying relevant partners, given the overall objectives of Swedish cooperation and the profile of the country programme.</i>

2.2.6 Sida’s priorities: issues/assumptions/activity and expected impact

The country strategy document should then explicitly identify Sida’s own priorities, thus narrowing down the issues set out in 3.1. For each one of the priority issues, the assumptions, the activity and the expected impact should be set out. This need not demand a full log frame analysis – but each selected activity should be justified by five interconnected summary statements linking expected impact to overall objectives.

The following table explores the logical links between road rehabilitation and the objective of reducing rural poverty. It also gives an example of how such summary statements might be structured:

Table 2.3: Interconnected Statements linking Expected Impact with Objectives	
Overall Objective	Reduce rural poverty
Intermediate objective	Assure road access of rural communities to the market
Assumption	Opening up roads will allow peasants to sell their surpluses and reduce the costs of things they need to buy
Activity (with conditionalities)	Rehabilitation, using labour intensive methods, gender equity considerations, environmental care
Impact:	facilitate trade, lower the costs of consumer goods

2.2.7 The importance of generating alternatives

Making explicit the assumptions about linkages makes it easier to entertain *alternatives*. Alternatives are the bread and butter of decision making. The point is simple – you can never choose an alternative that you haven’t considered. In order to avoid, however, that the only alternatives taken into consideration are ‘business as usual’, mere ‘incrementalisation’, or some readily available ‘default alternatives’, careful analysis of the assumptions underlying the nexus between overall and intermediate objectives, actual activities and outputs may help to generate feasible alternatives.

In the case of the example above, it could be argued, for example, that opening up roads does not assure access to the market for producers, say in Niassa, who produce maize for an often glutted market and whose transport costs are high even with better roads. In this case a market for peasant produce is assumed to exist. If it does not, then roads will not have the expected benefit for rural incomes. At most, they may merely speed up out-migration from the area, or become – what Phil O’Keefe once aptly called ‘roads to nowhere’. Another, or complementary alternative such as experimentation with non-traditional exports could be more relevant than building more roads.

2.3 Improving analytical quality: Checking assumptions with data analysis

Of course neither dialogue with partners, nor reorganising the Country Strategy formulation process within Sida will in themselves allow programmers to assess the relevance of particular alternatives. For that there must be recourse to some sort of information. Making the assumptions underlying the choice of a particular alternative clear is, however, a prerequisite for deciding which research allows for the assessment of relevance.

To illustrate this point, we use three extended examples central to the 1996–2001 country strategy concerning the understanding of poverty. The first concerns its regional distribution, the second, the basis of rural incomes, and the third the implications of the recent floods for revisiting earlier assumptions. On the first issue, at the time of the formulation of the Country Strategy; both Sida and its partners were in accord; poverty was thought to be mainly concentrated in the north. On the second issue, there was some disagreement between Sida and its Mozambican partners, with the latter giving more importance to job creation. On the third issue, there was agreement that environmental issues should take second place to economic growth, within an overriding objective of poverty reduction.

2.3.1 The regional distribution of income and of the incidence of poverty

Take the case of the argumentation supporting the choice of a central or northern province in pursuit of Sida’s objective to decentralise delivery. The Country Strategy document states that Sida perceives the decentralisation of access to resources and the power to make decisions at a local level as important components of deepening the democratisation process. Yet, Sida justifies the choice of a northern or central province in terms of poverty: ‘Assistance has to be reoriented to be delivered more directly to the population that is poorest in the north and centre of Mozambique’ (Country Strategy 3.3.5. Annex I).

At the time of the preparation of the 1996–2001 country strategy, the view that the south was richer than the rest of the country was widely held within the donor community and by Mozambicans themselves. This conception reflected political processes that are grounded in the history of Mozambique and assumed particular political importance in the post-war era of political reconstruction. Varied discourses within the ruling party and within the opposition reflect intense competition for resources and power. The dual perceptions that the ‘South is living at the expense of the Centre and the North’ and that the ‘Sulistas’, the southerners ‘govern the country’ are a manifestation of an internal jockeying over access to power and resources.

Survey research carried out during the period of the country strategy now allows us to challenge conventional wisdom on the regional distribution of poverty. Recent work (UNDP, 1999), carried out by Antonio Francisco, has thrown a clearer view on the regional distribution of Mozambique’s GDP. Looking first across the three main regions (North, Centre, and South, the story can be depicted as follows:

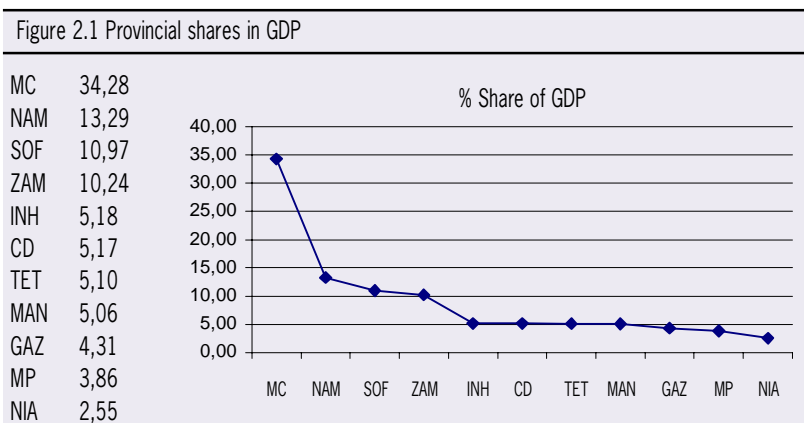
	% share GDP	%share GDP	% share Population	Ratio	
North	21.01	21.01	32.86	0.64	
Centre	31.37	31.37	41.23	0.76	
South	47.63				
		South (other)	13.35	19.58	0.68
		Maputo city	34.28	6.33	5.42

Note:

If Matola were joined with Maputo city, the share of the South without Maputo city would be less.

The left side of exhibit 1 tells us that there is indeed a major imbalance in terms of the contribution of GDP of the three regions, the South taking the lion's share. Closer scrutiny, shown on the right hand side, shows that the high contribution of the South is mainly concentrated in Maputo City, 34.28% of the national GDP. The other Southern provinces differ little from the general pattern across the North and the South. In fact, if Matola (twin town to Maputo City) were taken out of Maputo province, the picture would look worse. The individual contributions of the different provinces are depicted in figure 2.1.

The figure shows that the combined % contributions to GDP of three provinces – Sofala, Zambezia and Nampula (with roughly 50% of the population) – amount to 34.5%, which roughly matches the contribution of Maputo City alone!



The present predominance of Maputo City reflects past investment patterns. Two points need to be stressed here.

Firstly, this pattern was already inherent in colonial development through the close integration with the South African economy, in which Maputo became an appendix of South African development, and the Southern region part of its labour reserve. In similar vain, the centre, although characterised by the development of an endogenous plantation economy, was nevertheless strongly linked with developments in Zimbabwe. The present talk of “corridors” (Maputo in the South, Beira in the Centre, and Nacala in the North), therefore, reflects this earlier reality. The relative importance of these corridors in propelling development can only be seen within a regional perspective. In this respect, the South African link clearly contains a lot more weight and potential than the Zimbabwe link – particularly today – and certainly also than the much weaker northern connections with Malawi and Tanzania.

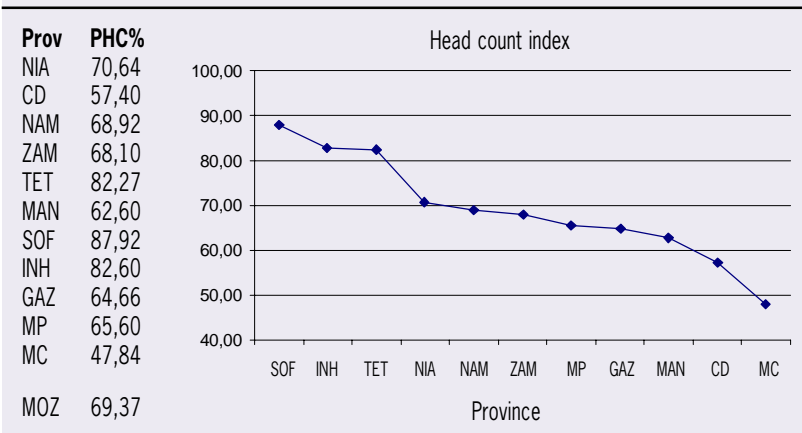
To put the issue merely as one of internally propelled regional imbalances, therefore, overlooks the extent to which Mozambican economic development has been (and is) shaped by the broader regional context. The Maputo bias, therefore, may not so much be a reflection of government bias as such, but more of private sector behaviour, given the underlying structures of profitability. In this respect, the form of aid flows may well play an important role. Foreign exchange made available in local exchange markets (mainly Maputo) to obtain countervalues for budget aid may well have played an important role in shaping expenditure patterns rendering Mozambique heavily dependent on imports from South Africa.

Secondly, the war undoubtedly further propelled the lopsided development within the country at large. Investments tended to concentrate on safe areas (Maputo in particular), and many centres of accumulation, particularly those rurally based such as the plantation economy in Zambezia, witnessed severe destruction – not just of its infrastructure, but also of its systems of accumulation itself. This, in turn, reflects in the structure of poverty. Clara de Sousa, for example, showed that, in Manica province, returning refugees were often better off than those left behind and insulated by the war, since the former had access to wage or self-employment across the borders.

For many donors, the perceived greater poverty in the North and the Centre was undoubtedly a major reason for decentralising their patterns of aid towards province level. Recent availability of data, however, throws a somewhat paradoxical light on this issue.

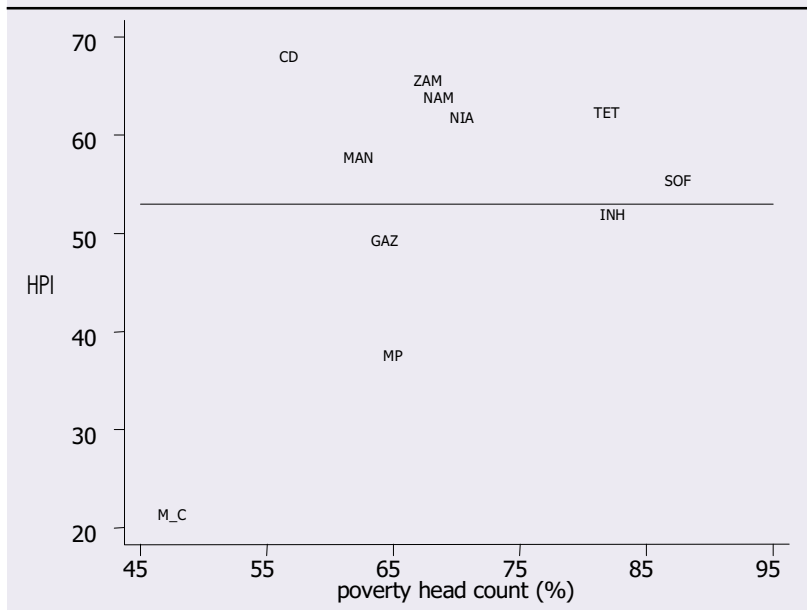
Indeed, on the one hand, the incidence of poverty per province, as measured by the % head counts, shows no clear regional differentiation, with the exception of Maputo City. In fact, the Southern province of Inhambane comes out among the worse!

Figure 2.2: Head count index of poverty by province



Yet, on the other hand, when graphing UNDP's human poverty index (an indicator of basic social development) against the incidence of poverty as given by this head count measure, a different picture emerges.

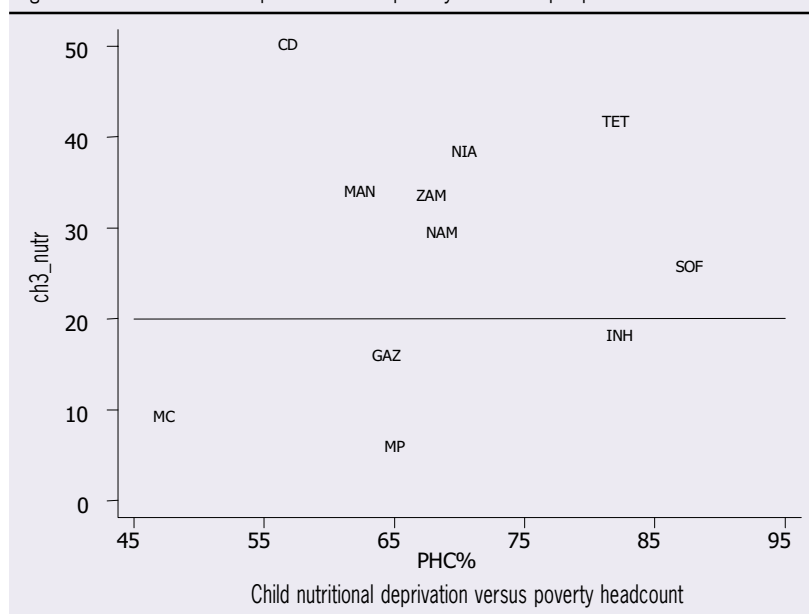
Figure 2.3: UNDP human poverty index versus head-count index of poverty per province



Note: The UNDP poverty index, HPI is a composite index constructed on the base of three components: 1- survival (% of population who will not live beyond 40 years of age); 2- knowledge deprivation (% illiterate adults); and 3- composite living standard deprivation (% population without access to piped water; % population without access to health services; and % children under the age of three moderately or severely underweight).

The striking feature about this graph is that, while both indices of poverty show no correlation between them, there is a clear North/Centre versus South divide with respect to the human poverty index (as shown by horizontal line: the Centre and North are above it; the South below it). More interestingly, even, the pattern repeats more itself if you graph child nutritional deprivation (as one component of the human poverty index) against the incidence of poverty.

Figure 2.4: Child nutritional deprivation versus poverty headcount per province



In sum, the available evidence is ambiguous. At the level of consumption-based poverty (the head count index), there are no clear indications of differences between the North, Centre and South, with the exception of Maputo city. At the level of the more social-provisioning and basic-nutrition oriented human poverty index, the North and Centre are clearly worse off in comparison with the South.

This does not in itself constitute proof, however, of relative neglect with respect to the regional implementation of social policies. It may also indicate the differential impact of the war in terms of the destruction of social infrastructure – the Centre and the North being more affected than the South. But other factors may also be at play, such as, for example, the nutritional basis of the different types of food baskets as well as the differentiated patterns of income generation in the different regions of the country.

This kind of ambiguous, partially conflicting evidence requires further analysis and may well point in the direction of the need for a more differentiated approach to tackling poverty in terms of its regional configurations. This

point links back to the earlier point about the differential structure in the patterns of income generation and its potential for economic growth inherent in the inherited structure of the three corridors linking Mozambique within the wider Southern and Eastern African regional economy.

In sum, while the present political debates in Mozambique and within the donor community often tend to focus on the problem whether the North or Centre are poorer, or not, than the South, this may not be the most fruitful way to go about addressing poverty reduction strategies. The relevant problem may well be that the incidence of poverty is invariably high across the country as a whole (with Maputo City in the position of an outlier), but that the context of poverty and its underlying processes of income generation and social development are regionally differentiated. This would require regionally differential strategies within a perspective of pro-poor growth.

2.3.2 Poverty, labour and household production

Perhaps one of the strongest and most persistent notions underlying donor perceptions of poverty is that the poor are mainly situated in the rural areas, and that the rural poor are mainly smallholder producers who need to be drawn out of subsistence into the market economy. This assumption clearly underlies PROAGRI, the sector- wide programme for agriculture.

There is, however, a long history of research in Mozambique, much of it sponsored by SAREC, which establishes the relationship between rural livelihoods, migration and off-farm labour. One specific aspect of Mozambican development was the extent to which the Mozambican peasantry was integrated within the market economy in general, and dependent on (migratory and circulatory) wage labour in particular. In the South, the peasantry was mainly dependent on income from (male) mine labour in South Africa. In the Centre, circulatory migration to the plantations, the production of food for sale to plantations, and migrant labour to Zimbabwe were the key characteristics. In the North, cash cropping prevailed, although the growth of farms led to increased reliance on circulatory wage labour as well (Wuyts, 1978; 1989).

Data on rural wage labour are particularly poor, not the least because of the implicit but *erroneous* assumption made in collecting data that wage labour is not much prevalent in Mozambican rural areas. The latest UNDP report 1999 is a noticeable exception, and argues – quite correctly – that rural wage labour is consistently underestimated in its importance.

To illustrate the point indirectly, the graph below plots rural and urban male to female ratios (100 = equal numbers) for the different provinces.

The graph (sorted from left to right in declining order of rural male to female ratio) clearly shows that:

- moving from left to right (which is identical with moving from North to South),

- the male to female ratios, both rural and urban, decline dramatically,
- reflecting a growing gap of ‘missing men’,
- which fits with the established patterns of migrant labour abroad.

A 1997 UNESCO/ILO study estimated the number of migrant workers to be 150,000 (UNDP, 1999: 53). But, in contrast, de Vletter argued that this figure is likely to be underestimated, and pointed towards the existence of around 500,000 migrant workers (UNDP, 1999: 53). The latter figure does indeed tally better with the overall male/female deficit of 636,438 men in the census data.

It is quite reasonable to postulate that similar patterns reproduce themselves within the country, between areas of high agricultural production and their labour reserve areas. The revitalisation of rural production, therefore, was not just a matter of stimulating peasant production, but also of the recovery of patterns of wage labour, which in part depended on the availability of wage goods. Emergency aid, for example, played an important, often unperceived role, in propelling this recovery. Indeed, emergency aid also involved the importation of cheap consumer commodities (often second hand clothing and the like) which not only stimulated the production of marketed surpluses of food, but also underscored rural and informal sector wage labour.

2.3.3 Analytical silences: when poverty does not have national boundaries

When overall objectives are explicit, it is possible to check the logic of strategic linkages against existing information. Not all objectives are so clearly presented in the country strategy document however as is poverty reduction. What gender equality would mean in the context of Mozambique is not spelled out. It is treated as a parallel objective, rather than integrating it into approaches to poverty reduction or democratisation.

Particularly important in Mozambique are the limits of a national perspective when exploring the reasons for poverty. The country strategy framework assumes that a national focus is of equal relevance for all problems, making it difficult to recognise the importance of integrated regional labour and commodity markets for poverty reduction or the regional use of environmental resources for economic growth. The depth of the HIV/AIDS epidemic in the region increasingly affects rural well-being in Mozambique, possibly increasing the importance of strengthening the health sector. The country strategy document interprets Sida’s action plan on natural resources and environment quite broadly, emphasising in particular assistance to rural small-holders and initially to seed production. Yet the recent floods raised questions about environmental management and common pool resources not only (or not even principally) in Mozambique but among upstream water users particularly in South Africa. The floods point to the particular importance of regional issues in a strategy of development cooperation in Mozambique. This means that within Sida relations between the country programme and the regional department require coordination, which has sometimes proven difficult.

2.4 Conclusion and recommendations: Improving the assessment of relevance in country strategy formulation

In this chapter we have looked at the coherence and relevance of the country strategy documents. We found that there was good internal consistency among Swedish documents, but some evidence of unresolved divergence within Sida, particularly on issues of democratisation/decentralisation. More generally, we found that the formulation process did not create a documentary record explicit enough in its reasoning to explain why certain options were chosen rather than others and hence to guide subsequent choice of projects and programmes, particularly in relation to Sida's central concern with poverty reduction.

There was also evidence within the country strategy document of differences between Sida and the Mozambican government positions on strategies of poverty reduction and democratisation/decentralisation. We suggest that these differences are related to different unarticulated assumptions about relevance. Accordingly, we argue that registering and explicitly bringing to the formulation process the differing positions of partners is one way to identify alternatives. We also suggest that identification of relevant partners should be included within the country strategy documents.

Looking ahead towards the 2002–2006 formulation process, we show how once underlying assumptions have been made explicit, their relevance can be assessed by looking at available information, in this case information about poverty. In Chapter 4 we show how the experience of implementation of the country programme can itself be an important source of such information – if that experience is retrievable, i.e. recorded in a systematic form. This would demand a more committed if flexible use *in written form* of the logical framework analysis in fact envisioned by the country strategy methodology.

Chapter 3

Coherence and Voice in the Formulation Process

3.1 Introduction

In the preceding chapter, it was argued that the country strategy documents do not sufficiently spell out underlying assumptions to serve as a basis for sorting out the relevance of different alternatives. Policy-making is, however, a process, not simply the laying out of a series of prescriptive documents [Mackintosh 1992]. To what extent did the process of developing the country strategy documents lead to coherent strategic consensus within Sida? Given present emphasis on the importance of partnership, it is also important to ask whether the country strategy documents grow out of dialogue with partners, Mozambican and other, involved in Swedish development cooperation in Mozambique.

This chapter deals principally on the formulation of the 1996–2001 strategy, which according to our terms of reference is the focus of this study. Nonetheless, we include some very preliminary observations on the process of formulation of the 2002–2006 strategy, ongoing during the period of study. There are two reasons for this. First, the 1996–2001 was the first country strategy undertaken in Mozambique, undertaken with great haste under somewhat difficult conditions. It is of interest to know whether the kinds of problems confronted represent more general issues in the formulation process. Second, according to the methodology of the country strategy process (see Annex II, Figure 1), ongoing assessment provides inputs for the preparation of the next country strategy in an iterative way. It is thus important to assess whether the working out of the country strategy has indeed produced the kinds of inputs needed for the formulation of the next one.

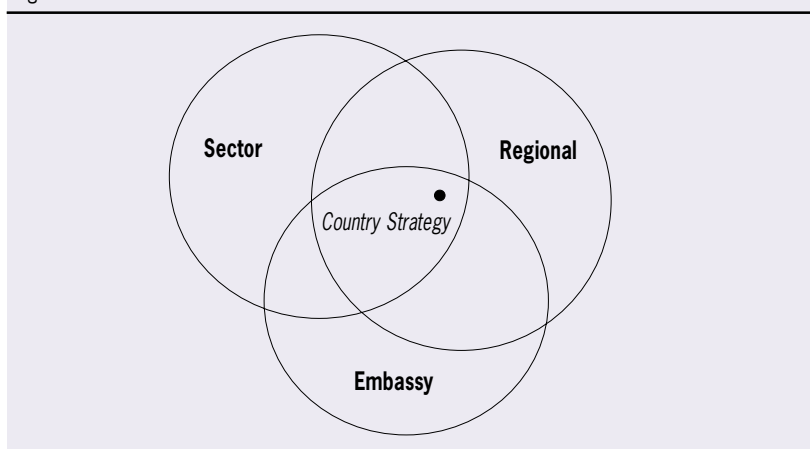
Section II analyses the process of the formulation of the country strategy within Sida and the contentions between the embassy, regional desk, and sector desks to which it gave rise. It notes the absence of a practice of dealing with differences in positions and with conflicts – a problem that renders subsequent strategizing within operationalisation more difficult. Section III then looks at issues to do with the voice of the partner and the context of dialogue in strategy formulation. It further raises the issue of asymmetry in the partnership relation and the problem of double accountability. This, it argues, has implications for how ‘good policies’ are defined, partnership is articulat-

ed at regional levels, heterogeneity is recognised, and common agendas constructed. Section IV contains the summary and conclusions.

3.2 Country strategy documents as reflection and guide for Sida's strategic thinking

The views expressed among people interviewed who were part of the 1996 Country Strategy elaboration process are not necessarily consistent and/or reconcilable. There are three main nuclei to be considered as the major role players within Sida: the regional desk, the sector desks and the embassy. These three players cannot be lined up in a sequential continuum nor a hierarchy. Instead they act within a structure akin to intersecting circles. The country programme, then, can be thought of as located somewhere in the intersection of three circles, each representing the set of preferences of each of the actors concerned (in chapter 4 we return in more detail to this representation of consensus by intersecting circles).

Figure 3.1:



In the mid-nineties, the location of Country Strategy was a site of intense contestation due to differing views between Sida's tripartite constituencies. In fact, preponderant weight in decision-making gravitated towards the Regional desk.

The MOFA guidelines used for the conceptualisation of the Country Strategy (see Annex I) were issued in 1995. No one expressed any view that they were problematic in any way. Perhaps the clause most operative in contemplating the reshaping of the country programme was that, 'Concentration should be pursued. Considerations for phasing of programmes should be presented. A strengthened poverty profile should guide the choice of sector and design of support.'

Embassy desk officers at the time said they felt that the process began inclusively in Mozambique. The Country Analysis was undertaken by the outgo-

ing first secretary and ideas were being generated and discussed between staff. They feel that the regional desk in Stockholm then intervened with a heavy hand and ‘hijacked the process’.

The country desk officer (at that time) in Stockholm said that the regional desk’s perception in Stockholm, taking education as an example, was that the Mozambique programme was over-extended and unfocused; the results were considered less than satisfactory. Naturally the Stockholm based sector desks were unhappy with this assessment because, within Sida’s institutional set up, they were and are, *de facto*, the powerful long distance drivers who strongly influence the size, content and direction of the sectoral programmes.

Three additional factors weighed in the formulation process. Firstly, decentralisation was understood to be essential to deepen and accelerate democratisation and achieve a more effective delivery. Secondly, there was a view that corruption at government central level was out of control and not being dealt with; millions of dollars had gone missing from one of the agricultural projects. The third factor was tension between Sida and the Mozambican government provoked by handling of the corruption issue. The counsellor’s discreet but unequivocal comment to a parliamentary session about ‘money being used outside of the agreed budget’ was, unknown to her, filmed by a TV crew. It was then, to the embarrassment of the Mozambican government, played and replayed on national television. This incident is said to have impacted negatively on the quality of dialogue that Sida was able to have with the Mozambican government during the period of formulating the Country Strategy. Sida’s Director General and Regional Director for Africa visited Mozambique when the Country Strategy formulation process was still in its incipient stages. The Regional Director then assumed a leading role in the Country Strategy process, indicated various programmes that should be truncated (education, continued national level support to public administration, electricity) and emphasised decentralised delivery. One province was to be chosen which would receive multi-sectoral assistance.

There was considerable unhappiness among embassy staff in Maputo and sector desk staff in Stockholm. A difficult relationship between the ambassador and counsellor made it problematic for the embassy to coherently engage with Stockholm. The counsellor submitted a memo to Stockholm indicating that the Country Strategy as drafted did not have the support of embassy staff. There was extensive internal negotiation before the final document was submitted to MOFA for approval.

One of the problems with Sida’s current institutional culture is that the content of debate is not recorded – so there is no appendix to the Country Strategy document that registers the content of differing positions. Why was the public administration sector desk so upset during the Country Strategy formulation? Later what was the content basis for divergence in conceptualising the approach to the Niassa programme? There are legitimate grounds for arguing that the best way to promote democratisation is to assist the development of base-level organisations that have the power to pressure the state.

There are also legitimate grounds for arguing that vertical linkages between the base and the state must be strengthened for democratic process to have effect. Did decentralisation have anything to do with democratisation at all or was it rather considered to be a way of achieving the overall objective of reducing poverty (by redistributing resources regionally)? Which of these positions, or others, has guided Sida's approach to decentralisation?

Reluctance within Sida to sort out debates on paper, or to minute discussions, or to monitor results explicitly through logical framework analysis limits the usefulness of the country strategy documents. They are not a clear guide to choosing activities in subsequent phases of the country strategy process, including in the formulation of the next country strategy. As consultants, we at first expected that it would be relatively easy to map the coherence of the country programme activities by relating objectives formulated in log frames to the country strategy. Instead we found few log-frames and little monitoring or evaluation done on paper done by Sida staff themselves, as opposed to external consultants. This does not mean that there is no discussion of alternatives and results within Sida. During the log-framing seminar on the Niassa project, for example, the issue of why education was not considered relevant to poverty reduction in the province was specifically raised. No record was kept of the discussion, however; 'the point was the process'. People move, however, and memories of process fade, while the issue of the relationship between education and poverty in Niassa remains important for Sida to consider.

Given the absence of an ongoing documentary record, it is not surprising that the country strategy process in Sida is a series of very labour intensive interludes rather than an iterative flow. Inputs to the new country strategy documents are being produced now. Preliminary results analyses (which we did not see) were prepared as inputs for the preparation of a hypothesis paper – rough guidelines to a country strategy rather than a country analysis. A seminar to discuss result analysis is only scheduled for the first trimester of 2001.

Discussion seminars within the Embassy and in Stockholm on poverty and the PARPA in Mozambique could be seen as contributing to the development of a country analysis, if Sida staff join the debate. For example, during our initial presentation, the Ambassador raised the issue of how to delimit the possible range of indirect contributions to poverty reduction. In one of the PARPA seminars, the Economist asked whether a country strategy is needed if PARPA exists. These are both fundamental questions for the Mozambique country strategy. What is important is that hierarchy, pressures of time, professional caution and lack of interests do not limit internal participation in debate.

Sida itself is not homogeneous. Differences within Sida, whether in the formulation of the country strategy or in its implementation, were often explained to us as problems of coordination arising from the reorganisation of Sida, or as turf struggles between Stockholm and the embassy, or even as personal power conflicts. Turf struggles and personality conflicts undoubtedly arise, particularly in a climate of restructuring. But this should not lead us to

deduce that contention, when and where it arises, is merely a reflection of such types of conflicts. Contention can also arise because of legitimate differences in perspectives and in policy analyses. These differences are sometimes masked by leaving opposing assumptions unarticulated.

In fact differences of perspective legitimately arise from many sources. Swedish NGOs working in Mozambique raise their agendas directly in Stockholm. Large Swedish firms lobby both in Stockholm and at embassy level. The regional desk is necessarily more concerned with cross-regional integration and conflict than the Embassy. Debates concerning the appropriate forms of development intervention (such as, for example, that over vertical vs. horizontal models of decentralisation) are sharp across developing countries, in the academic literature, and in many other aid organisations besides Sida. The question is assuring space and capacity within the country strategy process where different assumptions and the alternatives to which they give rise are explicitly analysed in terms of relevance. We will return to the question of how this space and capacity can be reinforced within Sida in Chapter six.

3.3 The voice of the partner: The politics of possible alternatives

The voices of partners can be an important input to the process of identifying and assessing alternatives. The construction of relevance is defined not only by the assumptions that underlie the choice of particular alternatives by Sida programmers but also by the political context of partnership. Growing emphasis on partnership within Sida reflects broader shifts in the policies of development cooperation with donors emphasising dialogue with partners, coordination among donors and consensus building for broad based sector support, rather than earmarking of funds for particular projects.

3.3.1 The experience of dialogue with Mozambican partners in the formulation process

Formally, the Ministry of Cooperation remains the principal partner of the Sida. In the present complex context, however, it is not possible for a single ministry to represent the complexity Mozambican partners involved in Swedish development cooperation, both as executors and as beneficiary or target groups.

Mozambican partners from ministries linked to major areas of Sida activity were involved in the formulation of the 1996 country strategy, although it was mentioned that this participation was greatest at the beginning of the process. This dialogue leaves its traces in the 1996 country strategy document, which specifically refers to Mozambican development objectives. It is also evident in the document that the positions of Mozambican partners consulted were not entirely consistent with those of Sida.

The first objective of the Mozambican government mentioned in the country strategy (section 3.1) is to promote peace through combating poverty and increasing the general living standard. Its priorities are the health and education sectors, the improvement of living conditions in rural areas and the creation of jobs. The Mozambican government proposal 'accepts' geographically concentrated assisted and emphasises continued Swedish support to education, as well as to public administration and demining. In section 3.3, however, where the strategic questions and objectives that will actually guide Swedish cooperation are elaborated, alleviating poverty depends on gradually decentralising resources, on the reorientation of assistance to arrive more directly in the centre and north of the country, on and the development of small-scale agriculture and the small-scale private sector. Job creation has disappeared. Decentralisation of resources and decision-making, viewed as a decisive factor both for the consolidation of democracy (and sub rosa peace) and for reduction of poverty, assumes great importance. Assistance for agriculture, education and public administration are to be channelled directly to the local level. Aid for poverty reduction is to be focused in a single decentralised but multi-sectoral region. Sida and the Mozambican government thus share a common set of overall objectives and a common sense of who should benefit from Swedish assistance, the poor, but they differ on why they are poor and thus on their conceptions of which alternatives best address poverty.

In interviewing a broad range of Mozambican counterparts, we found a few who had a copy of the Country Strategy tucked away in a drawer. We found no one, however, who considered the 1996 country strategy document to be a working document (the same was true of course for most Sida staff). This does not mean that counterparts had no ideas about what Sida wanted; most had very clear, though not necessarily accurate, ideas about what Sida would and would not fund.

The Niassa project, in accord with the emphasis on democratisation and decentralisation assigned to it by the country strategy, has been assiduous in its continuing dialogue with its partners from the provincial government. The present governor of Niassa observed that if there was one thing the Sida project had done thus far in Niassa, it was to force the provincial government to begin to think about its own priorities. There has not always been accord between Sida and its provincial partners, however, and some important individual partners, such as the former governor, have been replaced. Both discord and flux have slowed the implementation of pilot projects. It has also been difficult to extend dialogue beyond the Frelimo appointed government and provincial directors.

As Sida staff at the Embassy have ruefully explained, creating opportunities for dialogue with Mozambican partners in formulating the 2002–2006 country strategy has been easier said than done. There are at least 200 external agencies operating in Mozambique. The 'special' place that Sida once enjoyed in their relationship to Frelimo, and which resulted in yearly round table discussions with line function ministers, has disappeared. This has certain

advantages – it is now less easy to label Sida as partisan. However Sida remains one of the most important donors and views dialogue as necessary for a more effective programme. Some long-term Sida programmes have been phased out, while others where Sida has been an important donor have been integrated into SWAPs. Mozambican interest in dialogue with Sida itself is accordingly less. A broad range of people, from ministries, other donor agencies and local NGOs have been invited to attend seminars, such as those on poverty. Advantage is also taken of the visits of consultants (like ourselves) to organise discussion with counterparts. These seminars and meeting can provide some input into the strategy formulation process, There are, however, currently no systematic ways of organising the participation of partners in the country strategy formulation process.

The greater efficiency of cooperation based on partnership thus remains for now a point of principle rather than general practice. Why has dialogue proved to be so difficult to attain in the formulation process, and what can be done about it? To answer this question, we want to look more closely at the demands and politics of partnership in the present context in Mozambique.

3.3.2 Asymmetry, double accountability and 'good policies'

Democracy and good governance, on the one hand, and good policies, on the other, are seen to lay the foundations for partnership. But this requires that the recipient government is not just accountable to donors for the use of aid finance, but also to its own electorate for resource use in general. In a recent public lecture at ISS, Benno Ndulu (2000) provided an interesting rationale for this move towards partnerships in the aid relation. He argued that the simple framework of principal-agent fails the grasp the complexity of the aid relation. In his view, there is not one, but two principals in play. It is not the domestic government of the recipient country that is the intended beneficiary of the aid, but rather its civil society and its population at large (and the poor in particular). The government, therefore, is (or should be) no more than an (important) intermediary between the financier (the donor) and the beneficiaries (as represented by the electorate and other institutions of civil society).

Consequently, there are two principals at play – the donor, on the one hand, and civil society in the recipient country, on the other. Both these principals, Ndulu argued, seek to make sure that the agent – the recipient government – delivers on promises made. Partnerships in the aid relation, therefore, need to be inclusive both in terms of donor preferences and also of the objectives of the ultimate aid beneficiaries. The latter objectives in turn find their meaning and substance through electoral processes and practices, structures of accountability and transparency, and the demands articulated by various organisations of civil society, both at national and at local level. In other words, partners are not homogeneous, and thus do not necessarily speak with a single voice. There is no single Mozambican point of view to which Sida can simply respond.

Nor will striving towards greater equality in partnership redefine the basic asymmetry in the aid relation: not only the asymmetry between creditor and debtor and between donor and recipient, but also the asymmetry between rich and poor countries – the economically powerful and the economically weak and vulnerable. Given this essential asymmetry, processes that appear to be consultative in nature, do not turn out to be very inclusive of the interests of final beneficiaries. Genuine partnership, however, must allow for divergences in perspectives and give room for partners to learn from mistakes.

One aspect of this asymmetry is that, in establishing the aid relation, it is largely up to the donor to decide which partners are eligible, or not. Adherence to ‘good policies’ often plays a key role in this respect. The experience with policy conditionalities in the past showed that donors as a community or separately often went into great detail in dictating specific conditions on the use of aid. This poses a problem, however, for the practice of partnerships.

Mkandawire (1994: 165–169) foreshadowed this problem in his discussion of the changing donor perspectives on policy making in recipient countries. On the one hand – he argues – the processes of democratisation can undoubtedly enlarge the stake of the public in economic reforms through political checks and balance, a free press, and open debate on the costs and benefits of government policy. On the other hand, however, there is no reason to believe that the policies adopted within such democratic processes would, of necessity, converge with the views of the donor community at large, and of the multilateral financial institutions in particular. Unless, of course, the assumption is made, explicitly or implicitly, that there is only one ‘right’ theory and practice around which a consensus can readily be built and no scope for conflict on what is desirable for society arises (*ibid*: 168).

That agreement should exist on broad objectives – democratic practice, the pursuit of poverty reduction, etc. – is reasonable for any partnership to work. The problem arises, however, when it comes to filling in the detail as to how such broad objectives should be achieved. History shows that successful experiences in economic growth, poverty alleviation and social development often pursued quite varied economic and social policies (Taylor, Mehrotra and DeLamonica, 1998). In a context where multiple objectives prevail and poverty reduction is an overriding concern alongside economic growth, context and specificity matters a great deal in shaping appropriate policies. Yet it is quite clear, for example, that in terms of fiscal policy stabilisation has been the overriding constraint imposed by the IMF and the World Bank on countries undergoing structural adjustment programmes. As Adam and Bevan (2000) put it more generally in a recent discussion paper, ‘fiscal policy had simply become a matter of progressively lowering the deficit, and there was little scope for discretion’.

But, as Adam and Bevan further argue, once stabilisation has taken hold, it does not mean that the economy has somehow reached a desirable ‘equilibrium situation’. On the contrary, rapid and successful stabilisation – which they

view to have been a necessary and overriding priority – often leaves the economy in a lopsided state of affairs: curtailed, yes, but unbalanced, and not yet necessarily on the track for pro-poor growth. In a post-stabilisation era, they argue, the policy agenda must open up to allow for broad-based development policies. In all this, however, it is clear that the donor community in general, and the IMF/World Bank in particular, undoubtedly occupied the driver seat in steering domestic economic and social policies.

This issue of asymmetry in the aid relation is also a major issue for partnership in Mozambique today. Given the level of dependence on aid, policy making in general, and fiscal policy in particular, reflect different preferences and assumptions brought by different actors in the policy arena. In Mozambique, where the history of the war left a particularly lopsided economy, the tasks of reconstruction and growth were undoubtedly subordinated to the limits imposed by stabilisation as the single-most overarching objective (Wuyts, 1991; 1996). While recognising the importance of stabilisation as a policy goal, this single-mindedness has been questioned repeatedly, implicitly and explicitly, by the more growth-oriented stance of the Mozambican authorities, as well as within the donor community. In this respect, Sida's position in the country strategy was undoubtedly influential in shifting the terms of the debate towards more broad-based policies. In the present post-stabilisation context, the policy space widens anew, opening up new areas of debate on how to achieve broad-based development. Many of the concerns raised in the country strategy about growth and reconstruction after the war are by no means obsolete, therefore, but acquire renewed importance at this present juncture. Sida has been an important player in putting these questions on the agenda already at an early stage, and can continue to play a role, be it in a changed context, in the future.

3.3.3 Partnership and regional concentration of aid

The problem of asymmetry in the aid relation is intensified, not simplified, with the concentration of aid in particular provinces in support of decentralisation. In a province like Niassa, with an extremely weak fiscal basis, the potential dictate of a major donor like Sida, that provides general support to the provincial budget is great. This is reflected in the slow signing of accords for provincial proposals covered under general agreements about which Sida has doubts. At national level, the continuing earmarking of donor funds for particular projects or regions within a SWAP, similarly reflects donor reluctance to shape the allocation of aid funds. If one looks at the Country Strategy document, one can see this asymmetry in the floating reference to the Mozambican concern with generating employment, an issue not further picked up in the document.

We do not mean to suggest here that the Mozambican voice is always right (Sida's concern with the realism or poverty implications of some of the Niassa provincial government proposals is well placed). The plurality of partners is also a major issue in Mozambique today. A country strategy is negotiated

between two governments. At the onset of the formulation of the country strategy process, Sida had an overall objective, the strengthening of the role of civil society in political process (democratisation). It recognised, however, the weakness of existing political organisations and the risks of promoting, as many donors have done [cf. Hanlon 1991] client NGOs in the name of democratisation. The decision to regard the Mozambican government, and thus the Frelimo party, as its principal partner, thus reflected not only Sweden's historical political alliances, but also the current political context.

The identification of party and government (or government and state in current Mozambican language) poses, however, a problem for partnership in development cooperation in a changing multi-party context. This is particularly true if decentralisation is viewed, as it is in the country strategy, as a major part of the democratisation process. Today the Frelimo party contests with Renamo for control of government while a range of smaller parties and opposition groups demand accountability from both Frelimo and Renamo. It is internationally accepted (although contested by Renamo) that Frelimo won the elections and Chissano the presidential elections. Hence Frelimo forms the government at central, provincial and district levels. Outside a few urban centres, however, the last local elections took place, however, in 1986, before the institution of the multi-party system. District assemblies, which were always weak, do not meet. Provincial assemblies are not considered to have legitimacy and in some provinces, such as Niassa, do not even meet.

Answerability of the executive to parliament, one of the assurances that the government is a legitimate 'partner' in the multi-partner system, thus currently works in Mozambique only at a national level. This system confronts a problem in those provinces where Renamo won the elections, particularly at a district level in districts that voted for Renamo by substantial margins. In such cases, e.g. some districts in Niassa, the legitimacy of the district administrator is challenged. This compromises the government's policy of decentralisation. For Sida it has made problematic the attempt to strengthen both democracy and national legitimacy by directing aid resources towards the provincial level and away from southern Mozambique, namely to Niassa. In those Provinces and/or districts where Renamo won the elections, it is difficult for a donor to work both with the government and with a substantial part of the population.

Some of the international NGOs have resolved this problem by working at a district level through assemblies or seminars in which the district administrator may participate but does not preside. Others have tried to work directly with assemblies of local leaders, bypassing provincial and district governments. Thus the access to external resources is effectively mediated by a donor or donor-funded NGO, the kind of donor patronage system that Sida has been concerned to avoid.

When implemented, the new proposals on local elections and the establishment of 'traditional leaders' (with uniforms and a subsidy) will mean changes in this situation. Elections or even appointment may establish legitimate part-

ners at the local level, though it will not preclude donors functioning as brokers between Frelimo party representatives in government and opposition leaders at a local level. The new agreement that Renamo will consult on the nomination of governors and district administrators in the districts it won in the elections, could, however, radically change the context of partnership even more quickly. Weeks if not months of dialogue with advisors to the provincial governor of Niassa may have to be followed by weeks if not months of dialogue with different provincial officials.

Sida has been consistent in its emphasis that local initiatives cannot work well without access to functioning state structures and thus works with the national government, and, in the Niassa project, through the provincial government. This is a coherent position, but has meant that Sida is sometimes seen as partisan, both by opposition groups and by some within Frelimo who assume that Sida is 'theirs'. What could be a sustainable approach in 1996 to the entry of partners in the country strategy process, is no longer sustainable today.

3.3.4 Dialogue, perspective, homogeneity and the construction of partnership

Current emphasis on sector wide approaches and donor coordination raise another issue of partnership: to what extent does Sida agree with the positions taken by other donors, particularly lead donors within the areas where it works? The 1999 regional strategy ties debt relief to economic reform more tightly than is done in the current country strategy. Does the like-minded forum have any remaining role in Sida's conception of alternatives for development assistance? How does Sida with its long involvement with agricultural marketing in Mozambique (and its present problems with blanket promises made in Niassa that Sida will resolve the problems of peasant granaries filled with rotten maize) address the exclusion of the issue in Proagri? Donor consultation is important at ambassadorial level, but how does such consultation feed into the country strategy process?

Dialogue with different partners may open up for Sida alternatives which it could not find alone, and without dialogue no one of its alternatives will be possible to operationalise. Yet we have discussed at length the ambiguities and contradictions inherent in the concept of partnership. These show that there are no easy answers to the question of how partnership can provide a more active contribution to the country strategy formulation within the shifting context of Mozambique today. Some opportunities for new kinds of dialogue, within SWAPs, for example, do exist. Discussions and controversies within SWAPs could be more formally presented and discussed within Sida as part of the Country Strategy formulation process. Other opportunities, such as ways of reaching beyond national and provincial governments, will have to be created. Here partnership is worth pursuing if it is relevant to the profile of activities within the country programme. For example, if Sida were interested in developing aid in the area of culture, it would make sense to bring the president of FUNDAC, an existing fund for cultural promotion,

into the discussion of strategy. Relevant partners, within an extended conception of partnership, would include beneficiary groups as well as possible executors of projects. Thus, to use the same example, Sida would want dialogue not just with FUNDAC but with groups such as the Association of Mozambican writers.

For Sida itself it is both possible and desirable that its country programme be coherent – that differences of position and political pressures as much as possible be worked out in a common approach to development cooperation that can be reassessed at regular intervals (every five years under the country strategy methodology). Issues of partnership are more complex. Dialogue will not in itself produce workable common agendas that assure the relevance of development cooperation. Partners are not homogeneous and do not represent homogeneous interests. To take the example above, in its dialogue with FUNDAC, the Sida programmer for culture might decide that the current agenda of FUNDAC – setting up prizes for the best of Mozambican cultural production – does not correspond to the ways in which Sida would relate cultural assistance to development objectives. Sida itself must have the analytical capacity and institutional organisation to develop and assess the relevance *both of activities and of its choice of partners.*

3.4 Summary and conclusions

This chapter described a conflictual process of formulation of the 1996–2001 Country Strategy within Sida, with differences arising among the three spheres involved in decision-making, the embassy, sector desks and the regional desk. Although the basis of these conflicts is not discussed openly in documentation, many within Sida saw them as turf or power struggles. That may have been so, but they also concerned important strategic issues about the relevance of different kinds of programmes to political, economic and social development in Mozambique. These are complex and difficult issues that legitimately merit debate. The formal coherence of the documents thus masked an internal process of dissension, that could have, but did not, contribute to clarifying assumption about the relevance of the country programme to Sida's overall objectives. A closer adherence to the analysis of the relation between overall and intermediate objectives – in Sida's own application of log frame analysis – should have clarified the discussion of assumptions. We return in Chapter 6 to the question of why this did not take place.

Unless assumptions are made explicit, it is impossible to revisit them later, in the light of experience or new information. It is hence not surprising that we found that there was not really a country strategy process with the kind of interconnectedness implied by the Country Strategy methodology. Rather the 2002–2006 Country Strategy process is largely unconnected to the first. We discuss in the following chapters the kinds of changes that would be required for there to be an iterative strategic process in which analysis of results of one country strategy process could feed more effectively into the next. Nonethe-

less, where debate was particularly sharp, as in the case of decentralisation in the 1996–2001 formulation process, it is possible to revisit assumptions even if they have not been written down explicitly. We would recommend that the embassy, relevant sector desks and regional desk review the objectives underlying decentralisation in the light of the Niassa experience as an input to the 2002–2006 Country Strategy.

This chapter also describes how the Country Strategy formulation process works in the next context of partnership. We found that the formulation process attended to partnership in the narrow sense, discussion with the government, but did not attend to broader changes in the context of partnership. The current methodology largely abstracts from the context of partnership (see Figure 1 from the TOR, Annex II). We concluded that there are no quick fixes for the construction of partnership in the current complex context. At a formal level remains the Ministry of Cooperation but in practice Sida must create conditions of dialogue with relevant partners, both executors and beneficiaries. Debate and discussion within SWAPs constitute an opportunity for dialogue; if difference is discussed and registered, it provides an input into the country strategy process. Otherwise the identification of relevant can only be done in function of the relevance of projects and programmes – there is no longer any set of generic Sida partners in Mozambique.

Chapter 4

Visualising the Margin: Investigating Relevance and Coherence in Operationalisation

4.1 Introduction

This chapter develops an analytical framework to check how coherence is maintained and relevance constructed in the operationalisation of the country programme in conformance with the objectives and guidelines laid down in the country strategy document. Central to this framework is the concept of the ‘margin’ – the room of manoeuvre within strategic decision-making to alter the course of the country programme over the time horizon of the strategy period. At any point in time, the country aid programme is an ongoing concern with its own inherent momentum that depends upon the respective time spans of its constituent components of projects and programmes. The room to alter to course of action, therefore, depends on the space that becomes available as projects or programmes reach the end of their term or additional aid resources become available. Managing the margin is the process of rendering a strategy operational in terms of using the room of manoeuvre available. Section II of this chapter first develops a concept of the margin and subsequently discusses its relevance in a context of decision-making under partnerships.

Section III then investigates how the margin evolved and was managed under the 1996–2001 country strategy. To do this requires an analytical tool that renders the margin visible and allows it to be monitored over time. To enable this to be done, a ‘country strategy matrix’ was designed explicitly for this purpose. The methodology of the design of this matrix was discussed in section II-A of chapter 1. Using the concept of synergy within the construction of relevance and maintenance of coherence, section III then shows how the matrix can be used to investigate anomalies, gaps, silences, and other inconsistencies in the operationalisation of the country strategy.

The analysis in section III does not only yield a picture of what happened in the past, but also provides ideas on how a country strategy might be managed more effectively in the future. More explicitly, section IV argues that the ana-

lytical tool developed in this evaluation study to analyse the desk work data – the “country strategy matrix”, or matrix for short – can be turned into a strategic practical tool to guide the management of the margin over the time horizon of the country strategy. This section further argues, however, that Sida’s prevailing system of data management does not allow for the use of this type of matrix as an active tool – continuously updated – to monitor and manage the margin. This failure in data management, it is argued, has considerable costs in terms of the effectiveness of constructing relevance and securing coherence in the process of operationalisation.

4.2 The concept of the margin: A conceptual framework

During fieldwork we often encountered scepticism with respect to the usefulness of a country strategy as a management tool to guide the operationalisation of the country programme. Three arguments, in particular, tended to underscore such scepticism:

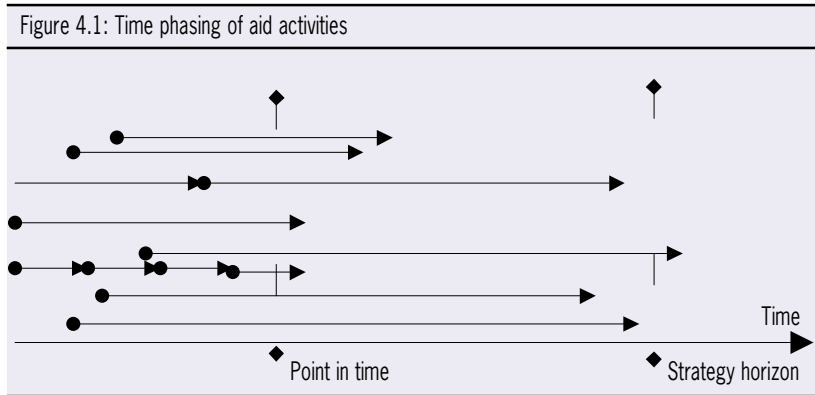
- A country strategy that maps the range of activities to be undertaken over a five year period can turn out to be an inflexible tool for the management of development co-operation since overall circumstance and context can change significantly over the planning horizon, thereby rendering past strategic positions (partially) obsolete. If a strategy is to be used at all, it was argued, its time horizon should be much shorter to avoid built-in obsolescence – say, three rather than five years;
- As the scope and scale of new aid-delivery mechanisms (SWAPs, Macroeconomic Financial Framework Initiative) increasingly transcend the boundaries of aid activities of an individual donor, there is no longer any need for a country strategy;
- It is the Mozambican government that needs a strategy, not the individual donor.

These are insightful and powerful arguments that need to be addressed when dealing with the question of relevance and coherence of a country strategy. Before dealing with them empirically, however, it is essential to tackle these issues conceptually so as to lay the foundations for subsequent empirical analysis.

4.2.1 Strategy versus flexibility?

Consider first the question of strategy versus rigidity, given changing circumstances over the time horizon. A country strategy, by its nature, looks forward in time at the conjunction of all aid activities to be carried out within a recipient country. In doing so, it also looks backward – assessing the range and nature of pre-existing and ongoing operational activities, each with its own in-built momentum and projected horizon. Some ongoing activities may have reached near completion; others may be mid-stream in their development, or

may have only recently been started. At any point in time, therefore, the conjunction of all aid activities in terms of their diverging time horizons can be depicted as shown below in schematic 3.1. The schematic illustrates two problems that inevitably will arise when dealing with a country strategy and its operationalisation.



First, there is the question that choices will have to be made, given the projected availability of finance over the strategy horizon, about the possible continuation, phasing out, or restructuring of ongoing activities and the introduction of new ones. The conjunction of these choices is what construes relevance in the process of operationalisation. This is the question of managing the margin: looking at the space that effectively becomes available and determining what to do with it in the light of strategic objectives.

Second, there is the question of how to combine strategy implementation in operationalisation with flexibility in adapting to changing circumstances. That is, on the one hand, a strategy is formulated over a particular horizon – 5 years, in the case of the previous country strategy. But, on the other hand, some of the ongoing activities within the strategy period may only come to completion towards the end of the horizon, when circumstances may have changed.

It is the latter argument – the problem of changing circumstances – that led some to argue against the usefulness of a country strategy because of the rigidity it imposes on aid action and of its perceived failure to respond to changing circumstances. The counter argument, however, is that in the absence of any strategy, the process of making choices becomes individualised and eclectic – the sum total of discrete choices made at successive points in time as ongoing activities come up for continuation, restructuring, or replacement by new activities. The eclectic nature of such a process may well be one reason why projects tended to go on forever, because renewal is often the easiest default option (apart from other factors – see, for example, Catterson & Lindahl *et. al.* 1998).

Making strategic choices does not preclude flexibility in tactics on implementation in response to changing circumstances. Only if overall objectives, immediate objectives and specific activities are all conflated into one, does the

problem of rigidity arise in full force. Instead, reassessing tactics in the light of changing circumstances (including changes in available information) should be part and parcel of strategic thinking and implementation.

This has three implications:

- First, operationalisation is not just a question of simple coherence with a blueprint (the strategy), but itself requires the construction of relevance in the light of a guiding strategy.
- Second, trying to avoid rigidity by making the time horizon of the country strategy shorter (say, 3 instead of 5 years) is a poor solution. Most likely, short run considerations will prevail over the longer run perspective. Moreover, the shorter the time horizon, the greater likelihood that the lifetimes of most activities will span across it, and, consequently, momentum will prevail over margin.
- Third, to be able to watch and manage the margin throughout the strategy period in the light of the strategy, it is necessary to make the margin visible and to situate it within the totality of ongoing aid activities.

4.2.2 Strategy and the pooling of aid resources

The next question concerns whether a country strategy becomes superfluous as aid delivery systems transcend the boundaries of individual donor agencies. Pooling of aid resources within budget aid is increasing over time. So what then is the need for a country strategy? Why not concentrate on joining selected SWAP arrangements, when they fall due? And why does Sida need its own analytical framework on poverty if it can simply join the PRSP initiative?

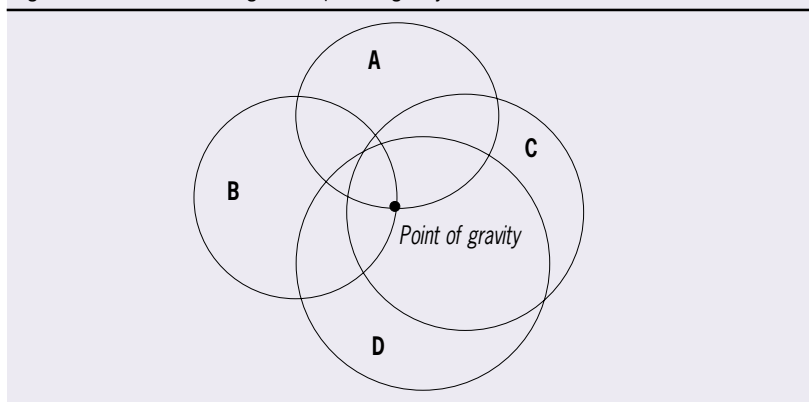
Historically, donors tended to confine themselves mainly to project aid, thereby operating at the micro level. Aid policy, therefore, consisted of a portfolio of projects, supplemented by technical assistance. With structural adjustment, programme aid emerged as a parallel stream of aid and, in the process, created the donor community as an entity separate from the range of individual donors. Macro issues, therefore, entered the agenda, also for individual donors. In recent years, however, the older distinction of project versus programme aid has gradually become more blurred. Apart from debt relief initiatives, the newer forms of aid delivery effectively involve different variants of budget aid – either general budget aid or sector-based budget aid (SWAP). As a result, the Country Programme is no longer an agglomeration of projects – but now a reduced set of broader brushstrokes. These new forms of aid pose new challenges in terms of strategy formulation and its implementation. It is not surprising, then, that the continued relevance of a country strategy as a management tool was questioned in the light of these new developments. Why strategize individually when action is collective in nature?

'Sida's policy for Sector Programme Support and Provisional Guidelines' (2000) gives quite a strong answer to this question with respect to intention of the Swedish government to a sector wide approach (SWAP) in the support to

key development areas. While, ‘A central feature of the SWAP concept is the principle of *strong national ownership and political commitment*’, this does mean that Sida expects the recipient country to define the SWAP, and that Sida will subsequently simply make a budget allocation. Instead, it is rather strongly affirmed that ‘The sector programme is seen as a joint programme of work with a process-oriented approach, geared to jointly agreed goals and policies. The partners work together in the definition of strategy and in the negotiation of resource allocation.’ (p10). Later this is restated as ‘The financiers have the possibility of participating in the formulation of the sector strategy and of exerting an influence on the allocation of the resources in the sector.’ (p19), and finally ‘The task of the external parties is to contribute funds and to conduct a dialogue on strategic issues.’ (p28)

Indeed, any pooling arrangement involves consensus building and, hence, never fully reflects the strategic aims of only one partner. The more *homogeneity* there is among partners, the easier it is to build a consensus (reflecting like-mindedness). Yet each consensus will have a *point of gravity* (its *core*) that defines how relevance is effectively constructed through a balance of voices, not necessarily equal in tone or strength. Schematic 3.2 makes this point visually, assuming four participating actors (A, B, C and D). The sphere of acceptable definitions of relevance for each actor is depicted by a circle (= set of choices deemed at least minimally relevant); the origin (midpoint) of each circle indicates maximal conformity with the actor’s own objectives. Where circles intersect, a platform for action is feasible.

Figure 4.2 Consensus building and its point of gravity



The black dot indicates the point of gravity – its content defines the relevance of the programme reached through consensus. As depicted in the schematic, this consensus is only marginally reflective of the objectives of A and B, quite acceptable for C, and closest to the definition of relevance for D (the origin of D’s circle).

This simple schematic provides insight in how to approach the analysis and evaluation of Sida’s participation in pooling arrangements. If the point of

gravity (= the core content) of a particular pooling arrangement is located well within the acceptable range of what Sida considers relevant, *leverage* is obtained beyond the confines of Sida's own programme. If, however, the point of gravity sits uneasily within Sida's own definition of relevance, leverage is lost. In the latter case, Sida's aid resources are being leveraged within a more problematic construction of relevance.

An example may illustrate this point. As discussed earlier, during most of the 1990s, stabilisation was the overriding priority underlying structural adjustment policies and conditionalities, which, in turn, conditioned access to programme aid. Stabilisation was and is an important objective, recognised as such by Sida. But, at times, Sida also felt uneasy with the single-minded concern with stabilisation, often at the expense of other objectives (reconstruction, social provision, or growth-induced poverty reduction). Sida, in partnership with other likeminded donors, however, at various times, sought to put these concerns more firmly on the agenda, thereby attempting, and sometimes succeeding, to shift the point of gravity closer to its own objectives.

The implication of this argument is that participation within joint action is no argument for abdicating one's own strategy or, indeed, for not having a position with respect to key questions such as, for example, poverty reduction. On the contrary, to articulate an effective voice within joint action requires a strategy capable to set boundaries of relevance in accordance with one's objectives and to argue for a clear position. "Voice" within consensus building, therefore, needs to be informed by strategy to achieve synergy within the operationalisation of a country programme.

4.2.3 Donor strategy and partnership

In a way, the same argument applies to the relation between a donor and a recipient. It is quite clear that the recipient government needs an overall strategy within which to situate the aid inflows. But donors do not give aid free of charge or without ties attached. Sida, for example, has its own objectives why it gives aid and wants these objectives to be realised in practice. Hence, Sida aid policy will be informed by strategic considerations that will shape the size, form and direction of aid activities.

But the relation between donor and recipient is not the same as that between donors in joint initiatives. Foreign aid involves a complex, contentious and unequal relation. It is complex because it concerns a relation between a recipient country and a multitude of donors – bilateral and multilateral, governmental and non-governmental – each with their own interests and ideas. This relation takes place in a context of globalisation in which the least developed countries like Mozambique are located at the margin, yet deeply vulnerable. It is contentious because aid is not just about resource transfers between countries, but also about one or more parties (the "donors") exerting policy leverage over the recipient. It is unequal not only because there is always a basic asymmetry between creditor and debtor and between donor and

recipient, but also because aid is a relation between the rich and the poor countries – the economically powerful and the economically weak and vulnerable.

In recent times the aid relation is defined more as a partnership than as a creditor to debtor relationship. Yet this does not mean that there is symmetry within this partnership. Instead, the partnership, by its nature, is inevitable deeply asymmetrical. The implication is, therefore, that the aid relation never just is a question of economics and of management, but also of politics.

4.3 Investigating synergy: Checking coherence and relevance

As explained in Section II-A of Chapter 1, the ‘country strategy matrix’ was designed as an analytical tool to deal with both quantitative and qualitative information pertaining to the question of relevance and coherence in operationalisation. It is common, when dealing with a comparative overview of different projects and programmes, to tabulate levels of disbursements by sector as shown in table 4.1 for the period 1997/9 (actual) and 2000/3 (planned).

This type of overview, however is purely financial in nature – restricted, but useful in the information it provides. Note, for example, the low share of agriculture in total disbursements. This may look small in the light of the overall objective to reduce rural poverty. Whether it is or not, however, requires looking behind the figures and assessing how well projects and programmes address the major objectives – overall or immediate – of the aid programme.

Investigating the margin, therefore, requires more than looking at the relative expenditures weights across sectors. Some activities, although small in amount, may be quite key in achieving a specific objective. Aid given to support democratic elections, for example, may be small relatively to building a major road, but can be highly effective in enhancing the objective of democratic development.

The matrix aimed to investigate how the margin – the patterns of phasing out or continuation of old activities and the introduction of new ones – was handled in the actual process of operationalisation. To do this, two sets of strategic criteria inevitably enter into the equation. First, there are the overarching development aid objectives such as poverty reduction, gender equality, democracy and human rights and environmental protection. Second, there is Sida’s specific efficiency objective within the country strategy to concentrate its aid on fewer activities within fewer sectors.

Synergy requires that both these sets of objectives match across the various activities. In other words, when one set of objectives concerns greater effectiveness in reaching overarching goals of development policy and the other greater efficiency through sector concentration and fewer activities, synergy

Table 4.3: Actual and Planned Disbursements 1997–2003

Sector	Disbursement (MSEK)					Planned disbursements (MSEK)					
	1997	1998	1999	Average	%	2000	2001	2002	2003	Average	%
Agriculture	18	30	10	19	6%	17	26	33	35	28	6%
Education	31	16	41	29	9%	35	50	60	50	49	11%
University	4		15	6	2%	13	17	11	11	13	3%
Public Adm	31	27	36	31	9%	42	55	54	19	43	9%
Culture	2	5	3	3	1%	4	5	4		3	1%
Niassa		5	10	5	1%	19	46	30	30	31	7%
Energy	20	11	44	25	7%	19	30	75	50	44	10%
Roads	27	17	46	30	9%	99	66	55	55	69	15%
Democracy	11	3	17	10	3%	15	5	12	18	13	3%
Mine clearance	5	13	18	12	3%	13	11	10	10	11	2%
Consultancy fund	7	8	6	7	2%	10	20	20		13	3%
Balance of payment	45	75	50	57	17%	See Debt below					
Other	5			2	0%	24					
Tot country alloc	206	210	296	237	69%	310	305	331	243	297	66%
NGO humanitarian	8	2		3	1%	7					
NGO other	17	16	17	17	5%	17					
Regional	6	8	2	5	2%	2					
Debt	75		75	50	15%	100	100	100	100	100	22%
Research SAREC	13	6	24	14	4%	24	22	24	23	23	5%
Private sector	17	10	10	12	4%	10	15	23	21	17	4%
Other	3	4	3	3	1%	24					
Tot outside c. a.	139	46	131	105	31%	184	137	147	144	153	34%
TOTAL	345	256	427	343	100%	494	442	478	387	450	100%

requires that the former can comprehensively be achieved through the latter. *Anomalies*, *gaps*, and possibly *silences* may, therefore, arise at different levels and, importantly, between them (the question of synergy), making the analysis all the more difficult.

4.3.1 Simple anomalies: sector concentration

One simple form of an *anomaly* arises when, for example, the country strategy states that activities in a sector (or sub-sector) should be phased out, and in fact, were not. Or, alternatively, when an activity was destined to continue, given its sector focus, yet was nevertheless discontinued. These anomalies are easy to spot and were recorded as such within the matrix, with few ambiguities or border line cases. Tables 4.2 and 4.3 show the overall picture.

Table 4.4 Cross-tabulation by Decision on Margin (phase out, continue or initiate) and by Sector

# of Activities	SECTOR															Grand Total
DECISION ON MARGIN	AGR	BUD	CONS	CUL	DEM	EDU	EME	ENG	NGO	PADM	P_WAR	PRI	PROV	ROAD	UNI	Grand Total
Old & phased out (decided before CS)	2					1					2	2		1		8
Old & phased out (because of CS)	1					5				2						8
Old & phased out (despite CS)						1				1						2
Old & ongoing (due to CS)	1	1	1			1			1		3	2		1	1	12
Old & ongoing (despite CS)				2		1		1		3						7
New after 1996				1	1			1		1		1	1			6
Emergency						1								1		2
Grand Total	4	1	1	3	1	9	1	2	1	7	5	5	1	3	1	45

Table 4.5 Cross-Tabulation by Decision on Margin and by Anomaly

# of Activities	ANOMALY		
DECISION ON MARGIN	No	Yes	Grand Total
Old & phased out (decided before CS)	7	1	8
Old & phased out (because of CS)	8		8
Old & phased out (despite CS)		2	2
Old & ongoing (due to CS)	12		12
Old & ongoing (despite CS)		7	7
New after 1996	6		6
Emergency	2		2
Grand Total	35	10	45

Table 4.2 shows that, out of the 45 (groupings of) activities featuring in the matrix, 18 were phased out, 19 were continued from before, and 8 were new. In general, therefore, there has clearly been a move towards greater focus on fewer activities. There is no evidence, however, of a move towards greater concentration on fewer sectors or programmes. Moreover, as shown in tables 3.2 and 3.3, there were 10 recorded anomalies in total out of the 45 categories of activities listed in the matrix.

Of these 10, one is ambiguous as anomaly because the decision to phase it out was taken prior to the formulation of the country strategy. This was the contentious PESU project, phased out subject to the discovery of irregularities in the handling of funds. A further 2 projects were phased out, despite their overall conformity with the objectives of sector allocation laid down in the country strategy. Both involved decentralisation of effort towards the local level: the support to primary education in Cabo Delgado (education sector) and the support to strengthening local administration in pilot districts (Public Administration). Most cases, however, 7 in total, concern activities that should have been phased out according to the country strategy, but were not.

These concern the following activities:

- Culture: ‘Support to Culture Houses’ and ‘Culture Sector support through Ministry of Culture’ (2);
- Education: ‘Institutional Capacity Development’ (1);
- Energy: ‘General support National Power Authority, EDM’ (1);
- Public Administration: ‘Master Training in Macroeconomics, MPF’, ‘State Financial Management Project, MPF’, and ‘Capacity Building, Ministry of Public Adm, MAE’ (3).

The institutionalised mechanisms for such policy reversals in sector distribution of activities will be discussed in more detail in chapter 6. Here it is sufficient to say that they obviously reflect areas of contention – not just between departments or persons, but also often in terms of broader synergy.

In effect, these types of simple anomalies are but the tip of the iceberg as far as the analysis of relevance and coherence is concerned. If the analysis were to stop here, however, not much more would be required but a simple checklist to record sector-based matches in terms of the consistency between the country strategy and its operationalisation.

4.3.2 Silences, gaps and complex anomalies

It is further necessary, however, to bring the overarching objectives into play to verify how relevance is constructed within operationalisation. This proves to be harder as an analytical task. It is at this level that silences, gaps and complex anomalies may arise in the process of the construction of relevance. Silence relate to unspecified assumptions or objectives, gaps to the failure to cater for specific objectives, and complex anomalies to the lack of corre-

spondence between overall objectives for effectiveness, on the one hand, and the specific efficiency objective of concentration on and within fewer sectors.

A silence occurs when the linkages between a concrete activity and its immediate objectives, and between the latter and overall objectives, including the assumptions underlying these linkages are either poorly spelled out or not at all. In fact, here we encountered a lot of blanks (to the point that we had to simplify the original design of the matrix to avoid an overdose of empty cells or even columns).

Using the matrix, a simple coding system was used to verify whether a particular activity was either not relevant to a particular objective (code 0); indirectly relevant (code 1), or directly (2).¹ Based on the available information for each activity with respect to its relevance to the overarching objectives – poverty reduction, gender equality, democracy and human rights, and environmental protection, we arrived at the following synthetic summary depicted in table 4.4.

Proactive goal	Direct	Indirect
Poverty Reduction	15.5%	24.5%
Gender equality	13.5%	18.0%
Human rights and Democracy	6.5%	22.0%
Environmental protection	2.0%	24.5%

Sida's own PLUS system instead gives the following alternative picture.

Proactive Goal	Direct	Indirect
Poverty reduction	22%	59%
Gender equality	8%	49%
Human Rights & Democracy	13%	49%
Environmental protection	6%	31%

There are quite considerable discrepancies between both sets of scores. Yet both demonstrate that the percentages of activities with direct effects are generally *low* across all objectives. In fact, with respect to the direct relevance, the sums of the percentage frequencies across the four major objectives are, respectively, only 38% for our matrix, and 49% for the PLUS scores. This means that, even if there were no overlaps (i.e. any activity serving more than

¹ A simple and minimal criterion was used to allocate scores. If the objectives of a project or programme explicitly mentioned direct relevance to one of the main objectives, even without clearly specified assumptions or argument, a score of 2 was given. If the documentary evidence contained some argument or hint pointing towards relevance, a score of 1 was given. In case of the absence of any explicit statement or hints, 0 was given.

one objective), half or more of the activities would not be *directly* relevant to any of the major objectives.

Note also that with respect to direct relevance the respective scores in both tables tally reasonably well, taking into account that our matrix included selected groupings of activities to reduce its size (a total of 45 entries). These grouping (for example, grouping all NGOs together) affect % scores across activities and may, therefore, account for smaller divergences. The scores on indirect relevance, however, are distinctly different.

The low scores on direct relevance in our matrix (and the greater discrepancies between respective scores of both sources) may indicate that the exact assumptions as to how and why particular activities contributed towards a particular objective were left vague, making it difficult to assess the degree of relevance. This does not mean to say, however, that in many cases there was no underlying rationale for doing these varied activities. What it shows, however, is that this rationale is often not made explicit.

More generally, when filling in the cells in the matrix, we found that:

- At times, no link to objectives was made at all;
- Sometimes, very immediate objectives (e.g. rephrasing of the intended outputs of an activity) were spelled out with no further argument about how these linked up with broader objectives;
- Often only the overarching objective was stated (e.g. reducing poverty) with no argument about why this activity is particularly suited to address this objective;
- In general, assumptions backed by arguments were hardly ever discussed and, at best, left implicit.
- When results are discussed, it tended to be mostly in terms of immediate output without much further consideration of how the output fitted in with achieving immediate and broader objectives.

In other words, there is not much evidence that the practice, inherent in logical framework planning, of distinguishing the linkages:

- between inputs to activities,
- to outputs,
- to immediate objectives,
- and onwards to broader objectives,

and, subsequently, of substantiating the linkages between them through argumentation about assumptions, has as yet taken much root within Sida's routines for the operationalisation of the country strategy. In fact, a quick glance through the headings on objectives and rationale within the various facts sheets listed in the supplementary volume (The Matrix and its Data) to this report, confirms that the pre-eminence of a lot of blanks or minimal statements.

Gaps occur when specific objectives are not or insufficiently catered for within the range of activities. In fact, the country strategy itself postulated one such gap by putting environmental protection on the backburner. The underlying assumption was that, in the context of Mozambique, economic growth for poverty reduction should take precedence over environmental concerns. This, at the time, may well have appeared to be a reasonable assumption, given Mozambique predicament of post-war reconstruction within the imperatives of financial restraint under stabilisation and structural adjustment. But this does not preclude it from being a gap – made explicit, but not to be forgotten.

The recent floods, for example, prompted a flexible response from Sida in the light of the emergency they created. But it also challenges points of strategy. Indeed, the country strategy gave greater emphasis to economic growth than to environmental protection, at least at this stage of development, given its concern with poverty reduction. The floods, however, caused major havoc in terms of economic destruction, thereby setting back the achievements propelled by economic growth. These recent events, therefore, vividly showed that not all environmental concerns can be put on the backburner, but that some may need to be addressed to safeguard the level and growth potential of economic activity. It may be necessary, therefore, to re-visit some of the assumptions underlying the country strategy, not from a perspective of ignoring it, but by drawing out, and correcting for, the inconsistencies in its underlying assumptions.

Absence of synergy leads to complex anomalies, which point towards deeper issues in the process of operationalisation. These cannot so easily be spotted, but the matrix set-up helps in detecting where they arise. A few examples may illustrate the point.

Earmarking higher education within the country strategy as a focus sector, on the one hand, without mentioning any explicit linkage to the specific objectives this was meant to serve, on the other, is an example of what could be either a complex anomaly or a silence. It would be a silence if objectives were left unspecified. The country strategy does not give any reasons why this sector is important in terms of objectives, but, in contrast, the Africa Region Action programme stresses the importance of research cooperation. Alternatively, it could be considered as an anomaly – priority is assigned to a sector without it serving any priority objective. Other reasons may be at play if this were the case.

Another example concerns the case of combating rural poverty, a major component of the general objective of poverty reduction – given the predominance of the poor within rural areas. Yet, as shown in table 4.1, agriculture only received a low share in total aid expenditure, a share that is furthermore planned to be even lower and to be allocated in the context of a SWAP arrangement. This has the makings of a complex anomaly, but not necessarily so. It can indeed be argued that rural development is catered for through programmes in sectors other than agriculture – for example, education, or road construction. This is correct. But it is equally true that agriculture is the backbone around which rural livelihoods are predominantly structured. If

agriculture is supported indirectly, through other sectors, the specific assumptions as to how these indirect effects are achieved and are articulated with agricultural policies and interventions need to be clearly spelt out. Often, however, the argument is made in the form of blanket statements such as ‘rural roads promote commercialisation of agricultural crops’, or ‘primary education raises agricultural productivity’ without any concrete analysis on whether this is indeed the case. Consequently, the links between decisions on sector allocation, on the one hand, and priorities for overarching objectives, on the other, are at best left less than clear (= left silent), or worse still, insufficient (= leaving a strategic gap).

Issues to do with synergy, therefore, cannot be handled by applying a single criterion to a particular activity. Instead, they require more complex mappings within a context where activities pursue objectives, subject to efficiency constraints (the need to avoid dispersion), and within a political reality of partnerships and the increasingly more complex forms of donor co-ordination.

4.3.3 Foreclosing the margin

In the process of operationalisation, the phasing of the varied activities is *asynchronous* in time. Moreover, over time, the forms of aid delivery have changed in favour of pooling arrangements. This, as argued earlier, led some to argue that the country strategy has become redundant as a management tool.

With respect to actual operationalisation, the question then arises to what extent this sense of a country strategy having become obsolete has *de facto* crept into the actual practices of aid management. To verify this, the evaluation team mapped the information on the sector agreements that have been signed since the beginning of the 1996 Country Strategy, and expectation of new agreements scheduled for the next three years.

Agreements	1996	1997	1998	1999	2000	2001	2002	2003
Agriculture	→			→				
Education	→				→		→	
University		→			→			
Public Admin		→		→	→	—		— →
Culture	→			→			→	
Niassa			→	→	→	→		
Energy					→	—		→
Roads					→	→		
Democracy		→	→	→	→	—		→
Mine clearance			→	→	→			
Consultancy Fund	→			→				
Balance of Payments	→	→	→	→	→			→
Country Agreement period	←				→			
County Strategy period	←					→		

Note: dotted arrows indicate confirmed future agreements.

The new Country Strategy will be finalised at the end of 2001. Yet, as the chart shows, several sectors agreements (to which Proagri should be added, which is expected to be signed early 2001) will have been signed in the eighteen months prior to its finalisation, during the period of its preparation. Each sector, therefore, appears to be operating with its own rolling plan, often sizeable, some of which increasingly involve pooling arrangements. Little room is left for any country strategy to play a role.

For example, for the period 2001/3, SWAP support for education is planned at 11%, a SWAP type support for Agriculture (Proagri) at 6%, Rural roads and Electricity are expected to consume 25% of the budget in the next three years; 8% is reserved for the Niassa; while macro-economic support constitutes 22,5%.

Most of this funding is already committed, thereby foreclosing the margin of the coming country strategy, leaving little to be decided upon. This apparent 'out of step' timing of new commitments, therefore, confirms that, in actual day to day practice, the country strategy as a management tool is seen as largely redundant. Yet these decisions, when taken, need to reflect the overall strategic framework laid down in a country strategy, be it often under changing circumstances. Otherwise, it is hard to see how a country strategy can both have teeth, yet be flexible, in guiding upcoming decisions when they fall due. At present, however, flexibility prevails, but there is little evidence of teeth.

Table 4.6 also illustrates a further point we made earlier. During the fieldwork we were frequently told that the present planning horizon of 5 years for a country strategy was too long, and should be shortened to, say, 3 years. Yet a quick look back at the lengths of most of the arrows depicted in the table shows that many activities have a lifetime of three years or more. Making the strategy horizon shorter to avoid rigidity, therefore, just invites a different problem. The shorter the time horizon of the strategy, the smaller the effective margin will be, the less there is to decide about strategically, and perhaps the more short run concerns will prevail over long run perspectives. To render a strategy meaningful, we would argue, requires a sufficiently long time horizon to serve as an effective guide to managing the margin. A short horizon instead merely forecloses the margin.

Strategy indeed matters. Not in the sense that operationalisation is merely the implementation of a previously designed blueprint. But instead in the sense that it guides the process of forging synergy in operationalisation: that is, of matching the need for effectiveness in pursuing overarching development objectives with the need for efficiency through concentration on fewer areas. Within joint endeavours across donors, in the absence of a strategy, Sida's aid resources are more likely to be leveraged, than to leverage. Moreover, without a coherent set of strategic guidelines and principles, chosen alternatives will inevitably become eclectic, fragmented, and sector- or programme-driven. Instead a strategy aims to forge synergy.

4.4 The country strategy matrix as management tool

In this study, the design of the country strategy matrix had as explicit purpose to serve as an analytical tool to be able to analyse relevance and coherence within operationalisation. Since the matrix was designed to handle both quantitative and qualitative information, it was than possible to map projects and programmes row by row with respect to Sida's overarching development objectives, assumptions, intended recipients and beneficiaries, donor involvement, results and evaluation summaries, as well as sector concentration. Glancing down columns allowed different projects and activities to be compared with respect to the specific headings (say, for example, poverty reduction objective). The added use of coding systems for several of the fields (column headings) allowed for convenient cross-tabulations to be made. The purpose of it all was to be able to *look at* the operationalisation of the country strategy as a whole from different angles – how the margin was managed, how each overarching objective was catered for across different projects and programmes, etc.

4.4.1 The matrix as an extended logical framework mapping

The matrix as used here was a *one-off* affair – specifically designed to carry out the evaluation. But it is possible to use the matrix, with suitable adaptations in design, as a management tool for the continuous monitoring and

managing of the operationalisation of a country strategy. In a sense, the matrix is no more than the logical extension of logical framework analysis to a country programme as a whole over a strategic time horizon.

Logical framework analysis requires development planners and managers to specify clearly the interrelations between overall objectives, immediate objectives, outputs, activities, and inputs, each time spelling out the assumptions connecting these different layers. In the process, it is essential to define who will be the recipients and intended beneficiaries. The size and time period of funding will have to be determined as well. Furthermore, in a context where multiple actors interact, it is necessary to analyse (and make assumptions) about co-ordination and about the effectiveness of joint action. Where aid takes place through partnership (rather than, say, conditionality only) the construction of relevance itself requires careful consideration of different positions on key issues between partners.

In other words, the kind of information and analysis that is required to carry out a logical framework analysis (if it is to be more than a mechanical exercise), is the type of information required by the column headings (= fields) of the country strategy matrix. In other words, each row within the matrix would require information from a logical frame to be organised under the respective column headings in the matrix. The conjunction of rows gives an overview of the country programme as a whole across its diverse set of programmes and projects. The addition of added (twin) columns with codes allows for subsequent comparative cross-tabulations of programmes and projects with respect to one or another aspect of the categories within a logical frame (objectives, assumptions, etc.).

As projects and programmes evolve – old ones are phased out or continued, new ones come on stream – it is then possible to update the matrix continuously. This way it is possible to keep a running record of the unfolding operationalisation of a country strategy, allowing new decisions to be placed within context of the overall programme. To do this, however, requires a different data management system than presently prevails within Sida's day to day practices.

4.4.2 Inefficient data management and built-in obsolescence

There are essentially two deficiencies which would need to be corrected to allow for the continuous monitoring and management of the margin in the construction of relevance and maintenance of coherence at the level of operationalisation. The first is the lack of *effective* use of logical framework planning at the level of each programme or project. The second concerns the chaotic nature of Sida's projects and programmes data management system.

First, the experience of collecting the fact sheets for this study revealed that the use of logical framework planning mainly exists in theory, but hardly in practice. A quick glance at the entries for the different headings in the fact sheets (see the report "The Data and its Matrix") shows that it is hard to extract clear information about the layers and linkages between them of a log-

ical frame – overall objectives, immediate objectives, outputs, activities, inputs, and the respective assumptions linking these different levels. Many entries were left blank due to the absence of information in the project or programme documents.

As noted, however, already in the discussion on the formulation of the country strategy, the failure to distinguish between these different layers and to clarify and investigate the underlying assumptions makes it very difficult to conceive of and compare possible alternatives. The same is true at the level of operationalisation where assumptions need to be more concrete and the analysis of context and process more astute. More often than not, immediate objectives and assumptions are largely absent or left rather abstract.

Take, for example, the hypothetical assertion (assumption) that ‘primary education fuels rural development’. At a general level, it is difficult to give any historical example where development did not go hand in hand with increased broad-based education, particularly also at primary level. Genuine development without education, therefore, is most certainly a non-starter. But the reverse argument does not necessarily hold. Providing education will not necessarily automatically engender development in general, or rural development in particular. There may be other obstacles in the way that prevent this relation to come to fruition. For example, the prevalence of child labour as a necessary input to sustain livelihoods, rural or urban. Or, more generally, the immediate costs of education, including the opportunity cost of income foregone, may be too high. Alternatively, the type of education may be irrelevant to circumstance. Without concrete contextual analysis of the particular situation at hand, therefore, assumptions made at an abstract level may prove to be counterproductive.

Hence, projects and programmes in context require contextual assumptions as well. Sida’s actual practice of project planning and management, however, as manifested from the information in the fact sheets, shows that this was not always the case. One possible explanation may be that logical framework planning is perceived as a bureaucratic, somewhat mystical routine rather than constituting a framework for thinking systematically about assumptions and alternatives in the light of objectives and in the context of processes where multiple actors interact.

Second, the experience with developing the fact sheets and the matrix was instructive, over and above the analytical results it yielded, inasmuch as it highlighted the absence of any meaningful information system capable of monitoring the construction and maintenance of relevance within the operationalisation of the aid programme. The chaotic and disperse nature of the available information rendered the construction of fact sheets a tedious and time-consuming task – once done, not to be repeated. Moreover, once done, the information soon becomes outdated as a result of the mere passage of time. The data produced in the supplementary volume to this report, though impressive in its collection, and undoubtedly useful to serve as inputs into the forthcoming (one-off) results analysis, will nevertheless soon become obsolete.

In this respect, even during the final stages of redrafting this report, the evaluation team was given information to correct (relatively minor) omissions within the fact sheets or to make amendments to the matrix. The construction of fact sheets, however, was never meant to be an audit, but instead a means to an end. Moreover, the fact sheet reflect the state of the art of Sida's current data information system (deficient as it is) and, hence, is a testimony to the difficulties involved to get the information. The purpose of the fact sheets was not the provide an exact picture at a given point in time (when information is deficient), but to capture decision making in process by feeding the information into the matrix which allows investigating how the margin was actually managed.

The absence of a meaningful information system is an expensive and inefficient affair. It is costly because each separate task, particularly when carried out by consultants, requires starting anew – digging out the data from the various nooks and corners within Sida. It is inefficient since the data, once assembled *ex post* in this manner, soon become obsolete. This leads us to two important conclusions:

- The present data management system engenders built-in obsolescence – an inefficient system, the use of which inevitably invites periodic burst of data detection, search, and gathering (often carried out by consultants) in an attempt to catch-up, yet always falling behind.
- Built-in obsolescence engenders rigidity, rather than flexibility, in adapting the operationalisation of the country strategy to changing circumstances.

The first conclusion might explain why the results analysis hardly played (or plays) any role in conceptualising the past and, possibly also, the coming country strategies. The process of producing it is tedious; its format is uninviting to make it a tool that is comparative in nature (across the varied activities).

The second conclusion might explain why a country strategy is so often perceived as a straightjacket, rather than as a flexible tool, capable to deal with changing conditions over the strategy horizon. If, instead, the information inherent in the fact sheets were updated routinely within a general (preferably web-based) database as part of effective institutional and organisational practices, a matrix similar to the one used here for analytical purposes could be easily updated continuously and used as an effective policy tool. This would allow Sida staff to monitor the evolving margin of the operationalisation of the ongoing strategy from the dual perspectives of preserving strategic relevance and adapting tactically to changing circumstances – changing conditions or the availability of new information.

4.5 Conclusions

This chapter analysed the documentary evidence on operationalisation of the country strategy by first developing the concept of the margin – the room of manoeuvre for decision making about projects and programmes within

the time horizon of the strategy period, and subsequently using this concept and the country strategy data matrix (designed on the basis of this concept) to analyse how relevance was constructed and coherence maintained in the operationalisation of the 1996–2001 country strategy.

Section II, in developing the concept of the margin, made two key arguments. First, any aid programme consisting of a multitude of projects and programmes has, at any point in time, an in-built momentum inherent in the phasing of these different activities. The margin concerns the new decisions that need to be made across the time horizon of the strategy in terms of renewal of old projects and programmes or the introduction of new ones, given resource availability. Operationalisation, therefore, never is the mere implementation of a blueprint, but involves fresh decision making in the light of strategic guidelines. Hence, rather than pitching strategy versus flexibility as key concern questioning the usefulness of a country strategy, this chapter argues that strategy is necessary to enhance genuine flexibility, rather than drift. Second, aid programmes increasingly involve joint action (pooling) and take place in a context of partnership. This, it was argued, does not reduce the need for a country strategy, but rather reinforces it, given the leverage that can be obtained, or lost in the process. Nor does the fact that the Mozambican partner needs a strategy of its own mean that Sida can do without a country strategy. On the contrary, it is argued, to engage in a meaningful dialogue, clarity of strategy on both sides is essential.

Section III then looked at the documentary evidence of the 1996/2001 strategy from the perspective of how the margin was managed, using the country strategy data matrix as its key analytical tool. It argued that checking relevance and coherence is not just a matter of spotting simple anomalies due to the mismatch between the intended policy of sector concentration and actual outcomes, but also involves the analysis of more complex silences, anomalies, and gaps that result from the process of achieving synergy (or the failure thereof) between overarching objectives to render aid more effective and the efficiency objective of greater concentration of activities across and within sectors. The data matrix, therefore, was shown to provide a handy framework to *assist thinking* about how projects and programmes come together or not to achieve certain objectives, whether hidden assumptions were made or objectives left unspecified, or whether some objectives were simply not catered for. Finally, the analysis of the data matrix also showed that, in practice, the upcoming margin for the new country strategy is already foreclosed significantly without any explicit linkage to the process of new strategy formulation. Implicitly, therefore, the notion that a genuine trade-off exists between strategy and flexibility seems to prevail in practice.

Section IV argued that the analytical tool – the country strategy data matrix – used in this evaluation study could serve as a model for the type of management tool needed to monitor the operationalisation of a country strategy from the perspective of relevance and coherence. To do so, however, would require a change in the present data management system as well as the effec-

tive use of logical framework planning at the level of projects and programmes. Failure to do so, it is argued, promotes built-in obsolescence of the information for decision-making and impedes flexibility within a strategic perspective.

Chapter 5

Operationalisation and the Construction of Relevance in the Context of Partnerships

5.1 Introduction

Like a cauliflower where, when broken up in pieces, each piece replicates the larger structure, so does the construction of relevance in operationalisation replicate the necessity to analyse context, formulate immediate objectives in the light of overall objectives, investigate assumptions, consider alternatives, assess what others are doing, and, last but not least, locate action within a context of partnerships. Projects and programmes, whether single or joint, are the bread and butter of operationalisation. Logical framework planning is the appropriate management tool in the construction of relevance at this level. But, as argued in the previous chapter, in the process of constructing relevance, projects and programmes need to cohere in achieving overall objectives in a consistent and effective manner. The way they do so depends very much on the concrete (country) context, on the analysis thereof, and, consequently, on the assumptions made in the process. Projects and programmes, therefore, do not operate in isolation, but ideally should reinforce each other and achieve synergy. In other words, projects and programmes are akin to the smaller bits of cauliflower nested within larger and similar layers, which in turn require appropriate analyses that render assumptions explicit within concrete settings, thus structuring a hierarchy of immediate objectives in the light of overarching goals.

This chapter is concerned with the challenges arising at this *middle* level of decision making in operationalisation. It draws its inspiration from the case studies, but not by studying their respective impacts, each in turn. Instead, cases are used to infer – from the ground upwards – how broader objectives were translated into concrete action through the construction of relevance within operationalisation. This chapter, therefore, takes up a set of issues arising from the country strategy as key objectives and concerns, but which the evaluation team found to lack clarity or to reflect ambiguities or anomalies, which, in turn, were carried over at the operational level. Section II investigates a first set of such problematic issues to do with the construction of the substantive meaning of relevance: how activities are identified as relevant to

development in Mozambique today. In other words, issues concerning ambiguities as to *why* is Sida doing what it is doing?

Section III then deals with a second set of issues – problems arising in how co-operation is operationalised in the context of partnership. Indeed, increasingly, decision making at the operational level of the country programme takes place in a context of joint action and partnership. As pointed out in the previous chapter, this has led some to argue that the need for a country strategy has become largely obsolete. But the question of leverage within joint action and its relation to the nature of partnership cannot be ignored and inevitably assume growing importance in the process of managing the margin. Leverage through partnerships takes place within a context of partial indeterminacy – Sida does not control joint programmes it is involved in, but can both influence and be influenced by them, thus affecting consistency in action. Section III raises questions about key challenges inherent in this two-way interaction.

Finally, section IV contains the summary of arguments, conclusions and recommendations.

5.2 Challenges in constructing the substantive meaning of relevance: Rural poverty, private sector support and democratisation

This section deals with three substantive ambiguities, phrased as questions, which Sida needs to confront in operationalising its programme in Mozambique:

- What reduces rural poverty?
- What supports the development of the private sector?
- What is democratisation?

Though we as consultants may have different conceptions of the appropriate answers to these questions, the central issue is not what consultants think, but how Sida programmers use the resources they have (including evaluations and consultancies) to work out answers to these issues with their partners. These are all real issues of substantive debate in Mozambican society as well as within the donor community. Constructing relevance at the operational level requires a process of tackling these broader intermediate challenges to lay a basis for concrete interventions through projects and programmes. Moreover, the problem is not to find the right answers once and for all, but instead to revisit prior assumptions and, when needed, to rephrase immediate objectives, in the light of outcomes already achieved.

5.2.1 What reduces rural poverty?

Sida's approach to poverty reduction emphasises the importance of addressing rural poverty, given the rural residence of most of the population and statistics on the rural/urban distribution of poverty. What then is needed to reduce rural poverty?

The present approach of Proagri is that what must be done is to improve technical services provided by the government to smallholder cultivation. Sida programmers see this as too limited an approach. Sida has thus capped the amount it is willing to spend on this programme. In budget terms, agriculture spending is only 6,3% of the total, and there was considerable comment in Mozambican circles that this appears to be a contradiction with Sida's stated policy objectives. The argument is that Sida's overall programme is doing relatively little within agriculture itself – an area which, besides migrant labour abroad, is the backbone of rural livelihoods in Mozambique, both in terms of household production and of employment generation.

Sida's policy stance on this issue, however, appears to be that, apart from limited participation within Proagri, poverty reduction in rural areas is to be enhanced through complementary activities besides agriculture. The key question then is whether such complementary activities reinforce, detract from, or remain neutral to agricultural recovery and growth, given the prevailing conditions. Consequently, to avoid *leaps of faith*, from a perspective of the construction of relevance, this requires spelling out the assumptions (grounded in analysis) about the concrete mechanisms of how synergy is to be achieved.

In Niassa, for example, where again assistance to agriculture is emphasised in the Country Strategy, but where provincial documents are based on another premise: to reduce rural poverty roads have to be improved and credit provided to traders so that it will be possible for peasants to sell their surpluses. If Sida's position is that the key to reducing rural poverty is improving food production and smallholder incomes from crop sales, then clearly neither of these alternatives would be sufficient on their own (no synergy). Improving output is not sufficient if there are no markets for produce. There will be no markets for produce if smallholder varieties and quality are limited. Such an answer would, however, imply that Sida's withdrawal from the area of agricultural marketing (an avoidance perhaps of past patterns of partnership) compromises what it is doing to reduce rural poverty. This understanding of rural poverty could also provide a justification for indirect reduction of poverty. The Zambezi bridge, for example, could be justified in terms of the development of internal markets for peasant produce. This rationale could only be advanced, however, if competitiveness, on regional and world markets, were explicitly assessed.

Another response to the causes of rural poverty, implicit in Sida's involvement in cadastral reform would be to emphasise regularisation of land rights. There are at least two different rationales for this, however. The first is that people will not invest without secure individual titles, a position contested in

Mozambique, where the land law maintained the right to collective or community tenure. Another position would be that the problem is that some people do not have access to land, an issue of greater importance in some areas of Mozambique (e.g. Manica, Angonia, peri-urban areas) than in others (e.g. Niassa). Defining relevance in operationalisation of a cadastral programme will depend on which of these positions is considered more relevant and where. Individual land titling sufficient to establish legal mortgaging rights is a very expensive process.

In relation to both agricultural marketing and land access, another position on rural poverty could be that gender inequality is an important cause of rural poverty – the rights of women to hold property in their own names under some forms of customary law.

An alternative, not necessarily inconsistent position, might be to argue that reducing rural poverty demands redressing the regional imbalance in access to social services. Sida is not working in health under the present Country Strategy, but assuring that both rural health and education are covered by partners in its decentralised programme would be, from this point of view, necessary to assure overall synergy.

Still another, again not necessarily inconsistent position, might be to argue, again referring to recent poverty data and previous studies, that reducing rural poverty, particularly in certain areas, means improving income from off-farm activities, not just from improved nutrition and crop sales. Labour intensive road-building, rural electrification, and even indirectly a major project such as the Zambezi bridge could thus be justified in terms of its employment creation. This argument is explicitly made for the construction of labour intensive roads (in which the gender dimension is also explicitly considered). For the case of rural electrification in Niassa, job creation would probably in the first instance favour Zambezia, however, while indirect employment creation would depend on market access and competitiveness, not explicitly discussed in the Niassa proposals. In fact, at provincial level the use of generators is a preferred alternative still being pursued.

Still another position might be to argue that in the long-term rural poverty reduction depends on the economic linkages established by long-term growth. This may be the real rationale for major infrastructural sector-based commitments, but if so, Sida must argue the relevance of these investment both for long-term growth and spell out how they would reduce rural poverty – whether through out-migration, through the development of rural industries, or through increased demand for agricultural commodities.

5.2.2 What promotes the private sector?

Implicit in different answers to the question of how to reduce rural poverty is another issue central for Sida's overall objectives of the Country Strategy: What in Mozambique today does the promotion of the private sector mean? Sida personnel described the relationship as the difference between 'feeding

fish to a poor man, and teaching a poor man how to fish.’ The link between the promotion of the private sector and the reduction of poverty can again be set within the context of different rationales.

The first is that the development of strong private enterprises will provide large-scale employment and tax contributions; the second is that small entrepreneurs, based mainly in the informal sector will diversify their income base. Again these are not incompatible processes, but Sida’s indecision about what it will support and how it wants to promote the private sector in the context of Mozambique has slowed operationalisation. The limits of what cannot be done – institutional prohibition of direct assistance to any individual – are clearer than what should be done. Sida, therefore, does not have to have a single strategy of private sector promotion. Different support may be required for different actors: the self-employed, the agricultural trader, the entrepreneur who offers regular wage work. But Sida does need to decide what its focus will be and how this support will translate into both private sector growth and poverty reduction.

1. The withdrawal of support to agricultural marketing

Sida’s conundrum is most sharply illustrated by its lack of a private sector programme in agriculture. Tenure reform may be considered necessary to promote investment decisions to be taken by entrepreneurs. The initiative to support farmers’ associations supports the development of a civil society voice that will lobby for improved conditions for its constituency. However the impact of such initiatives can be expected to be both modest and medium to long-term. It is difficult for such initiatives to have a large-scale impact. Yet there are large-scale private sector issues to be resolved – the issue of agricultural trade is a case in point.

In its Country Strategy Sida commits itself to supporting agricultural trading. Sida has, however, avoided engagement in activities which were at one time undertaken by the state, but which Sida now thinks are better done by the private sector. Thus agricultural marketing should be a private sector activity. But how to support a weak, incipient or even damaged private sector whilst confining yourself to an indirect role? Historically, traders whose capital base was damaged during the war years ended up with bad debts. In fact, traders were consistent in their complaints of lost capital through burnt out lorries, vehicles damaged by bad roads, and bad debts with the banks. Admittedly, traders were given a “second” chance through aid to reschedule their debts, purchase vehicles and restore their working capital. Yet this does not mean that they are suddenly vigorously on their feet again or that the problem facing the peasantry is thereby resolved.

The question is still more complex than the competence of traders, the establishment of trading networks and road accessibility. The peasantry may be producing surpluses in which there is little market interest. There was a maize glut in the year 2000. Cotton prices fell through the floor the year before. Peasants do not have market information; they do not have the flexibility to easily restructure their production from one season to the next so as to be able

to respond better to market trends. In this situation, the donor position taken on liberalisation and privatisation may well promote agricultural trade in the better-endowed and better-situated areas where trade is profitable, but do little to alleviate the plight of the poorer peasantry.

Sida's presumption may be that the development of the private has been hindered by the commercial role of the state. State intervention may be viewed as inherently ineffective or as 'crowding out' the private sector by denying it profit-seeking opportunity. There is indeed an international trend against state involvement in activities that are judged to be better carried out by the private sector. Yet the question remains whether there is room for a continuing role for intervention by the state to stabilise producer prices or to constitute reserve stocks. The argument that a foreign donor should not subsidise trade is relevant, but the question here is whether or not cross-subsidy can play an important role in rural poverty reduction. Perhaps a quasi-state intervention agency is necessary for a bridging period, whilst peasants work out how to deal with a trading world in which there is no assured market or even a floor price. Given Sida's past involvement with AGRICOM, it should be able both to ask these questions explicitly and seek to support the development of a coherent and well-motivated policy in this regard.

2. Enterprise support: finance versus capacity building

Much of Sida support to enterprise has in the past been to state owned enterprises; there is not the same basis of experience among its officials as to how to (indirectly) assist private individuals. The problem is especially challenging in a situation where the private sector is nascent, immature, inexperienced and without a capital base. This is the inevitable outcome of the demise of colonial capitalism followed by years of state-led development disabled by civil war. It is not a case of resuscitation of a private sector that has been in hibernation, but often of its very creation. Sida has tried several different approaches to assist the private sector in the last five years, and the effectiveness of the assistance has been uneven. Several issues emerged from the field study:

'Mozambicans do not have a base of accumulation. Their administrative capacity is precarious. Concessional finance is needed (low interests rates over an extended time period) and a solid technical business training. Without small and medium scale enterprises Mozambique will not be able to sustain economic growth, nor reduce unemployment, nor reduce poverty.'

Many Mozambicans interviewed throughout the field study shared the above sentiments. They also expressed reservations about the benefits of the mega projects in the short term. However there was widespread frustration that, though capitalism was the only choice on the menu, many of the ingredients understood to have been the basis of launching capitalism in other countries are missing in Mozambique. The colonial capitalists, for example, had access to concessionary finance and to considerable state support. The current prescription, enforced by international finance institutions, that 'all subsidies are bad' is seen as prejudicial to nascent Mozambican capitalists. They feel that

without special support the space is left open for foreign capital, especial South African capital, to move in, dominate, and dictate the direction of development.

The underlying challenge is how to support a weak, incipient or even damaged private sector whilst confining yourself to an indirect role. In the last five years, Sida assisted various initiatives intended to support the emergence of the private sector. These varied from support to an institution (INNOQ) that intends to promote an ethos of quality and standards for Mozambican produce. The experience of twinning a Mozambican city and a Swedish city, included exchange visits to promote a Chamber of Commerce. More recently Sida assisted the initiative to set up a national enterprise agency (CTA). And finally Sida supported various financial institutions whose activities are targeted at making loans to small and medium size entrepreneurs.

Interviews were consistent in their assessments of these initiatives. There were favourable comments concerning Sida's support to institution building (CTA) and (INNOQ) and less favourable comments with regard to FFPI and IDIL. For example, 'FFPI as it stands has 126 projects, has lent out 25 billion meticaís, and has a seventy per cent repayment rate (a rate, however, that would have been higher if not for the consequences of the floods. The transaction costs are extremely high. Only forty percent of running costs are covered from receipts- sixty per cent are subsidised by Sida. They have taken out a wholesale loan from BIM at a (subsidised) rate of interest of 27%.' 'FFPI doesn't have a critical mass. It is necessary to conceive of a massive funding base for small and medium enterprises. It might be better to privatise FFPI and focus its activities in only two or three provinces.' 'IDIL and FFPI have only catered for a very small elite. You have to be in with someone to get a loan.'

These comments relate to Sida's two different approaches to private sector support – one is finance and the other institutional support and training. The apparent difficulties confronted in the first approach, as reflected in these comments, invite Sida to question the nature of its specialised financial support required for private sector development in Mozambique and to re-assess how such financial assistance related to other financial institutions within liberalised credit markets. The support to institution building, in contrast, is appreciated and appears both to be firmly built on Sida expertise and to comply with Sida's policy not to assist individuals directly.

Yet capacity building to support emergent entrepreneurs is a relatively neglected area within the country programme. Various initiatives have been tried elsewhere in the region. Zimbabwean institutions, for example, designed programmes for war veterans in the 1980's. In South Africa the National Union of Mineworkers created the Mineworkers Development Agency to provide entrepreneurial support to redundant mineworkers. In South Africa a programme called the 'Township MBA' is specifically targeted for people entering entrepreneurial micro-finance schemes.'

Support to the Ministry of Planning and Finance about tax systems and collection would appear to be a further potential programming area. It would be consistent with stated intentions that the promotion of the private sector with the intention of promoting economic growth can go hand in hand with an ethos of redistribution.

5.2.3 What does democratisation mean in the context of Mozambique?

In the Mozambican context, donors in general, and Sida in particular, link the question of democratisation with that of decentralisation. This is understandable. Since the advent of peace and the transition to a multi-party state there has been a concern among donors to get away from the geographically concentrated delivery of donor assistance that was inevitable during the war. Decentralisation is viewed as a central part of the democratisation process.

1. Democratisation and decentralisation

Sida's problems in implementing the Niassa programme, however, reflect important differences in conceptions of this linkage between democratisation and decentralisation, particularly in relation to the appropriate role for national ministries. In 1997 the decision was taken to make Niassa the focus of targeted multi-sectoral assistance. The 1996 perspective on public administration favoured a radical transfer of support away from the centre to the periphery, thereby provoking a sharp debate. But, in contrast, the concurrent move towards SWAPs tended to shift the balance back again towards centralisation, thereby presenting something of a conundrum.

In 1996 the frustration with central authorities led to a desire to by-pass the central authorities and aim for greater effectiveness through the direct delivery of resources. The Mozambicans as well as the experts on the Sida sector desk, however, argued that accountability and co-ordination would be impossible if the centre were to be weakened through the withdrawal of support. More specifically, they argued that the commitment to decentralise required a stronger centre to provide the support to the periphery. This argument has now been accepted and the programme is progressing on along these lines.

However, without strong regionally based synergy entering the shaping of national priorities, SWAPs and priorities of provincial programmes do not necessarily coincide. For example, while Sida intends to pump considerable resources into Niassa province, Niassa does not make it onto the list of priorities in the education SWAP. Although SWAPs are operated in consultation with provincial representatives, the Niassa education officials are perceived to be too weak to lobby effectively.

There have been difficulties, therefore, in moving out of provincial directorates into communities as well as problems in shaping nationally defined priorities to reflect local interests. Some parts of the road programme have been criticised; it is argued that roads are built according to the financial and geographic commitment of resources of donors rather than to economic priorities of road users. The Ministry of Internal Commerce speaks with frustration of roads in

densely populated areas in Manica being inaccessible except by sturdy four-wheel drive vehicles whereas new roads have already been completed through other low density areas. In Niassa, local officials complained that when a road is scheduled for renewal, but is currently badly in need of repair in the middle, construction does not start by first repairing the bad section in the middle, but inflexibly follows the plan of starting on one end. While Mozambicans recognise that they have their own problems with co-ordination, there is concern with what happens when donors pay for different stretches of the same road or when tranches of expected funding fail to materialise at the right time.

2. Support to civil society

Sida's commitment to democratisation in the 1996 Country Strategy, as in other Sida documents, is very strong. However the identification of intermediate objectives and related activities is less evident in practice. The emphasis on support to civil society seems to have dissipated over time rather than strengthened. The support to theatre, alternative media, and community associations would seem to be important components of civil society and yet there is no clear Sida strategy for them.

One issue here is how to foster independent organisations without bypassing existing partners who may not agree with a pluralistic approach. In the case of Niassa, a consultants' report on support to community organisations has been prepared, but not accepted by provincial authorities. Another problem that Sida must address is how to work at this decentralised level with small incipient groups since it is difficult to deal administratively with a large number of small grants. However the importance of working with the small and figuring out how to scale up is a major challenge that should not be dropped because of the difficulties encountered.

3. Decentralisation, labour markets and the maintenance of state stability

Sida's support to public administration results from its strategic clarity about the need to maintain state stability within support for a multi-party democracy. Support for public administration has also been a form of more general support to institutional capacity building. Yet why are there shortages of trained staff in state employment? Is it because few have been trained, or is it because of the nature of labour markets? The effectiveness of measures taken to address the issue depends on the answer. It is often now said in Mozambique that the public sector has become a nursery for the private sector. State officials are trained, gain some experience, establish their network of contacts and move onto to employment in the private sector. Nonetheless the low salaries of state officials relative to those of the private sector compromise some aspects of state performance. Low salaried officials take on consultancy work for donors and the private sector. They use their positions for access to information, and the resources of the computer and telephones. Quality of performance of the state officials is compromised by the current remuneration policy. A decentralisation process makes stability all the more important as a more and better trained people are required at a local level for such an approach than would have been needed under a centralised system.

There have been several Mozambican initiatives to raise public sector salaries including an ill-fated incentive scheme. The preoccupation with the flow of cadres from the state to the private sector has led to bonus schemes for additional qualifications in a bid to retain cadres. A continuous brain drain means that the state administration will retain the less able and the inexperienced – and this should be accepted as a continuing status quo unless there is willingness to tackle the retention issue.

4. Creating a civil service

In a single party system, or with strong Frelimo dominance, there was less reason to distinguish between members of the government and a civil service. But this also brought with it the practice that as one Mozambican put it ‘the political frequently intruded into the administrative’. Ministers had and continue to have great powers in removing or attracting cadres within their administration, leaving the civil service with little autonomy of its own. The practice leads to close identification of the (upper echelons of) the civil service with their political masters. The practice also has gender implications. Not uncommonly, the careers of female civil servants (even if at the top of the administration) are subordinated to accommodate the promotions of their husbands.

This has two implications. First, the practice undermines the status of the civil service as an entity that, while serving the government of the day, has nevertheless its own codes of conduct, integrity and professional ethics, rooted in a relative autonomy from the political leadership. Various interviewees told us that this often also is an important factor behind the exodus from state employment by well-trained cadres. Secondly, the intrusion of the political into the administrative engenders insecurity. This is particularly of concern to those cadres who serve government at regional and local levels in areas where the opposition held sway.

This problem raises issues both for Sida’s support to public administration and to decentralised assistance to Niassa, where considerable time and effort has been spent negotiating with officials with an insecure political base.

5.3 Operationalisation and the politicountry strategy of partnership

Accounting for the politics of partnership means recognising that alternatives are sometimes chosen not because their relevance to overall or even intermediate objectives is clearer than others, but rather because they are put forward by important partners. It also means that activities that are of clear relevance are dropped because acceptable lines of partnership cannot be found. The politics of partnership generally do not permit that such considerations figure openly in documents. To ensure, however, that they do not deeply compromise the coherence and ultimately the relevance of the country programme, they must be discussed. Probably even more compromising for the relevance of the country programme are the alternatives that are nev-

er considered, because the voices that might represent them are not easily heard in the country strategy process. At the same time, despite its unevenness, one of the achievements of the country strategy process, including its commitment to decentralisation, is that it has succeeded in giving a platform to Mozambican voices.

Hence, in terms of the language used in chapter 4, partnership arrangements can shift the point of gravity (the consensus) depending on which voices are most clearly articulated, the resources they command, and the structures within which they operate. This raises issues that need to be addressed to make partnership a better working component of the country strategy process. This section, therefore, looks at some problematic aspects of partnership in a context where donor/beneficiary partnership is clearly unequal; where Sida must deal with a plurality of partners, particularly (but not only) other donors, in negotiating with its principal partner, the government of Mozambique; and where no partner (including Sida) is homogeneous and where the Mozambican government does not necessarily represent the interests of all groups of Mozambicans.

5.3.1 Pooling aid resources, ownership and donor cartels: countervailing forces

During the days of central planning, Mozambique's public finances were essentially subordinated to the dictates of planning, often at the cost of financial indiscipline (further fuelled by the costs of waging a war). The transition to a market economy under the aegis of the IMF/World Bank structural adjustment programme changed all this dramatically. The main vehicle to bring about the desired changes in fiscal policy was the 1989 public expenditure review carried out by the World Bank. Henceforth, fiscal policy was subordinated to the dictates of stabilization policies as shaped by IMF-type financial programming. Consequently, there was a decisive shift away from real planning, to the imposition of financial discipline as the guiding principle to secure macroeconomic consistency. Financial programming involved setting yearly stringent cash limits on domestic credit – in particular, on state credit – as well as on the budget deficit before grants, thereby capping public expenditures. (Wuyts, 1995; 1996)

As Adam and Bevan (2000) pointed out, this system works admirably well if the main aim is to cut down and curtail public expenditures. To manage public expenditures within the context of financial discipline, the old style *integrative* planning structures were dismantled in favour of (1) prioritising sectors (agriculture, transport, health and education), and (2) strengthening sector-based planning and resource management, particularly in priority sectors. Donor funding during the 1990s followed suit by concentrating on priority areas, although the shift in donor attention towards the social sectors meant that agriculture lost ground in the process (Wuyts, 1996).

As a result, these priority sectors soon felt the weight of a multitude of dispersed donor projects, the conjunction of which seriously limited the ability on the part of the Mozambican government to assert ownership over public policy. These were the days, however, where conditionality reigned supreme and, hence, the Mozambican government was meant to follow rather than lead the process. More recently, however, the importance of ownership came to be increasingly stressed, the destructiveness of anarchic and dispersed donor project activities realised, and the case for partnership put forward. This led to increased demands for a sector wide approach to aid policies as exemplified by the emergence of a new system of moving towards sector-based pooling of aid resources – the so-called SWAP arrangements. As SWAPs progressively spread and took hold, more and more donors stampeded into this new form of aid. More recently, this move has been complemented by more general pooling arrangements such as the Macro Financial Initiative propelled by a group of bilateral donors.

In principle, these SWAP arrangements as well as other pooling arrangements provide a basis to shift ownership back in the hand of domestic policy makers (in partnership with donors). In practice, whether or not ownership shifts back to the domestic sphere, and at which level, depends on the outcome of a complexity of (only partially) countervailing forces: greater room for sector-level decision making, on the one hand, and the formation of strong donor cartels influencing the outcomes of such decisions, on the other. Indeed, as to the latter aspect, SWAPs (as well as other pooling arrangements such as the recent Macroeconomic Financial Initiative, propelled by a group of bilateral donors) imply that donors join together behind broader initiatives that, unlike project aid, transcend the boundaries of each of their individual aid programmes. This means that donors within such pooling arrangements increasingly speak with one voice, rather than articulating different positions. During the field study, Mozambican expressed concern of the loss of individuality in voice and the move towards consolidated donor positions.

With respect to Sida, for example, the point was made that ‘the change in Sweden’s status to its being included in the European Union meant that its (development assistance) philosophy also changed. Its strategy is now aligned to the philosophy of the European Development Fund and it has lost its independence’ (Top official Ministry of Foreign Affairs). The above observation was followed by a discussion about the ‘lost voice’ and the fear that Mozambique would no longer be able to count on Sida for the more independent and flexible financing position that it had in the past. ‘Sida’s assistance is still seen as having little conditionality. Sida funds have been helpful in their flexible to cover gaps not filled by other donor contributions.

There is indeed a fear among some Mozambican partners that Sida will simply turn conformist and lose the independent position that it was prepared to hold in the past. For example, the predominant view on agricultural trading at present is that it should be left to the private sector. As the private sector is largely non functional in this activity and the free market conditions do not

bode well for its resuscitation, the issue arises – which donor will be brave enough to break with the pack to consider a different approach to the problem involving a compromise on the ‘no state intervention’ position.

The Minister of Finance raised the cartel issue very clearly in interviews with respect to initiative to link the budget aid for poverty alleviation of seven bilateral donors was donor driven. She said she was initially reluctant, in part because of the speed involved and the demands this would impose on the capabilities and competences within the administration of planning and finance. Yet she also saw the agreement as an enormous step forward in the direction of donor pooling behind general budget support. But, at the same time, she considered it to be a high-risk strategy because of greater vulnerability when problems arise ‘not now with one donor, but with cartel of donors’.

The advantage for the Mozambican government clearly is that it allows for decisive movement towards a single budgeting and accounting system. But the risks are twofold. One is financial: if something goes seriously wrong (inability to comply with agreed procedures), the consequences concern the combined volume of aid of all donors concerned. The second is reduction in the diversity of donor voices. When donors coordinate, diversity narrows as donors seek to create a platform (common voice) at least for the issue in question. This relative loss in diversity in voice matters in particular where it concerns a donor such as Sweden or Switzerland, who displayed great flexibility in the past. These concerns do not only apply to this particular macro-financial initiative, but also apply to SWAP arrangements as well. This poses a real issue for Sida as well as for Mozambique to the extent to which there are real debates within the donor community over which forms of assistance are relevant in Mozambique.

5.3.2 SWAPs and the centralisation and integration of public policy

As stabilisation finally took hold and as the country’s rate of inflation even turned negative in the late 1990s attention turned towards the post-stabilisation era. In fact, the period of stabilisation had not gone without contention. Various voices – both in Mozambique and within the donor community had pointed towards the adverse effects of the single-minded pursuit of stabilisation. Some stressed the importance of social development and of poverty reduction; others stressed the need for economic growth. Crosscutting both concerns led to the demand for pro-poor growth as a force that gained momentum within policy debates. As stabilisation took hold these concerns finally took centre-stage on the agenda.

But the fiscal system that was so appropriate to enforce stabilisation is not necessarily the best for stimulating pro-poor growth. Indeed, the prevailing fiscal system was shaped on the principle that the question of macroeconomic consistency and coordination is solely a question of balancing the books. The actual content of policy in real terms, therefore, is then relegated to sector-based planning.

SWAPs further intensify this tendency. This has two consequences, one of which already touched upon earlier. First, the popularity of SWAPs has meant that donors tend to favour concentration of resources within central government public expenditures, often at the expense of lesser attention to programmes that provide direct support to civil society. This need not be the case and, hence, the increased involvement with SWAPs can go hand in hand with the complementary allocation of funds to civil society – for example, to support the process of democratisation. But often, new fashions tend to eclipse older, but no less relevant concerns, thus creating an unperceived gap in the process as attention is focused elsewhere. Second, SWAPs may render an integrative approach to public expenditure planning more difficult, given their inherent centralisation of pooled aid resources within sectors.

Indeed, each SWAP is negotiated separately, involving a different set of donors, each with their own particularities, trying to reach a common platform. Often questions of the actual mechanisms of disbursement and transparency take precedence over content. Issues of financial probity clearly matter. But spending moneys transparently on issues lacking substance is equally problematic. There is a real danger that at the level of each SWAP the principle of the ‘least common denominator’ between donor positions prevails at sector level without much consideration of how sectors come together in forging development policies.

How then do different SWAPs match together into something with real punch? Say, in poverty reduction? How can the parallel action of *vertical* SWAPs, sitting side by side, bring about synergy in reducing poverty? There are clearly different positions taken in providing possible answers to this question.

One answer is that the vertical SWAPs represent the *supply side*, while the *demand side* is supposed to originate from the local level – the district planners – to articulate specific needs in accordance with regional circumstance. This was the answer given to us by the resident representative of the World Bank. No doubt, this is an attractive vision: vertical SWAPs descending downwards to the grass-roots, where demand is articulated horizontally. But how realistic is this vision of donor-packed SWAPs vertically descending on horizontally articulated districts? It is difficult to escape the image of David (the district) facing Goliath (SWAP). How likely is it that David will win the contest? Say, against poverty? Or, more precisely, can the contest be won purely at district level?

Another position, linked with the previous view, is that poverty reduction can be achieved through the parallel activities within fairly independently operating SWAPs. Inherent in this view is an additive conception of the causes of poverty. This notion, in fact, underlies PARPA – Mozambique’s strategy of poverty alleviation. The concept is rooted in a particular approach to analysing poverty. First, there is the analysis of who are the poor using poverty lines. This type of analysis gives powerful insights into the extent of poverty. Next, there is a careful analysis of the characteristics of the poor. This again is very illuminating in terms mapping poverty. The poor, for example, are seen to be predominantly rural based, isolated, devoid of market integration, poorly ed-

ucated, often female-headed households, etc. The problem is that subsequently these characteristics of poverty are quickly converted into the determinants of poverty and assumed to be additive in causation. Consequently, it is assumed that each cause can be tackled on its own, yielding its own separate impact on poverty reduction.

Hence, the provision of primary education will reduce poverty, over and above other factors. So will the building rural roads. Or so will the provision of health services. This way, vertical SWAPs acting in parallel can be seen to reduce poverty, each making their own separate, but effective contribution. In other words, if the causes of poverty work in additive fashion, vertical action within each relevant sector will do the trick, and together they will cumulatively reduce poverty. No overall coordination, therefore, is necessary.

But it is questionable whether poverty can indeed be reduced in this additive fashion. Perhaps a more concerted interdependent approach, probably regionally differentiated, is needed. Take, for example, the common argument that the growth in GDP in itself will reduce poverty. The argument seems plausible. But, as one of the experts working at the Gabinete de Estudos in the Ministry of Finance clarified, the growth in GDP due to the coming on-stream of the mega projects in Mozambique is unlikely to lead to reduction in poverty (or, even, to much increase in national income) for the foreseeable future. What matters, he said, was propelling broad-based growth – GDP growth not including the mega projects. But this argument could be further qualified because some forms of GDP growth are more inclusive than others as far as poverty reduction is concerned. This argument illustrates that the simple addition of supposedly independently operating causal effects of a set of factors does not necessarily work.

Similarly, as noted earlier already, building a rural road can make a difference in a given context, but is unlikely to do so invariably. Whether the road matters, or whether it is a road to nowhere depends on context, and not on mere addition. The same is true for primary education. Education is essential for sustained development, but that does not mean – as Clara de Sousa showed in the case of Manica province – that the mere provision of primary education inevitably reduces poverty.

Much effort and energy goes at present into the making of SWAPs agreements. This, in itself, is a welcome process. But perhaps also, too much is expected from it. Sida might consider giving also some more attention to strengthening the need for coordinated action, sensitive of context, and wary of the rather unsubstantiated notion that the sheer addition of vertical SWAPs descending on unsuspecting rural and urban districts might do the trick.

5.3.3 Building partnership or patronage?

In its country strategy Sida pursued a policy of sector concentration to render its aid programme more efficient. Concentration in the country programme, however, should not an end in itself. In particular, shifts in concen-

tration should not go at the expense of detracting from the strength of partnership. Presumably concentration makes cooperation more efficient, by reducing administrative costs, and more effective, by improving the quality of what is done. But an important part of that quality is building long-term partnerships in core areas that do not depend on the vagaries of personnel changes within Sida or among its partners. The advantages are mutual: Sida gets to know how its partners work and partners get to know how Sida works. Constructing opportunities for dialogue thus does not require a special effort or formalisation – dialogue can be part of the ongoing process of cooperation.

Working in the core area of institutional support, Sida has gained a reputation for doing some activities exceptionally well both at home and abroad. INNOQ and CTA would seem to bear this out in recent Mozambican experience. Sida's organisation of training support for public administration is exceptionally well thought of. Sida's institutional support to the ministry of finance was also favourably mentioned by Mozambicans interviewed. Successful partnership in one area thus builds a basis for extending activities in other strategic areas. In this case, for example, support to state capacity building potentially provides models for private sector institutional support.

Long-term partnership raises issues of closure. Some involved in the early phases of the negotiation of the 1996 country strategy from the area of public administration thought that they participated in the earlier phases and then were no longer consulted. In fact, public administration was being dropped from the Country Strategy. The Country Strategy does not make clear the strategic reason for this, nor for that matter is the reason for dropping electricity made clear. The fact that EDM knew the reason, namely that Sida does not directly fund privatised commercial enterprises, eased the transition however. Explicit discussion of criteria of selection of activities in the country strategy process will not make closure easy, but transparency minimises some of the tensions of partnership.

The benefits of long established working relationships must always be counter-balance against the dangers of patronage. The relationship between PROANI and the former governor of the province of Niassa has created some problems for relations with the new governor (and probably more if Renamo in fact is consulted on the nomination of provincial officials). The former governor of Niassa and others, as part of Frelimo's election campaign, made promises (even if unspecified) about the expected contributions of Sida to resolving the problems of agricultural marketing in Niassa. Personal alliances that at one moment in time smooth the path to implementation may suddenly become a liability when there is a change in political power.

The patronage issue is particularly sharp in financial assistance. A member of the provincial government in the PROANI directorate said that the provincial government pretended to be able to sustain itself without Sida budget support in five years, probably an unrealistic assessment of its potential fiscal base. Some donors have decided not to expand activities in Niassa because of the expected large Swedish aid contribution. The Gabinete de Estudos can-

not possibly sustain itself without Sida financed economists. The economist contracted by AMODER through the Africa Groups is paid less than a Mozambican economist would demand. The Avenida Theatre found other donors and organisations reluctant to provide support to what was regarded as an area of Swedish patronage. In an unequal power relationship, it cannot be expected that Mozambican partners will always quibble over the terms of dependency. The country strategy process, which demands that results be assessed in relation to objectives is one way of assuring, on Sida's part, that sustainability is assured and that activities are not justified by personal connections outside the country framework.

5.3.4 Recognising difference in the interests of Swedish partners

Some of the anomalies we identified in the operationalisation of the country strategy appeared to have to do with the lobbying capacity of Swedish interests. The country strategy process should make it possible to assess to what extent commitments based on such interests compromise the coherence and relevance of the country programme. When dealt with explicitly, it may be decided that the question is not after all necessarily one of countervailing powers. Within Sida the politics of partnership are often intertwined with debates about relevance.

Take, for example, the inclusion of the extension of the energy line through Zambezia to Niassa. In fact in this case, the general commitment to the line was given by the sector desk without reference to the country strategy and then integrated into the Niassa frame. This reflects divergence within Sida about the energy sector. There has been a long-term and continuing involvement of Swedpower with EDM. Early negotiations included finance to the energy sector, though it is explicitly dropped in the country strategy. The dropping of energy was not on the basis of any results/country analysis, but was argued by the regional dept and agreed after discussion by the Management Committee with reference to the privatisation issue. The inclusion of the energy line, as with use of the consultancy fund for Swedpower and preparation of a rural electrification programme in Zambezia, is thus not really an example of flexible response to new conditions and to the needs of decentralisation. Instead it appears to be a rearguard action against a decision not accepted at either sector level within Sida or by the Mozambican government at national level.

Swedish interests may also be channelled through the NGOs directly in Stockholm. This impact can be creative. The Afrika Groups recruitment of a health worker for HIV/AIDS prevention is one way, for example, of bringing reflection on synergy between health care and poverty reduction into the country strategy process.

Some Mozambicans argue that Sida pays a substantial amount of money to Swedish consultants in what is seen as an excessive number of consultancies. The entire international development assistance activity is seen as a business

that needs to run and be refueled. The question posed in challenging terms was as follows:

We are in favour of transparency; the donors demand ‘accountability’ from us. We need to strengthen our treasury and financial systems so as to be able to provide such accountability. But when it comes to the donors, what accountability is there? When Sweden draws up its report on cooperation with Mozambique it includes its contributions to other international organisations, the United Nations and Non-Governmental Organisations. We also are not clear how much is spent on technical assistance, international consultancies etc. We don’t have a full overview of all these ‘projects’ What is the visibility and accountability in this style of work.

The voice of the Mozambican consultant is not more disinterested than that of an outsider; but considering why and how consultants are being extensively used (as in the case of Niassa or private sector development) can raise important issues of strategy for Sida.

5.3.5 Partnership and dialogue – how can you hear different voices?

The issue of voices is a difficult and often contentious issue. The question of dialogue as the basis for partnership is firmly placed on the agenda of a number of donor agencies. A major donor recently declared that dialogue and partnership, especially with civil society, was to be the central basis for determining programme choices. The externally based head office requested that a meeting be organised with NGOs and representatives of civil society and one and a half hours was allotted to ‘tell me what you want to say’. This kind of rapid one-stop listening session is recounted with a degree of cynicism. However the experience of ‘voices’ and dialogue is mixed.

It is important to recognise that voices have differing origins. It is specifically important to recognise the heterogeneity in society, and to identify the source of the voice. One international finance institution study of the livestock component of the ProAgri programme notes that the programme involves more consultation between province and national than previously. However it is also noted that the very people whose voices do not appear to be represented are those of the intended beneficiaries. In terms of absence of visible representatives who are active in the discussion process this may be true. However it must be conceded that the ‘voice’ of the poor, the identification and expression of needs is the very subject of the poverty studies that have been undertaken.

It is Sida’s intention to increase support to the emerging farmers’ associations. Again it will be important to remember that the membership of such associations will probably attract the entrepreneurial strata of farmers who will identify the association as a possible vehicle to lobby for their interests. Such associations tend to be male-dominated and hence Sida will have to

support other efforts if it intends to support efforts through which womens' voices may be heard.

It would be appropriate for Sida to pursue a segmentation approach to clearly identify whose voice represents who in the dialogue process.

But the experience of the Niassa programme has shown that the involvement of partners in strategic planning can also help to create voice. Reflecting on the current state of PROANI, the present governor, who has inherited many of the ambiguities around the terms of Sida partnership, commented that nonetheless Sida's entry into the province 'made government in Niassa think through carefully what its priorities are'.

Within a partnership framework, therefore, it is clear that the country process must involve constructing opportunities for dialogue. In established cooperation with its principal partner, the Mozambican government, ongoing cooperation involvement in results analysis should make dialogue relatively easy. Reaching other voices is more problematic. The embassy holds seminars to which there are invitations extended to Mozambicans who are linked to the subject matter. Although the two seminars observed during the time of the evaluation were held in English and that indeed English seems to be the *lingua franca* of dialogue with the donor community, the general approach to creating dialogue is creative. As the political context in Mozambique evolves, Sida may find new ways of talking to partners, e.g. inviting participation in such seminars of delegates from assemblies with committee responsibilities for development assistance or areas of Sida activity. The onus of effort resides with Sida. The special place that Sida once had in relation to Frelimo is largely history. Sida wishes to support multi-party democracy and the development of civil society.

In terms of the Country strategy process, there are real issues to confront in interpreting what is heard in seminars as well as more formal negotiations with partners. There is no one voice, as there is no one truth. We heard one minister express a profound cynicism towards any dialogue with donors while another official expressed deep appreciation for the genuine quality of dialogue rooted in a long-term relationship. At present the dialogue undertaken is uneven. Some of the programmes seem to have achieved a fair quality of dialogue with their Mozambican partners. The problem of dialogue appears to be most difficult around the conceptualisation of the country programme per se. The embassy complains that the Mozambican officials are not helpful in clarifying priorities. The respective Mozambican officials point out that they are dealing with 200 donors, and that there is a battery of demands from ministries. Foreign Affairs indicates an unwillingness to be the locus of sorting priorities; it sees itself as needing to maintain positive relationship with all ministries to smoothen its principal co-ordinating role.

Sida must have realistic expectations with regard to achieving in-depth dialogue at an inter-ministerial forum. Rather, a great deal of emphasis must be placed on the quality of the country analysis that informs the subsequent

choice of programme areas. It is a fair expectation based on good experience that good dialogue can be achieved at the sector-based programme level.

With regard to dialogue concerning the country programme, the current process has only two points of connection in a seventeen-month process. While Sida personnel were heard to complain about the lack of overall dialogue opportunities, it also seemed as though not enough effort was being made to create them. In the Country Strategy process, the first dialogue opportunity is at the very early stage as an input into the hypothesis paper which is then an in-house product shared with Swedish constituencies but apparently not with Mozambicans. The next point of connection is the discussion of the final document as approved by the Swedish parliamentary process. Although the word ‘negotiation’, prior to the signing of the country agreement creeps into the language – negotiation at this stage is not felt to be real.

A comment made about Sida’s overall country plan and budget allocations was, ‘Who takes decisions about the funds are the Swedes. There are even unilateral decisions. Few decisions are taken jointly. There is a lack of face to face dialogue.’ It is important to locate the source of such observation: not an official who is involved with Sida at the programming level – but one who enters at the country agreement level. It raises the issue of different tensions and hence different conceptions of dialogue about the Country Strategy and country programme as opposed to dialogue with sector programme partners.

Sida must thus assess what dialogues are important to create. Outside of the country process, the best reward for effort may be at the programme level. However it is noted that there should also be an emphasis on regular formal meetings; it was observed that embassy desk officers sometimes build relationships with country partners which develop into a personal connection which is then difficult to hand over when there is a change of desk officers. Desk officers should be acutely aware of the effects of personnel changes both within Sida and within the Mozambican structures; the pursuit of formal regular meetings systemised into the donor/partner relationship seems important.

5.4 Conclusions and recommendations

This chapter first dealt with three key issues operating at the middle-level in terms of the construction of relevance at the operational level: rural poverty reduction, support to the private sector and supporting democratisation.

With respect to rural poverty reduction, it was argued that, besides limited participation in Proagri, Sida’s present approach to rural poverty reduction in Mozambique takes the form of projects and programmes within areas deemed complementary to agriculture, rather than through direct support to agriculture itself. Indirect, rather than direct support to agriculture, therefore, constitutes the main approach. This, in itself, is a tenable position, but requires that the analysis and assumptions at meso level – to do with achieving

synergy (through indirect action) in poverty reduction – are clearly spelt out. As it stands, however, many ambiguities are left lingering. Assumptions, where they are made, remain rather general and vague, leaping straight from project or programme level to the overall objective of reducing rural poverty.

With respect to private sector support, the key point was that Sida's policy on private sector support in Mozambique lacks coherence at the middle level in terms of the formulation of a clear strategic approach. Is private sector development an objective in itself, or is support to the private sector assumed to be linked to poverty reduction? For example, Sida's support to small-scale private sector involvement withdrawal from agricultural marketing, is substantiated largely in negative terms – public marketing boards proved to be inefficient. If the issue is relevance to poverty reduction, then the question may still be whether there is an effective need for public intervention within agricultural markets from the perspective of both poverty reduction and the promotion of agricultural production. If the issue is relevance to private sector development, then the question may be how small commercial enterprises can secure crop finance on a profitable and sustainable basis (a question not well-addressed by an aid-subsidised NGO).

In terms of support to enterprises in general, Sida's approach appears rather unfocused and *ad-hoc* – a collection of projects and programmes concerning finance and institutional support without a clear sense what ties it all together. Perhaps it might be preferable to first formulate the strategic entry points into private sector support and then structure programmes around them, taking into account Sida's own policy restriction of not giving direct aid support to private individuals or enterprises.

Finally, with respect to support to democratisation, it was argued that the inter-linkages between democratisation and decentralisation and the possible contradictions arising from them should be carefully considered. At one level, Sida clearly favours more decentralised action, as manifested, for example, in the start of the Niassa programme. At another level, however, the move towards SWAPs, equally favoured by Sida, has meant a reverse shift in emphasis towards centralisation. Both elements, as argued here, do not always tally well together, a point to which we shall return. Another area of ambiguity relates to whether greater support for local level democracy and decentralisation implies bypassing the central state or instead strengthening its capacity to support the local. Ambivalence clearly existed at this level, but seems now to have been resolved in favour of the latter position. The importance of direct support to civil society, favoured in the Country Strategy, appears to have wavered, perhaps also under the influence of the move towards pooling arrangements (macro financial initiative and SWAPs) which essentially channel resources towards the (central) state. Finally, the importance of creating a basis for stable public sector employment and of securing sufficient autonomy for the civil service from political interference has been pinpointed as important ingredients to reduce insecurity within public sector employment and to enhance its effectiveness within a democratic set-up.

With respect to operationalisation and the politics of partnership, this chapter looked at some problematic aspects of partnership in a context where donor/beneficiary partnership is clearly unequal; where Sida must deal with a plurality of partners, particularly (but not only) other donors, in negotiating with its principal partner, the government of Mozambique; and where no partner (including Sida) is homogeneous and where the Mozambican government does not necessarily represent the interests of all groups of Mozambicans.

First, two related issues were discussed with respect to pooling arrangements such as SWAPs and the Macro-Financial Initiative. One was that such a pooling arrangement provides a potential basis to enhance ownership by eliminating disperse project-based donor activities, on the one hand, but also tend to structure donors within a cartel with a common voice, often at the expense of more differentiated individual donor positions (voices), on the other. Mozambicans rightly view the latter aspect with some concern since it may jeopardize the effective realisation of the former. The other was that the present-day popularity, if not fashion, within the donor community with respect to SWAP arrangements entails the danger of generating powerful, if not exclusive, centralising sector-based tendencies that may possibly hamper integrative development policies, impede effective decentralisation, and eclipse complementary activities such as support to civil society to achieve objectives such as furthering the process of democratisation.

Second, the issue was raised that no partner (including Sida) is inherently homogeneous and, hence, that it is important to analyse how positions emerge out of a multitude of voices – some strong, some weak, some silent. The effectiveness of voice in partnership, it was argued, can be enhanced in the context of long-run relationships within specific sectors, but also detracted through patronage. Furthermore, the practice of cooperation creates the opportunity and the room for partners to develop and articulate voice. In developing its own position, however, Sida also has to come to terms with the forces operating not just within its own organisation, but also exerted by other Swedish players (Private firms, NGOs). Similarly, there is not one homogeneous Mozambican position, either centrally or locally. Making room for listening to different voices and recognising difference between them is an important aspect of forging relevance through partnerships.

Chapter 6

The Country Strategy as a Development Management Tool

6.1 Introduction

In the preceding chapters, we have outlined a number of measures that need to be taken to make the country strategy a more effective tool.

These include:

- greater attention to, and documentation of, the assumptions underlying the choice of particular ways of reaching objectives, in the formulation of the country strategy;
- the development of an information management system that will allow for easier control of results and the revisiting of assumptions during operationalisation;
- the identification of relevant partners, both beneficiary and executors, the creation of contexts for dialogue,
- and the documentation of both consensus and difference in discussions within Sida and with partners during both elaboration and implementation of the country strategy.

Historically Mozambican partners have viewed Sida as a donor that has succeeded much of the time in providing relevant assistance without donor dictatorship. This success was constructed without any recourse to the country strategy process as a management tool (including during the period under review in this study). Does Sida then need such a management tool, given the demands it makes on both Sida and its partners? Already the Country Strategy represents a heavy institutional manpower investment in the aligned elaboration of documents. Our recommendations imply further demands on Sida staff, particularly programme officers. The value of such a costly process is legitimately open for review and question as to its usefulness and effectiveness.

Section II, therefore, briefly reviews and reaffirms the position put forward in this study in favour of a country strategy in the light two arguments heard during our study against the need for a country strategy process: first, that it is

redundant in the changing context of partnership; second that it is either too inflexible or too vague to serve as a management tool in the context of change. Section III looks at some of the issues of institutional culture, organisation and process within Sida that have made it difficult to use the country strategy as a tool for managing the country programme. Section IV discusses some possible organisation changes that might contribute to making the country strategy process work better. This chapter thus seeks to explore the strengths and weakness of the experience to date and make recommendations that will enhance effectiveness. Given the importance that the country strategy methodology assigns to ownership of the strategy at embassy level, we focused our inquiry on the embassy, but almost all issues we raise concern the overlapping interactions between the Embassy, Sector Desks and the Regional Department. Recommendations on institutional reorganisation should thus be treated as schemes for discussion rather than well worked out proposals. Section V contains the summary and conclusions.

6.2 The country strategy as a flexible tool in the context of flux, SWAPs and programme aid

6.2.1 Is the Country Strategy redundant in new contexts of partnership?

Sida intends to engage actively in SWAPs. 'Sida's policy for Sector Programme Support and Provisional Guidelines' (2000) affirms the intention of the Swedish government to a sector wide approach (SWAP) in the support to key development areas.' While 'A central feature of the SWAP concept is the principle of *strong national ownership and political commitment*', this does mean that Sida expects the recipient country to define the SWAP while Sida simply makes a budget allocation. Rather it is strongly affirmed, 'The sector programme is seen as a joint programme of work with a process-oriented approach, geared to jointly agreed goals and policies. The partners work together in the definition of strategy and in the negotiation of resource allocation.' (p10) Later this is restated as 'The financiers have the possibility of participating in the formulation of the sector strategy and of exerting an influence on the allocation of the resources in the sector.' (p19) and finally 'The task of the external parties is to contribute funds and to conduct a dialogue on strategic issues.' (p28)

Do not greater concentration in the country assistance programme and increasing emphasis on budget support, programme aid and SWAPs preclude the need for such a Country Strategy Process? In other words, is it a redundant tool, attempting to plan what is now decided in other contexts? To the contrary, it is argued, new complex contexts of partnership demand strategic management for two reasons:

- The need to base dialogue in clear strategic priorities

It is Sida's work on its Country Analysis and Country Strategy that should provide the analytical basis on which strategic dialogue can be undertaken.

Without the analysis there is no basis on which to agree or disagree or lobby for a certain prioritisation.

- The need to bound both like-mindedness and dissent in a strategic framework

Sida anticipates an engagement in sector programmes that is both passive and active, and involving other donors. The role of the ‘silent partner’ is accepted where Sida has confidence in another donor who is active in the sector programme. In the case of Sida being a silent partner the ‘role is purely financial and all assessment, dialogue and follow-up work is performed by the donor with whom Sida has an agreement.’ Yet, while Sida recognises the strength of working with ‘like-minded’ donors, Sida will nevertheless adhere to a ‘discerning’ like-mindedness, founded in analysis. Sida documentation is clear that, while it may not always be a lead agency, it also does not expect to follow blindly.

For example, in assessing Sida’s support to macroeconomic development through programme aid, it is stated that:

‘In practice the assessments of macro-economic trends made by the international finance institutions play an important role, but Sida must make its own assessment and analysis, particularly in situations in which the country is “off track” according to the IMF’s norms but where an interruption in financing would lead to serious disruptions.’

If there is a sense of disagreement, it is helpful in a debate to be able to articulate with analytical clarity the points of agreement and dissent.

6.2.2 The need for a flexible guide to programme development in the context of change

Much of Sida’s development assistance to Mozambique is implemented in a situation characterised by almost permanent flux – both within and external to Sida. External instability is more usually noted, ranging from variations in political stability within the country to the high turnover of Mozambican personnel in the staff complement of programme partners. However what has received less attention, and which has important management consequences, is change within Sida itself.

Flux within Sida was particularly marked during the 1996–2001 period when after the 1995 restructuring systems for working out coherence between embassy, sector desks and the regional department were being reorganised. Flux based on regular shifting of staff is, however, a predictable pattern, based on Sida’s personnel policy. There is a relatively high circulation of Sida personnel between home and abroad as well as the movement that accompanies peoples’ progression along an institutional career path. In a situation where there is a high incidence of change in personalities, there is need for management tools that assure coherence. The greater the turnover of staff,

the greater the need for strategic guidance, lest actual practice leads to ‘re-inventing the wheel over and over again’. The Country Strategy is not a blueprint of all actions to be undertaken in the coming strategy horizon. It should, however, be a flexible guide that shapes coherence in the context of such changes within and outside Sida. It must allow for flexibility, but flexibility situated within a strategic framework.

Thus the argument made in this study is that the country strategy process is needed. Constructing relevance depends not just on the coherence of a programme of assistance but also on its synergy – the ways things fit together with the activities of partners in contributing to overall shared objectives for Mozambique: the reduction of poverty, democratisation, greater gender equality, environmental sustainability. How these objectives are to be reached and their priority in time are subjects of debate, not only in the donor community but also within Mozambican society. Movement towards donor pools and general budget support makes it even more important that the relevance of donor activities to development be constantly assessed. Sida cannot exert pull on the centre of gravity in consensus building without itself knowing where it wants to go and why. The country strategy process can be, indeed should be, a flexible and useful tool in developing this sense of direction.

6.3 From a time-consuming formality to an effective tool

Though we have reaffirmed the importance of a country strategy process, we have noted in the preceding chapters that we found little evidence of its use in managing development cooperation in Mozambique. At most, it has been used defensively. For example, the Economist at the Embassy observed that Country Strategy directives on concentration have been used to resist new projects. The results analyses of the different activities and even the Result Analysis prepared as background to Country Strategy hardly appear to play a role in revisiting assumptions, re-assessing immediate objectives, verifying how outputs link to the latter, and checking how inputs relate to outputs. The Country Strategy process is de facto quietly rendered redundant by foreclosing the margin ahead of the coming Country Strategy without, however, placing the choices made within strategic perspective. The Country Strategy is not used in negotiation with partners – either Mozambican or other donors. This section identifies some of the institutional reasons for the difficulties Sida has faced in using the Country Strategy process as a management tool.

6.3.1 Sida’s ‘consensus seeking’ mythology

We as consultants were informed that a dominant institutional characteristic is that Sida is a ‘*consensus seeking*’ organisation. The time used to reach consensus is given as a reason for delays in implementation – the need to make sure there is agreement, and the care generally taken not to tread on one another’s toes.

A common understanding of ‘consensus seeking’ is that a decision is reached that may or may not originally have had the support of all those who must act in accordance with the decision. However the acceptance of the consensus view means that any individual who disagreed suppresses that disagreement and works towards the implementation of the decision taken.

This is *not* what the team observed. We observed a culture in which it is a common and accepted practice not to go along with decisions with which you disagree. What appears to prevail is a ‘*conflict absorbing*’ culture in which disagreement is usually not openly confronted; instead there is a continuous behind the scenes jockeying for a change in previous decision. Another Sida practice to avoid conflict while challenging a decision is to recommend that a consultancy take place – for additional analysis- to bring more light to the subject.

The continuing jockeying for a position irrespective of the decision taken is a problematic cultural practice. It undermines effective management. A collective buy-in seems to dominate, and the lack of transparency becomes an enabling factor. It becomes convenient to ignore an orientation document because this then creates the space for everyone to be ‘more flexible’.

Three examples are chosen as illustrations of the above analysis: (a) challenges to the 1996 Country Strategy decisions (b) disagreement breeds irresolution – the case of Niassa (b) conflict-avoidance: the case of University Eduardo Mondlane.

1. Maintaining dissent: challenge to the 1996 Country Strategy decisions

In 1996 Sida’s three nuclei (the embassy, the regional desk and the sector desks) jockeyed around the formulation of the Country Strategy. The Regional Director’s views (seen as the strongest personality – rather than having the strongest position) carried the day. In practice the embassy and sector desks maintained their dissenting positions, and ensured that subsequent implementation reflected their views. The table below compares positions taken with outcomes in some disputed areas.

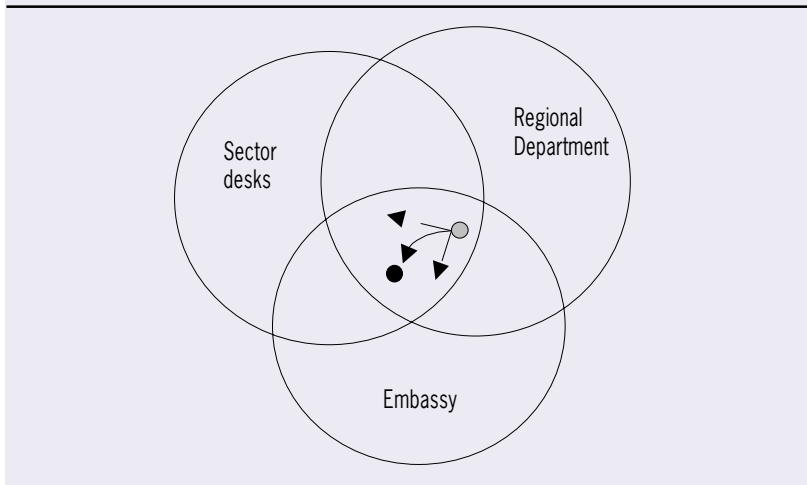
Programme Area	Regional Department	Sector Desks Outcome	Embassy	Implementation
Niassa	Positive	Ambiguous	Ambiguous	Slow & Problematic
Public Administration	Phase Out Central support	Continue	Continue	Continued
Education	Phase Out	Continue	Continue	Continued
Energy	Phase Out	Continue	Continue	Continued

In the language of our simple schematic, what this means is that the Country Strategy, rather than a strategic guide became more of a moving target – a

shifting point of gravity under the pull of those least satisfied with the initial outcome.

The Country Strategy formulation process undoubtedly had its flaws. The position of the regional director held sway forcibly in 1996. It created distress in the embassy, the sector desks and among Mozambican partners.

Figure 6.1:



Take the case of public administration. The determination expressed with Country Strategy to truncate expenditure at central government level was perceived by some as short-sighted. It was influenced by an over-reaction to the problem of corruption in the agricultural ministry that translated into a more generalised sentiment about the futility of development assistance delivered at the centre. There was also a feeling that too much money had been spent in the city because of the confines of war, and that now it was time to get to delivery at the grassroots.

Yet the Mozambican government, the embassy, and the experts on the sector desk found that for decentralisation to be effective, the centre should have the capacity and quality to support the periphery. As the former Director General of Public Administration put it, 'It is no use having parquet flooring, if you haven't got a good roof.' In other words, decentralisation, it was argued, required a two-pronged approach: (1) strengthening the centre to be able to assist the regions and localities, and (2) strengthening the structures of local governance and administration. It is not surprising then that there was a groundswell of resistance. The outcome has been a continued long-term commitment to public administration with a focus on achieving effective decentralisation.

In the case of education the MOFA 1998 addendum notes that Sweden has a 'leading role' to play, and the adoption of support for the SWAP programme was seen as in keeping with a new trend towards sector programme

support and away from project support. In the case of electricity, personnel in the embassy and on the Stockholm sector desk were unhappy with the decision to curtail this activity. The inclusion of rural electrification in the Niassa programme is described by Sida personnel as the re-entry of electrification 'through the back door.'

The problem with these reversals is twofold. The original Country Strategy decision-making process was flawed; there was no accepted consensus within Sida. However the manner in which those decisions were subsequently revisited is equally problematic. A culture is created wherein nothing can be regarded as definitive, the decisions at any one moment are postulated as reflecting of the current relative strength of personalities, thus devaluing what may be learnt from valuable disagreement. While the 1996 Country Strategy formulation process was unsatisfactory in some respects, therefore, so has been the manner and style of the challenge to it.

2. Postponing decisions: consultancy in Niassa

When there are strong conflicting positions within Sida, it is understandable that outside consultants be asked to explore the question. This becomes problematic, however, if a string of consultancies explore the same set of issues, leading to the postponement rather than clarification of decision. One example is PROANI, the Sida programme for Niassa. It is an attempt to follow a radically new decentralised direction for Swedish development cooperation in Mozambique. A long planning period was envisioned with pilot projects. Nonetheless, the difficulties in moving ahead even with pilot projects have been great. Four years have passed since the original idea began to be investigated. Expectations are high in Niassa; provincial authorities, local traders and NGOs complain about Sida's slowness in advancing beyond the financing of study and building of houses for provincial cadres. The history of the programme is riddled with controversy within Sida. Stockholm's decision to 'oblige the embassy to request' a Stockholm-based project team that flies into Niassa via Malawi was problematic for embassy staff, and made project coordination difficult.

We have shown in earlier chapters that the decisions to be taken in by Sida in Niassa are difficult ones. They involve different assumptions about the nature of rural poverty, the meaning of democratisation, and strategies of private sector development. Issues of partnership are also involved: the setting up of the project team was a response to what appeared to be very unrealistic expectations about the scale and breadth of the project on the part of Niassa government officials. It is not, therefore, surprising that the programme has been heavily discussed, and cautiously implemented. The problem lies in the ways in which conflicting views have been handled. The attempts to deal with conflicts without provoking clear confrontation have resulted in a plethora of consultancies. There have been twelve studies undertaken. The total person-months of the external consultants amount to 60 months. Of Sida's use of its own staff time there has been 45 person months together with an additional 30 person months dedicated to the road and electricity compo-

ment. As pointed out to us in Stockholm, we have not calculated consultancy months for all projects; hence Niassa is not necessarily exceptional. Postponing difficult decisions through repeated consultancies may indeed be a more general problem within Sida. Several Mozambicans (and at least one consultant) interviewed expressed an opinion that Sida used consultants excessively.

3. Proceeding without a clear mandate – the case of UEM

The fact that the Country Strategy formulation in part reflects Sida's internal politics is not always explicitly acknowledged, but undoubtedly exerted influence on the selection of activities. For example, with regard to the continued support to tertiary education, the Country Strategy is totally silent. No argumentation is presented as to what contribution support for research at a tertiary level is expected to achieve in relation to the stated country strategy objectives. This is not to say that an argument cannot be made – it can, but it is simply absent.

Sida personnel interviewed by the evaluation team said that it was important to remember that the Country Strategy was formulated shortly after Sweden's restructuring of its development agencies. The research institution SAREC was amalgamated into the larger new Sida. The perception was that SAREC personnel were bruised by the loss of autonomy and there was an unspoken agreement that, in the interests of avoiding further bruising, the development assistance programmes already underway should be allowed to continue without challenge.

Coherence in the country programme does demand creating consensus within Sida about what should be done and why. This does not mean that conflicts should be papered over however. Distinguishing conflicts based on administrative difference or personality conflicts from those based on different and legitimate assumptions about relevance is a necessary step in the country strategy process. Recognising conflict, assessing the analytical basis of different positions and revisiting them in the light of experience of implementation all contribute to constructing a coherent country programme based on consensus. This is a consensus about what constitutes strategic relevance – the capacity to locate the objectives of Swedish development cooperation in the changing contexts of development cooperation and Mozambican realities.

6.3.2 Sida's 'oral culture'

During the course of this study we found that many documents we expected to find easily were missing, inaccessible or unread. Despite Sida's adoption of logical framework analysis, we found few log-frames for projects and even less evidence that they were used in assessing results. The methodology section in Chapter 1 describes in some detail the difficulties confronted in attempting to find documents in the Sida archives in Stockholm. Although Sida commissions a large number of consultancy reports, they did not appear to be regularly consulted by Sida programmers.

We heard many times during our study one explanation of why Sida does not put its documentation to work: Sida has an oral rather than a written culture. This seems to us a misstatement, or a false opposition. Sida, like any bureaucratic organisation produces and uses masses of written documents. There is no particular reason why one of Sida's strengths, creating opportunities for discussion and communication among colleagues, should substitute for writing and using documents. Many of the recommendations that we have made on the use of the country strategy require a more consistent use of documentation throughout the process of implementation as well as in the formulation process. Programmers, for example, cannot be expected to themselves find and synthesise the research that would allow them to decide between alternative assumptions; it is to be expected that they commission consultants to help with this. The organisational issues underlying Sida's 'oral culture', or inhibiting an effective use of existing documentation, are thus important to sort out.

1. Conflict absorption

One possible explanation for the avoidance of written assessments by Sida staff is what we have called conflict absorption. Putting positions on paper can make differences very stark; oral discussion leaves ambiguities intact. We have argued, however, that the registering of difference can be a useful way of clarifying assumptions and revisiting them later.

2. Quality of the documentation routines

One reason for declining to produce written documentation or to consult everything available is that the yield is low relative to the effort required. If consultancy is being used, for example, to mediate conflicts within Sida, the TOR may not be very clear and the studies consequently not very helpful. Sida is not the only development organisation having difficulty convincing programmers that full-log framing is helpful. LFA and PCM routines are sometimes so complicated that they require extensive training and days of work to follow. As one Sida consultant pointed out to us, the basic idea of log-framing, like our argument on clarifying the assumptions that link objectives to proposed actions, is straightforward. The complexity of routines can detract from the usefulness of the analysis. We understand that the Evaluations Unit is presently reviewing both the commissioning and use of consultancy and logical framework routines.

3. Retrievalability of Information

A good reason for not consulting information is that it is simply not accessible within the time frame available to the programmer. The idea behind the decentralisation of the common Sida archive in 1995, that documentation should be held by those who work most with it, sounds reasonable. As pointed out by M. Nilsson (see the introduction to *THE MATRIX AND ITS DATA*), it has, however, meant that all post-1995 information is very difficult to retrieve. The implementation of a running system of assessment, based on something like our data-base matrix, requires an efficient back-up archiving system. A data-base would summarise information; programmers must still

be able to get back to more detail when they need it. A searchable internet based archive would bring Embassy programmers and Sida desk officers into the same virtual information space.

4. Embassy ownership and staff time

A final possible reason for not keeping track of or producing all required documentation is that programme officers simply do not have time to do so. Decentralisation (emphasis on ownership of the programme at Embassy level) puts heavy demands on Sida staff at embassy level. Some of the consultancy hours registered for particular activities probably represent outsourcing of regular programming activities rather than real consultancy. One Maputo-based Swedish consultant, for example, worked as a programme officer during the floods. She now often represents the private sector development programme, which at embassy level is one of the many areas of responsibility of the counsellor. She has done so much consultancy work in the Niassa project that many people there assume that she is Sida staff.

The kinds of recommendations we have made for making the country strategy process a better management tool put still further demands on programme officers. We suggest them to be proactive in identifying relevant partners and creating opportunities for dialogue. We expect them to have the training and time for reading and reflection that will allow them to think strategically about the links between activities and objectives. In that light, we have looked at the ways in which roles and responsibilities are currently organised in the country strategy process to see whether some organisational shifts might not make it possible to employ staff time more productively in the country strategy process.

6.4 Country strategy: Revisiting roles, responsibilities and time frames

The ambassador indicated four questions that concerned him with regard to programming and implementation:

Can we do it better?

Can we do it more efficiently?

Can we do it quicker?

Can we increase effectiveness through co-ordination with other donors?

This provoked a review of the current roles and responsibilities. What are the weaknesses, factors that are perceived to slow down the process? Can the delays really be justified in the interests of an increase in quality? As mentioned in the introduction, we recognise that the proposals here are grounded in experience at embassy level without correspondingly detailed information on how the country strategy process looks from all sides in Stockholm. We also recognise that we are here somewhat exceeding our terms of reference. We nonetheless tentatively put forward this section as a space where Sida can perhaps develop its own thinking on its internal division of labour.

6.4.1 Roles and responsibilities: the 'as is'.

Ten role players were identified whose actions may have a greater or lesser impact on the Country Strategy.

The Ministry of Foreign Affairs draws up the general overall goals that Sweden hopes to achieve through its development assistance activities, and furthermore sets out more detailed orientation specifications to be considered in the elaboration of the Country Strategy (see Annex I). MOFA have the power of veto. In the mid nineties when a salary supplement scheme had been agreed upon between a group of like-minded donors as a means of stemming the bleeding of the state cadres to the private sector, MOFA took a contrary position to the proposal.

The Board of Directors is non-executive, and it is said that constituency representation is an important criterion in the selection process. The Board of Directors works with the Director General of Sida. A Board meeting would approve the proposed Country Strategy prior to its submission for the higher consideration and approval process that takes place at MOFA.

Stockholm Sida Executive. The Director General Is the person with the key responsibility to ensure that implementation takes in compliance with the directives of MOFA and the Board of Directors. There are a couple of units, not involved in programming, which report directly to the Managing Director. The controller function is to ensure that procedures are followed correctly. The most important unit with regard to the Country Strategy is the Evaluation Unit. The evaluation unit has no programming responsibility; its focus is the assessment of the quality of programme implementation.

Stockholm Sida Programme Departments. The Regional Departments are made up on a 'continental' basis e.g. there is the 'Africa Department.' Within the Africa department there are then personnel who have responsibilities for a country or countries depending on the size of the country programme. There is a dedicated person for the Mozambique programme. The desk plays the role of co-ordination between the embassy, the sector departments, and MOFA. Sida personnel commented that the country programme desk officer post is classified as a junior position. It attracts young persons, and is often their first Sida employment. It was noted that the personnel, however bright and talented they are, generally do not carry sway within the Stockholm office. They are seen as less experienced and the position has less status.

The desired and more powerful positions are perceived to be within the Sector Departments. These are viewed as the loci of expertise. Some of the younger less experienced embassy staff sees themselves as go-betweens in the implementation of the Country Programme. The Stockholm desk personnel visit the country and are important in the conceptualisation of what will be included as activities. Their periodic country visits are supplemented by frequent contact with embassy staff. These are the more senior, better-paid, higher status jobs.

The three embassy positions (in Mozambique) that influence both the shaping and the implementation of the Country Strategy are the ambassador, the counsellor-development cooperation, and the Programme officers-development cooperation.

The ambassador's responsibilities include:

- to lead and distribute the work within the embassy
- to lead the strategy work and goals for the different areas of work of the embassy
- to coordinate work in relation to goals, transmit goals to the staff, develop the resources of the embassy and to follow up the results
- to determine the internal division of work and order of decisions
- to supervise the coherence of the work with instructions and regulations
- to be responsible for the political and economic reporting
- to take decisions and to sign agreements on development cooperation within the frame of delegation from Sida and to take decisions regarding the recurrent work on development cooperation. A part of this decision making power may be delegated to the Counsellor in accordance with the internal decision order of the embassy.

The responsibilities of the counsellor-development cooperation are:

- to lead, under the guidance of the ambassador, the work regarding planning, preparation, implementation and follow up (including the auditing) of development cooperation within the areas of infrastructure, public administration, education, agriculture, private sector, provincial support to Niassa, culture, consultancy fund and gender issues;
- to lead the programme officers in these areas;
- to secure the planning, utilisation and follow up of the country allocation;
- undertake contacts with other donors especially the European Union.

The counsellor also acts in Mozambique as programme officer for private sector cooperation, economic cooperation and Sida's international course. The counsellor reports to the ambassador and is deputy to the ambassador. The Programme Officers have responsibility for the co-ordination of implementation. Where the programme component is large (e.g. infrastructure) there is a single dedicated person. Other programme officers may have responsibility for two or three programme areas. The counsellor indicated that styles of work are extremely variable according to personalities and their experience. Some persons were intensely consultative both with their Mozambican partners and the sector department in Stockholm; others pursued a more hands off style with memos being copied to Stockholm for their information.

The most problematic position is that of the counsellor. The job as it is constituted at present is too diverse and too crowded. There are important man-

agerial aspects that fall through the cracks e.g. the planning of handovers when there are changes in personnel. It does not seem helpful that the counsellor has a programming responsibility when the oversight function is of such importance.

6.4.2 Revised roles and responsibilities – a proposal

Sida is experimenting with a decentralisation perspective in its approach to development cooperation. A decentralisation of decision making is currently being tried out in three country programmes, Nicaragua, Tanzania and Vietnam. Nonetheless we noted a certain skepticism within Sida as to the realism of these pilot experiences. Some people expressed the view that this may merely reflect a pragmatic move, rather than a commitment to longer-term decentralisation in other country programmes. Experimentation with decentralisation is, however, supported by a great deal of organisational development literature which argues that the quality of decision making improves the closer it is made to the site of implementation. Skeptics are, however, right in noting that Sida's own internal institutional organisation does not at this point facilitate decision-making at embassy level.

We therefore question the current alignment of the three overlapping circles of decision-making discussed above: the embassy, the sector department and the regional department. We suggest that the shifting centre of gravity should be anchored in a way that locates the weight of decision making power more firmly in the embassy. The sector departments would become technical expertise units. These would be the locus of institutional intellectual capacity in their specific area of expertise. They would continue to secure the conceptual quality of the programme and their continued field participation is important. The Regional department's role would be primarily one of co-ordination between the embassy, the sector departments and MOFA.

At the level of the embassy, it is envisaged that the ambassador would assume the guardianship of the programme direction. This is a substantial departure. The implication is that if the regional or sector departments have a differing perspective, they must lobby their position with the embassy staff. This is not what happened in 1995/96.

With regard to the embassy programme officers the recommendations are (1) Secure an induction opportunity that affords an assimilation of the country programme history in the area of responsibility, (2) The hand-over process should be well-planned: the evaluation team interviews noted that this was generally given a low priority, a half day meeting had been seen as sufficient (3) the analytical capacity of the programme officers should be enhanced to capitalise on the use of available studies and (4) programme officers currently appear to have negligible time available to investigate new programme opportunities- in Mozambique this was most apparent with regard to both agriculture and private sector programming.

It is the counsellor's job at the embassy that appears to offer and require most space for change. The ambassador has diplomatic responsibilities as well as the guardianship of the programme hence it is obvious that managerial responsibility for personnel and implementation falls to the counsellor. The counsellor must secure that there is a unifying staff vision with regard to the programme direction. The counsellor has the power to insist on an enhanced induction and handover process in the interests of securing institutional memory. The counsellor has the power to sit with personnel and to promote a learning culture to secure an improved analytical basis to the programming undertaken. The counsellor should have the delegated authority and responsibility (through the ambassador) to act on recommendations. Such a pro-active role for the counsellor would imply a considerable overhaul of the job description and time management of the counsellor's post. The current job description briefly refers to the need to 'lead the work of the programme officers'. The suggestions here amplify this responsibility considerably. It seems inappropriate, in terms of time allocation, for the counsellor to have programming responsibilities.

6.4.3 Country Strategy: revise time plan and the consultation process

Another way of reducing the time demands of the country strategy process would be to reduce the time frame for the formal preparation of documents. This would of course be easier if the process generated more regular monitoring of results as inputs to the formal process. The current time and process flowchart for the country strategy covers an eighteen month period (See pp 9-10 of the MPI document)¹:

¹ This time table is flexible and can be adjusted to the specific partner country and context.

Table 6.2:	
Previous year	MOFA instructs Sida that the Country Strategy should be redone
Month 1	Sida and MOFA separately form their working groups, and the Sida group prepares a think paper on strategic development issues. A Sida-MOFA joint meeting is held. A timetable is agreed and the instructions for a results analysis are given. The country partner is informed that the process is taking place.
Months 2,3	Dialogue is to take place with government and civil society in the country, with other donors and with Swedish interest groups. The evaluations are finalised and a preliminary Country analysis may be requested.
Month 4	A hypothesis representing the views of the embassy and Sida Stockholm is prepared. It is perceived as an early statement of key areas for strategy formulation. It is submitted to the Director General, Sida, and subsequently submitted to MOFA.
Month 5	MOFA approves the directive for a Country Strategy as based on the key areas presented. The directive states the objectives and conditions of the support, and states the volume of aid for three years.
Months 10–13	Strategy Development with the responsibilities perceived as: Results analysis: embassy responsibility Country analysis: embassy responsibility Strategy preparation: Sida
Months 14–15	Draft strategy finalisation. Discussion takes place with Swedish interest groups. A Sida country strategy meeting is held. A presentation is given to the DG and Sida's Board of Directors; a presentation is made to MOFA including a budget request.
Month 16	The processing of the Strategy takes place in the Cabinet office. The Country Strategy is translated into the language of the partner country. The country plan is prepared.
Month 17	Country Cooperation agreement. Finalisation of Country Plan.

This is an extended process. Mozambican partners are consulted at an early stage (months 2–4), prior to the elaboration of the hypothesis paper. They are not formally engaged again until the month 17, when the negotiations prior to signing a cooperation agreement take place.

Three areas of dissatisfaction were recorded: the time frame, the process of consultation with partners and the respective decision making responsibility within Sida. The recommendation is to truncate the time frame considerably, involve Mozambican partners at different stages of the process, and assure that the embassy is the lead driver.

Month 1–2	A Country Analysis and Results analysis are prepared by the embassy. This provides the input into the hypothesis paper
Month 3	The hypothesis paper is debated with Mozambican country partners and within Sida. After revisions, the proposal is submitted to MOFA
Months 4–5	Embassy prepares Country Strategy on the basis of the hypothesis while awaiting MOFA response,
Month 6–7	Country Strategy widely distributed to stakeholders (government and civil society, Swedish and Mozambican)
Month 9	Finalisation of documentation, submission to DG and Board of Directors Presentation to MOFA with budget request
Month 10–11	Country Programme prepared

This proposal only saves five months out of the original seventeen months, but it incorporates two dialogue opportunities, thus affirming Swedish commitment to building a relationship of confidence and trust with its partners.

6.4.4 Identifying short term gains

The evaluation team discussed the feasibility of the above proposals for changes in roles and responsibilities. Even if there were a favourable reception of the proposals within Sida, it would probably take the best part of two years to secure the practical institutional changes that would have to take place for the recommendations to be implemented. The following more limited suggestions are therefore proposed as a set of actions that could have a qualitative impact, without their requiring institutional restructuring for their adoption:

- Address the role of the counsellor re harmonising staff vision, management of staff turnover and the curatorship of institutional memory;
- Strengthen the skills development support to the programme officers;
- Employ a rolling plan that regularly revisits principles;
- Create opportunities for discussing the hypothesis paper with country partners.

6.5 Conclusions and recommendations

This chapter has shown that Sida needs a flexible strategic management tool in the context of new forms of development partnership, rapid change in Mozambique and flux within Sida itself. It then discusses institutional practices and cultural representations within Sida that have made it difficult to employ the Country Strategy process as such a tool. It shows that Sida has

often operated through absorbing conflict rather than creating consensus. We argue that the recommendations made in Ch. 2 on clarifying assumption and revisiting principles will facilitate thinking with conflicts rather than absorbing them. The chapter also argues that Sida does not effectively use the monitoring and evaluation documentation it produces in the country strategy process. It recommends that Sida have a critical look at its routines for the commissioning of consultancy, the transparency of its routines for logical framework analysis, and its archival systems. It is suggested that some shifting of roles and responsibilities and changes in the routines of the country strategy process are needed.

Making the Country Strategy process a more effective and efficient tool for managing the country programme thus implies some shifts in the ways decisions are made and in the time, information and analytical skills programmers have. These changes would bring the centre of gravity in the country programme more firmly towards the embassy level. The importance of locating development in Mozambique within its wider regional context (and thus the clear need for coordination with the regional desk) should, however, not be forgotten.

Annex 1

Summary of Country Strategy and Orientation Documentation

(a) Development assistance: the broad parliamentary goals

The Broad parliamentary goals are set out in the document 'Sida at Work'. There are six goals that are relevant worldwide to any Sida engagement in development cooperation. These are

- economic growth
- economic and social equality
- economic and political independence
- democratic development
- care for the environment
- equality between men and women

(b) CS: Terms of Reference

issued by the Swedish Ministry of Foreign Affairs, October 1995 for the Country Strategy Mozambique 1996–2001

(Translation from Swedish- Evaluation team consultant Nils Ostrom)

The Result Analysis should cover three years, comment on content and form of assistance and also include relevant experiences from other donors

The Country Analysis should be focused on the most important factors for the cooperation and draw conclusions for the future cooperation. The following areas should be covered:

- Regional perspective and role of SA
- Peace and its consequences
- Democracy and decentralisation
- Poverty orientation
- Equality between men and women
- Environmental issues

- The role of the State, its capacity, limitations and possibilities
- Other donors and coordination

The Country Strategy should start with a summary background for the proposed direction, and the priorities of Mozambique for cooperation in general and with Sweden. The following points should be considered in the strategy:

- A reconsideration of content and form of cooperation based on the changed situation in Mozambique (peace general elections, etc)
- Overall objective of cooperation with Mozambique is to contribute to peace security and development of democracy. Priority for support aimed directly at this.
- Concentration should be pursued. Considerations for phasing of programmes should be presented. A strengthened poverty profile should guide the choice of sectors and design of support.
- Aid dependence and debt situation are negative factors for ownership and long term sustainable development. The cooperation should aim at reducing these factors
- The support from EU, WB and the Nordic countries should be considered and coordination with these donors explored. A Swedish standpoint in relation to the conditionality of the WB/IMF should be developed.
- Credit support should not be given until the economic situation has improved.
- Objectives for the support should be formulated as concretely as possible to improve result orientated planning and follow up. Target group for different areas should be identified.
- Present conditions regarding channels of support
- Consider the role of Swedish NGOs
- Consequences for the environment of the support
- The volume of support should continue at present level
- Propose conditions for Swedish support

(c) Country Strategy document

“Cooperation Strategy with Mozambique 1st July 1996 to 30 June 2001”
(Translation from Portuguese, evaluation team consultant, Helena Dolny)

1. Introduction

- 1.1. The Swedish government decided that cooperation strategies should be established for those countries with which Sweden has considerable cooperation. The strategy established for Mozambique will provide the orientation for Swedish development assistance for the period from 1 July 1996 to 30 June 2001. The strategy will be reformulated after three years and a new cooperation and assistance agreement would be signed between the two countries.
- 1.2. The starting point for this strategy was a deep analysis of Mozambican society, the results of the previous cooperation with Sweden, the priorities of the Mozambican government, and the Swedish government's general cooperation and assistance goals.

2. Cooperation to date

- 2.1. Ever since development cooperation between Mozambique and Sweden started in 1975 the focus was to promote the growth of available resources and reduce Mozambique's dependency on South Africa. However, in practice, the events of war and a profound economic crisis required cooperation adaptability
- 2.2. Up until the fiscal year of 1994/95 Sweden had disbursed 7,8 billion Swedish crowns (in present day prices) in assistance to Mozambique. Of the 514 million Swedish crowns that were disbursed in the fiscal year 1994/95, more than 20 million were channeled through non governmental organisations, 45 million were destined for emergency assistance, 65 million went towards balance of payment support and the rest for sectoral support. The fiscal year 1995/96 is an exceptional accounting year comprising eighteen months, in which the assistance totals 600 million Swedish crowns. Sectoral assistance totalled 367,5 million Swedish crowns, a further 235 million was channeled to other projects, of which 115 million was for balance of payments support.
- 2.3. In the last three years, development cooperation to Mozambique has principally been channeled within the three following types of assistance: sectoral assistance, emergency assistance, and balance of payments support. Sweden also made a contribution to the peace and democratisation process through assistance given to the presidential and parliamentary elections in 1994.
- 2.4. The balance of payments support has been as much for import assistance as for debt relief. The import assistance allowed Mozambique to import essential inputs and equipment for both industry and agriculture during a time when the access to foreign exchange was scarce.

- 2.5. The development cooperation has mainly consisted in projects related to agriculture, education, infrastructure and administration. The war meant that development assistance was mainly limited to Maputo City and other major towns. Except for emergency assistance it was difficult for development assistance to be targeted at the poorest.
- 2.6. The greater part of Sweden's assistance was channeled for or through central state firms or institutions. Assistance channeled through non-government agencies was almost always emergency aid and almost never anything for a long-term project.
- 2.7. There has not been a comprehensive evaluation of Swedish aid in the last three years. However some aspects have been evaluated and the result of assistance to the various sectors is variable in its outcome. Many times the results obtained were limited because of structural problems with the realm of public administration. The domination of politics was too much in the forefront, and there was a real lack of incentives and qualified personnel. There exist, however, several successful program components, for example, assistance given to seed production, the system of schoolbook distribution, activities related to human resource development, the rehabilitation of rural roads, using labour intensive working methods.
- 2.8. In summary, Sida's analyses display relatively positive results, in spite of assistance having been given under very difficult conditions. In certain cases, Mozambique's structural administrative problems strongly limited the possibilities of the assistance having a permanent effect. This calls for a reconsideration of certain contextual aspect of the present structure of cooperation.

3. Future cooperation with Mozambique.

- 3.1. Mozambican priorities.
 - 3.1.1. The Mozambican government's first objective is to promote peace, and establish national harmony through the fight against poverty, as well as raising the living standards within the country. The government gives priority to education and health, better living conditions in the rural areas and measures which will increase employment
 - 3.1.2. One part of the process of elaboration of the Country Strategy was the holding of discussions, both formal and informal, with representatives of the Mozambican government, administration and others.
 - 3.1.3. The official Mozambican proposal is to continue assistance within the current areas of cooperation as well as accepting a geographic concentration. This proposal especially calls attention to the significance of Swedish assistance in the education sector. The continued assistance to public administration and demining are also emphasised.

3.2. Other donors

- 3.2.1. Mozambique is one of the countries in the world most dependent on external aid. External assistance actually constitutes more than half (50–60 per cent) of Gross National Product of the country and the need for assistance will continue to be considerable for a long time to come. About two hundred donors or foreign agencies are active in Mozambique; their contribution totals about I billion US dollars a year.
- 3.2.2. The largest donors are the European Union, Sweden, France, Great Britain, the United States and Norway. In terms of multilateral assistance, the World Bank contributes approximately one half, ‘seguido do’ the World Food Programme (WPF), the United Nations Development Programme (UNDP), and the United National Children’s Fund (UNICEF)
- 3.2.3. Assistance from the European Union is channeled towards balance of payments support, regional infrastructure and local level micro-projects. The World Bank mainly concedes loans for projects linked to the programme for economic reform, the creation of basic services, as well as for the development of the energy sector and small-scale agriculture.
- 3.2.4. The assistance forthcoming from other donors generally follows the same perspective as that of the Swedish assistance. A great part of assistance has been destined for emergency aid and balance of payments support, as well as for sectoral projects, channeled via the central administration and with a geographic concentration on Maputo and the other major cities. Lately, a growing number of donors have begun to direct their assistance towards other areas of the country.

3.3. Strategic questions and objectives

- 3.3.1. For several years now Mozambique has pursued deep transformational changes both in the political and economic arena. The country passed from a state of war to peace, ended the one party system and became a parliamentary democracy. Simultaneously it passed from being a centrally planned economy to pursuing a more decentralised market system. Due to these dramatic modifications, the content of development assistance needs also to be reconsidered and remodelled. This signifies a basic alteration in both the content and the methodology of Swedish assistance in Mozambique within the next five years.
- 3.3.2. Mozambique is one of the poorest countries in the world. A great part (an estimated 70 per cent) of its population live in a situation of absolute poverty. Mozambican poverty is caused, on the one hand by years of war and recurring natural calamities and on the other hand due to structural factors. Poverty, which has its origins in war and drought, could be resolved in a relatively short period of time through the re-

construction of infrastructure and rekindling of economic activities. But structural poverty can only diminish over a longer period of time through a general economic and social development, which demands economic growth above all within the economic activity of small-scale agriculture and through the development of small-scale private sector enterprises.

- 3.3.3. The great majority (about 80 percent) of the Mozambican population lives in the countryside and lives off small-scale family agriculture, which was affected both by war and drought. For a rapid recuperation of family agriculture it is necessary that the small farmers and refugees/returnees have access to tools and seeds. For the growth of the agricultural sector to be long lasting, it is also necessary that the marketing system in the rural areas should be reconstituted and that credit should be available to farmers and traders.
- 3.3.4. The whole country was directly or indirectly affected by war. The most affected zones were the rural areas and the small towns in the north and centre of the country. In spite of this, development assistance, due to security and logistical considerations, was concentrated in provincial capitals, which did not suffer the consequences of war so directly. Poverty got worse in the zones most directly affected by war.
- 3.3.5. In order to alleviate poverty, it is necessary that the flow of resources should be gradually decentralised. In the next five years, district level administration has to be reinforced to be better able to channel assistance to programme and projects that have been defined as priorities at the local level. Assistance has to be reoriented to be delivered more directly to the population that is poorest in the north and centre of Mozambique and to be able to nurture development, principally that of small scale agriculture and small scale entrepreneurs as well as the access to basic services.
- 3.3.6. Assistance, above all at the local level, should have as its point of departure a deep knowledge of the different roles of men and women within the perspective of social and economic development. Women constitute about 85 per cent of the workforce in agriculture and a great majority (ninety per cent) of women economically active work in agriculture. Gender analysis, at a local level, should be carried out to secure the appropriate orientation of development assistance.
- 3.3.7. In 1994 Mozambique's first ever multi-party elections took place. However these democratic elections can only be seen as the start of a long process required to establish a social democratic order in the country. Conflicts of a diverse nature could arise: political, ethnic, between the south, the centre and the north, and between the countryside and the city- the potential for such conflict has to be lowered. For democracy to be deepened and its legitimacy secured, it is necessary to reinforce those institutions that underpin democracy. The assemblies elected by the

people at the central and local levels need capacity building in the rules of the game of democracy, above all on the functionality of parliament for them to carry out their functions. Mozambique's weak judicial system has to be reinforced so that respect for the rights and liberties of its citizens can be assured. The future of democracy depends on the willingness and capacity of the Government to combat corruption.

- 3.3.8. The decentralisation of resources and decision-making as well as a pluralist influence over society's development are decisive factors for the consolidation of democracy. Assistance has to take all this into consideration and it needs to reconceptualise itself completely. Development assistance resources have to get to local level.
- 3.3.9. Various channels should be tried out in the various programmes. There's also a necessity to assist democracy through assistance directed to the electoral process, as well as activities that contribute to a greater opening of debate.
- 3.3.10. Peace and greater stability have modified the conditions for development cooperation with Mozambique. Simultaneously there exists the risk of new conflict arising, security threats weaken future stability and have to be controlled. The soldiers demobilised at the end of the war and new armed forces could constitute new security problems. Approximately 90 000 soldiers were demobilised and need an alternative occupation. Unemployed ex-soldiers, together with the great quantity of arms in existence, could constitute a serious threat to the security of the country.
- 3.3.11. Another security issue, of a different type, is the continued existence of a great quantity of landmines. Land mine clearing is problematic because of the huge variety of different mines and because of the poor knowledge of which areas have been mined. It is estimated that demining will be an ongoing activity for at least the next ten years. Resolving the land mine issue is evidence of commitment to create better safety conditions and for economic development in the country's rural areas.
- 3.3.12. The Swedes and many other donors actively cooperate in Mozambique in order to reduce Mozambique's dependence on foreign assistance. This objective is achieved, among other things, through an improved cooperation between donors and Mozambique will gradually assume responsibility for coordination. This dependence on external assistance will also be reduced through support to capacity building development and through Mozambican institutions gradually taking over the planning, implementation and monitoring of assistance. It is particularly important to improve cooperation on technical assistance.
- 3.3.13. In the future development cooperation between Sweden and Mozambique the objective will be to gradually increase the resources at the local level. Besides this, the Mozambican government resources should be

well defined in the agreements and the subprojects that have to be concluded during the next five years should be clearly specified.

- 3.3.14. As Mozambique has a weak economy and a large external debt, a great part of the Swedish assistance during the next five years will be given to reinforce the national economy, the balance of payment and the state budget. An eventual assistance to the budget will be related to the political economy pursued and conditional on a corresponding evolution in the part of the general state budget that is destined to the social sectors, as well as towards the mobilisation of internal resources.
 - 3.3.15. A radical lowering of the debt is a precondition for the independent and solid development of the country. Sweden will participate actively in coordinated international actions intended to lower the level of the debt. Sweden will also contribute certain sums of money to lower Mozambique's various bilateral, multilateral and commercial debts.
 - 3.3.16. Sweden's assessment of import support and debt relief is based on the data provided by Mozambique, the World Bank and the International Monetary Fund. The conditions established by these two institutions for concessionary assistance should in certain cases be evaluated with more flexibility, without, however, ignoring the directives (*vigentes*) with regard to balance of payments support. This more flexible assessment could above all permit debt relief in situations of occasional delays and structural adjustment. The stance taken by Sweden in relation to assistance to Mozambique is based on a Swedish assessment of the Mozambican reform policies and the political situation of the country.
- 3.4. General considerations on cooperation
 - 3.4.1. To improve the quality of cooperation there should be a long-term concentration on fewer areas. With respect to the areas to be curtailed during the next five years, it is important to consider the commitment to poverty reduction and the conditions for an effective implementation process. Cooperation in each area should be focused in such a manner as to contribute to the fortification and maintenance of peace and stability in the country. It is intended to attempt to secure the delivery of assistance at a local level, above all in the central and northern provinces of Mozambique.
 - 3.4.2. On the one hand assistance will be directed towards strengthening the country's economy generally and on the other hand it will be directed to specific sectors in society. The major part of the assistance will take place within the framework of a financial agreement between Sweden and Mozambique. A part of the Swedish development assistance budget will be channeled through the Swedish non-governmental organisations. There will also be some attention given to assessing whether or not the conditions exist for these organisations to play a greater role within the country. There must also be the opportunity for

regional activities. As before, a part of the assistance will be channeled directly for research institutes and the private sector.

- 3.4.3. As far as possible it is intended that Swedish aid should be included in the Mozambican State budget. An increasing part of activity will be paid for directly at provincial and district level and other channels for this kind of direct cooperation will be tried and tested.
- 3.4.4. A basic supposition being made by Sweden in drawing up its development assistance strategy is the persistence of peace, the continuity of political and economic reform, the development of democracy and a growing improvement in the human rights situation. If these conditions are not satisfied, the strategy will be reconsidered. A flexible redistribution between different parts of the programme will also take place depending on the results attained in the phase of preparation and implementation.
- 3.4.5. Bearing in mind the country's poverty levels, the large external debt and the huge demand for reconstruction, Swedish intends to maintain its levels of assistance at previous levels.
- 3.4.6. In this context the Swedish support to energy, culture and the constancy fund will be terminated in the next five-year period. Agricultural support will, wherever possible, be directed to delivery at a local level. Support to public administration and education will be concentrated, once the actual sub-activities, now totalling 24, will be reduced to a joint maximum of three at the central level. Support to public administration will be geared towards the decentralisation process and educational support will take place through the institutional support to promote a decentralised system of schoolbook distribution. To directly assist the fight against poverty, a decentralised geographically limited attempt will be made through support to primary school education, public administration, agriculture and culture.
- 3.4.7. The outcome of the next five years of Swedish Development cooperation with Mozambique should be: roads, agriculture at a decentralised level, tertiary education, peace, security and democracy, private sector development and a focus of assistance in a north or central province comprising assistance to education, culture, and public administration. The decentralisation focus will demand engagement on various components at central level in order to secure the process. The largest support programmes will be backed up by a reduced consultancy fund. Swedish assistance will also include non-conditional support to the balance of payments and the budget, as well as a contribution to debt relief. On the basis of a gradual introduction of unconditional budget support the personnel fund will be phased out over the five years. There will not be development loans. Neither will there be separate programmes for the environment, technical assistance, social communication or HIV/Aids. Any proposal outside of these rules will require a special concession. It

is expected that the Swedish non-governmental organisation will be maintained, more or less, at actual levels. Mozambique could also benefit from activities taking place on a regional level.

3.5. The question of dialogue in the next five years

Over the time of the next strategy period Sweden will engage in a general dialogue with Mozambique on the following issues:

- The deepening of democracy and stabilisation of peace, which includes a decentralization of resources and decision making, a promotion of a more pluralist society with greater popular participation.
- Good governance and the importance to combat corruption vigorously
- Combating poverty
- Reduction of the country's debt burden. This dialogue will have to be carried out with other donors. Multilateral loans and the link to the debt problem should receive special attention
- Efforts in the sense of reducing dependency on foreign assistance. A greater mobilisation of internal resources, including fiscal reform and the possibility of generating income at the local level.

4. Directives for specific areas of cooperation

4.1. Rural development

4.1.1. The road programme activity will increase for the rehabilitation and maintenance of roads in the centre and north of the country. Institutional support will be given to DNEP as well as the provincial agencies responsible for the construction and maintenance of roads.

4.1.2. The roadworks should be undertaken using labour intensive methods, above all, locally recruited. The programme should include clearly defined equality objectives, in terms of the men and women recruited for work.

4.1.3. A pre-condition for Swedish assistance is the guarantee that the Mozambican government will maintain the rehabilitated roads (through a reasonable equilibrium between investment and maintenance costs and capitalised funds) If this does not happen, assistance will be gradually redirected to focus on maintenance. The roadworks activity should, in general, support decentralisation.

4.2. Natural Resources – Assistance to the Small Farmers

4.2.1. Natural resources support will be revised and focus on rural development at the local level, for measures to promote trading in the rural areas, for seed provision and for the mapping authority, DINAGECA, and for agricultural research at a decentralised level. Activities will be restricted to selected zones in the central and northern provinces. Assistance to local development programmes and measures taken to

promote trading will be geographically coordinated with a decentralised programme of education, administration and culture.

- 4.2.2. Research and rural development activities indicate the necessities and problems of women. General analyses should be carried out at the local level. All assistance will have, as its point of departure, development that is environmentally sustainable.
- 4.3. Activities of peace, security and democracy
 - 4.3.1. Swedish assistance to the clearing of land mines will be continued, even extended throughout the period. Activities with regard to the reintegration of the demobilised soldiers and other vulnerable groups of society should continue.
 - 4.3.2. The local and national election processes will be helped throughout the period. There will be a contribution towards a fund for democracy and human rights.

(d) December 1998 MOFA approval for additions to the country strategy

Summary of the decision approved by MOFA

Sida put forward proposals for certain additions to the Country Strategy based on the evaluation of the positive economic development taking place.

Firstly, the fact that the greater part of the debt had been written off led to a proposal to allow soft loans as a part of development assistance.

Long term support for education, natural resources, public administration and roads are proposed to be continued as per current strategy. However the leading role Sweden in education and road construction is highlighted.

It is proposed that the Consultancy Fund be used for financing contracts between Swedish and Mozambican partners. It is also explicitly stated that the Consultancy fund may be used to finance a feasibility study for a bridge on the Zambezi.

The choice of Niassa as the province targeted for decentralised support is approved, and the go ahead is given for the preparation of a budget for the Niassa programme. The activities are to comprise (hence differing from the original CS strategy proposal) support to the private sector, to civil society, and for roads and electrification.

Annex 2

Terms of Reference

1. Introduction

A new country strategy for Mozambique is to be decided upon in the year 2001. As a mean of improving the effectiveness of Swedish aid in general, and the cooperation with Mozambique in particular, it is proposed that the country strategy and its operationalisation will be evaluated. The proposed evaluation will to be an important input into the next strategy formulation.

The Swedish government decided upon a Country Strategy for the development cooperation with Mozambique for the period 1996–2001 in 1996. The strategy has a five-year perspective and was put in print in a document, dated December 19, 1996, with reference to the background material: a Country Analysis and a Result Analysis.

The strategy is translated into operational plans at different levels: Work Plans, Country Plans, Disbursement Plans and Agreed Minutes¹. Every project and programme is supported by documents, e.g. agreements, assessment memorandums and project proposals, which lay out the objectives and immediate objectives of the project or programme. A review of the project or program is usually carried out every year, resolving in agreed minutes that bring up issues with regard to the program or project. The work plans, the country plan and the disbursement plans together with the project and programme documents and agreed minutes, represent the *Country Programme* in this text.

2. Purpose of the evaluation

The purpose of the evaluation is to give Sida an independent view of the Swedish Mozambican development cooperation to serve as one important input into the planned country strategy process. The evaluation will focus on: 1) the relevance of the present Country Strategy, and the relevance of the actual operationalisation of the Strategy, given stated objectives; and 2) the coherence between steering documents for the cooperation with Mozambique, and the coherence between the steering documents (named the *Country Programme*) and the operationalisation. A second purpose is to make concrete

¹ Only one country plan has been decided upon for the period. A country plan for year 2000 is to be decided upon, see enclosure 9 Other steering documents, derived from the strategy, may be identified and included in the analysis.

recommendations to Sida about how to improve the Swedish Mozambican development cooperation in the next strategy period, to increase effectiveness and to enhance poverty reduction.

3. Scope of the evaluation

The evaluation comprehends the following:

- a) to assess the quality of analyses in the documents and the relevance of inputs², activities, and outputs in achieving objectives,
- b) to assess the coherence of the analyses, inputs, activities, outputs, immediate objectives and overall objectives between the strategy documents,³
- c) to assess the operationalisation of the Country Programme in Mozambique.⁴
- d) to make recommendations about how to improve the country strategy work in the Swedish Mozambican development cooperation

4. The Assignment

Definitions: *Relevance* refers to the extent to which the inputs and activities respond to the problem, or to the extent to which outputs or immediate objectives help to achieve the overall objective, given other feasible possibilities.⁵ *Coherence* refers to the consistency of means and objectives between documents at different levels, and also between documents and the operationalisation of the same documents.

4.1 Relevance and Coherence

- a) Was the Country Strategy a relevant strategy given the preconditions as laid down in the Country Analysis? How did the Country Analysis influence the choices and priorities made in the Country Strategy? Did the Country Analysis provide relevant information about the problems and needs in the country, priorities and interventions of the Mozambican government? Did the Strategy take into account the development efforts

² Inputs refer to funds, personnel and goods.

³ The strategy documents refer to all documents from Government directives down to the Country Programme, see appendix

⁴ The key issues to assess as regards the operationalisation into aid activities are: 1) if the activities under the Country Programme in fact were implemented, and 2) if the implementation was in accordance with the principles, objectives and conditions stipulated in the Country Programme and the Country Strategy.

⁵ Note that the definition of relevance in the TOR implies comparisons of other feasible inputs and activities, and an assessment of their respective efficiency, as well as assessing if other outputs and immediate objectives to a greater extent would have contributed to the achievement of the overall objectives.

supported by other donors in Mozambique? Was the information about these issues explicitly taken into account in the Country Strategy? How was the information used?

- b) Did the Results Analysis influence the choices made in the Country Strategy? What information was used? How was the information used? Was there information in the Results Analysis, with potential bearing on the Country Strategy, that was not used?
- c) How were Sida's Action Plans taken into account in the making of the Country Strategy, especially when making strategic choices about issues, sectors and projects?
- d) Was the Country Strategy a relevant country strategy given the overall goals laid down by the Swedish parliament?
- e) Were the strategical choices in the Country Strategy clear, justified and monitorable? Did the Country Strategy give a clear direction for Swedish aid in Mozambique for the period? Were the objectives in the Country Strategy clearly expressed, and logically related to each other into a coherent hierarchy? Were conditions expressed in such a way that made them clear, justified and monitorable?
- f) Was the Country Programme (Country Plan, Work Plans, Disbursement Plans, Project and Programme documents and Agreed Minutes) a relevant country programme given the Country Strategy? Has there been a clear change in direction in the Programme as envisaged in the Strategy?
- g) The consultants are to determine possible reasons for weaknesses in the analyses and for possible lack of relevance of inputs and activities to reach objectives? The consultants are to make concrete recommendations about how to improve the analyses, and how to increase the relevance of inputs and activities in order to improve effectiveness.
- h) To what extent did Government directives, the Country Strategy, and the Country Programme cohere?
- i) The consultants are to determine possible reasons for any deficiencies in coherence between the documents. The consultants are to make concrete recommendations about how to improve the coherence between the documents.

4.2 The operationalisation of the Country Programme (the Country Plan, Work Plans, Disbursement Plans, the Project and Programme documents and Agreed Minutes from reviews of the projects and programs)

- a) Gather available results – outputs and effects – for all projects and programs in the Swedish Mozambican cooperation in order to provide an indication of the impact of the aid activities. Assess the quality of the available results.

- b) Have the implemented aid financed activities and their results been in accordance with the intentions in the Country Programme? Which deviation from the Programme can be determined? Have the implemented aid financed activities been relevant given the Country Programme? Specifically, how has it been possible to adjust the programme in order to respond to the urgent needs in the country after the floods?
- c) Have the choices about e.g. issues, sectors, programs and projects, defined in the Country Programme and operationalised into aid activities been relevant given the overall aid objective to combat poverty?
- d) Did the operationalisation of the Country Programme reflect the documented priorities of the Mozambican Government? In what areas did it reflect priorities, where did it not?
- e) Has the operationalisation of the Country Programme been coordinated with the development efforts supported by other donors and by the Government in Mozambique? Has Sweden come to the same conclusions about priorities in Mozambique as other donors? In what areas has the implementation been coordinated with other donor activities, where has it not? How have the activities been coordinated – jointly by donors or by the Government of Mozambique?
- f) Did the operationalisation of the Country Programme cohere with the principles for cooperation laid down in the strategy? For example:
- To what extent has the strategic decision to reduce the programme to fewer areas been accomplished, and how successful has the reduction been in improving the quality of aid financed activities?
 - To what extent has new channels been used in order for the aid resources to reach local levels to a larger degree?
 - To what extent has the principle of country ownership been adhered to in the country programme, i.e. active participation of relevant stakeholders in the project and programme preparation and implementation?
 - Has Mozambique provided counterpart financing as envisaged? Is the Swedish contribution accounted for in the government's budget?
- g) Were the conditionalities, as laid down in the Country Strategy and Country Programme for the Swedish-Mozambican cooperation, adhered to? If not, why, and to what extent did the non-fulfilment of these conditions lead to changes in implementation?
- h) The consultants are to assess to what extent the dialogue (formal and informal) between the countries took up issues spelled out in the strategy, and to the extent possible determine its effectiveness.

- i) The consultants are to determine possible reasons for lack of coherence between the Country Programme and the operationalisation of the programme. The consultants are to make recommendations about how to improve the coherence between a Country Programme and the operationalisation.
- j) The consultants are to determine possible reasons for lack of relevance of the implemented aid activities, given the Country Programme. The consultants are to make concrete recommendations about how to improve the operationalisation of future Country Programmes. Especially, the consultants are to make recommendations on how to improve the implementation of the principles for cooperation, including the issues of conditionality and dialogue.

4.3 Coherence, relevance and operationalisation

- a) Based on the analyses in 4.1 and 4.2 the consultants are to assess the importance of having coherent documents, with appropriate analyses, relevant inputs and activities, explicit and coherent objectives, for an effective development cooperation. The consultants are also to compare the findings of 4.1 and 4.2 to determine which intentions, laid down in the Country Strategy, that were not achieved. The consultants are to discuss if there are deficiencies in the coverage of issues in the Country Strategy, e.g. aid map, lack of government priorities etc, which still were taken into account in the operationalisation of the Country Programme.
- b) Based on the analyses in the assignment the consultants are to provide concrete recommendations for the next strategy cycle in terms of potential improvements in the formulation of a strategy and the operationalisation of the same strategy.

5. Definitions, methods, timetable and resources for the evaluation

The evaluation should be based on a review of relevant documents and on interviews with stakeholders in Sweden and in Mozambique. The consultants should elaborate on a methodology for the evaluation and present it in the tender document.

In the inception report the consultants are to elaborate on an approach to the assignment. The importance of an elaboration of a detailed theoretical and empirical approach to the tasks under 4.2 has to be stressed. The Inception report has to be approved by the Department for Africa and the Department for Evaluation and Internal Audit before going on to the next phase.

Even though 4.1 is extensively elaborated in the TOR emphasis should be put on 4.2 which should be the more time consuming task.

Notice that 4.1 to a large extent can be carried out in Sweden, by Swedish speaking consultants, and preferably before going out in the field. 4.2 will to a large extent be carried out in Mozambique.

For the tasks under 4.1 the consultants are expected to carry out a desk study. The most important documents to be considered are: Government directives, Country Analysis, Result Analysis, Country Strategy, Country Plan, Work Plans, Disbursement Plans, Project and Programme documents (agreements, assessment memorandums, project proposals and agreed minutes from the yearly reviews). Some interviews may be deemed necessary to satisfactorily answer all the questions under 4.1. The 4.1 assignment should not require more than approximately 4–6 weeks of the total allocation of the consultants time.

For the tasks under 4.2 the consultants are expected to carry out both a field and desk study. Given the large amount of general information available about the situation in Mozambique, and the amount of information available about Swedish aid in particular, the consultants are primarily to use second hand sources. The task a-c) under 4.2 is demanding tasks. The consultants are not expected to collect new data regarding the impact of Swedish projects/programs, but to make use of available sources of results of the cooperation and regarding poverty in Mozambique in order to draw some conclusions on the strategical position of Swedish aid in the country. The questions regarding ownership, conditionality, dialogue etc. need to be addressed by structured interviews, in addition to available reports, evaluations, official documents etc. Sida will specifically scrutinize the suggested empirical methodology for this part of the evaluation.

A team of external consultants is to carry out this evaluation. Care should be taken that the expertise has not had a direct stake in Swedish projects in Mozambique. The team should include relevant *social and political science competence, as well as competence in economics*. To be able to assess how different bodies interact in the development cooperation the team should include expertise in *management and organisational issues*. Expertise from Mozambique, or from the region, has to be included in the team, preferably a *firm/institute in Maputo* in order to ease logistics, setting up meetings etc. At least one team member should be able to *read and write Swedish* and have a sound knowledge of Swedish development cooperation policy, and at least one member of the team, preferably more, should be able to *read and write Portuguese*. Sida will help the consultant to identify key persons in the cooperation and to identify key documents. In those cases where an official Sida contact with the interviewee is necessary to set a meeting Sida will assist the consultant. In general the responsibility for setting up meetings, copying etc. rests with the consultant. Sida reserves the rights to participate in the evaluation after consultations with the contracted consultant.

The evaluation should be carried out during the period of June 2000 to February 2001. The scope of work is envisaged to require estimated 35–45 person weeks.

The tentative time schedule for the evaluation is:

May 2000:	Tender invitation
June 2000:	Contract consultant
August 2000:	Inception report
December 2000:	Submission of draft report
February 2001:	Submission of final report

6. Reporting

The following reporting requirements will apply:

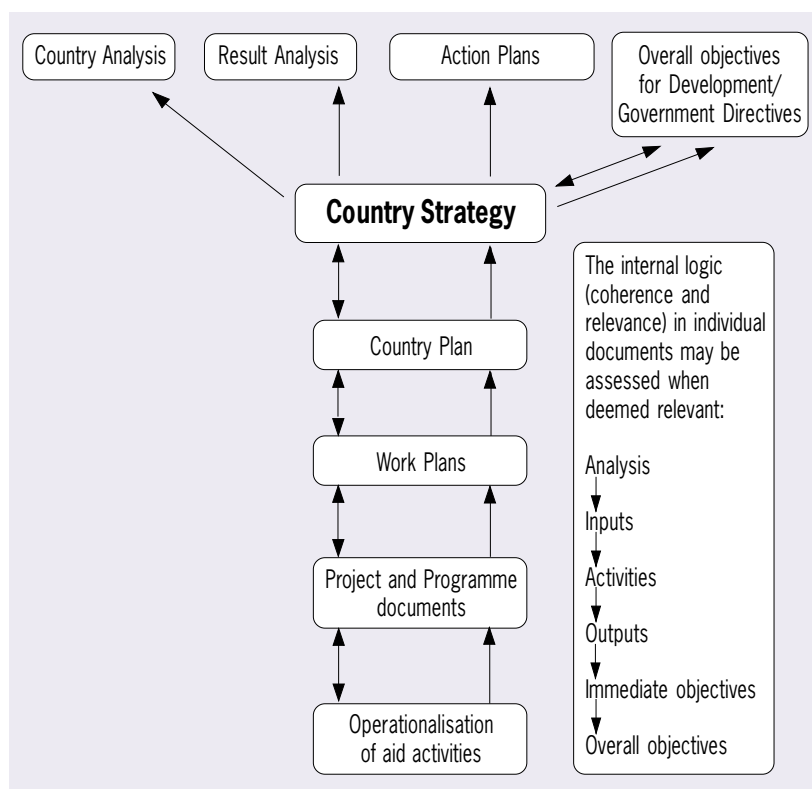
- 1) An inception report shall be presented to Sida no later than August 30, 2000. The inception report should be a deeper interpretation of the terms-of-reference as regards the proposed approach and methods. The inception report should also propose a detailed work plan for the assignment. The inception report will have to be discussed with, and approved by, Sida before entering further into the assignment.
- 2) A presentation of preliminary findings is to be held in Mozambique for the Embassy and relevant Mozambican authorities before the consultants leave the country.
- 3) A presentation of preliminary findings, taking in the discussion from the presentation in Mozambique, is to be held for Sida in Stockholm within two weeks after returning from Mozambique.
- 4) A draft report is to be submitted to Sida no later than December 11, 2000. The report will be circulated by Sida to the Swedish Embassy in Maputo, the Ministry of Foreign Affairs and Sida for comments. If deemed relevant, the draft will also be circulated to relevant stakeholders in Mozambique for comments.
- 5) Within 4 weeks after receiving Sida's comments on the draft report, a final version in 5 copies and on diskette shall be submitted to Sida. The evaluation report shall be written in English and should not exceed 80 pages, excluding annexes. Format and outline of the report shall follow the guidelines in *Sida Evaluation Report – a Standardised Format* (see Annex 1). Subject to decision by Sida, the report will be published and distributed as a publication within the Sida Evaluations series. The evaluation report shall be written in Word 6.0 for Windows (or in a compatible format) and should be presented in a way that enables publication without further editing.
- 6) The evaluation assignment includes the production of a Newsletter summary following the guidelines in *Sida Evaluations Newsletter – Guidelines for Evaluation Managers and Consultants* (Annex 2) and also the completion of *Sida Evaluations Data Work Sheet* (Annex 3). The separate summary and a completed Data Work Sheet shall be submitted to Sida along with the (final) draft report.

Appendix A: Coherence and Relevance

The table illustrates the hierarchy of coherence and relevance in the country strategy documents and their operationalisation.

- ↔ Illustrates the question in the TOR of *coherence* between the documents (and the documents and their operationalisation in the last step).
- Illustrates the question in the TOR of *relevance* of inputs and objectives in one document given the objectives/information in the superior document. Last step illustrates the relevance of the operationalisation given the country programme.

The TOR embraces more specific questions regarding each step and therefore this table can only be seen as a model for the study of coherence and relevance.



Annex 3

List of persons interviewed

Interviews in Swedish Embassy

Erik Åberg, Ambassador
Karin Andersson, Programme Officer Education
Eva Belfrage, Programme Officer Public administration
Lars Carlsson, Programme Officer, Agriculture
Bosse Hammarström, Coordinator Niassa Project
Anton Johnston, Public Administration, Sida
Miquelina Martins, programme assistant
Helen Nordenson, Programme Officer, Culture
C. Svensson, counsellor
Gösta Werner, Programme Officer Infrastructure
Katri Pohjolainen Yap, Senior Research Officer, SAREC

Interviews with partners and project and programme staff in Maputo

Per Åke Andersson, Gabinete de Estudos
Lidia Brito, Minister of Higher Education
João Carrilho, Vice-Minister of Agriculture
Ana Chichava (Secretary General, Public Works, formerly Ministry of State Administration)
James H Coates, Resident Representative World Bank
Kevin Coglan, Attache Embassy of Ireland, Irish Aid Niassa
Teresa Cruz y Silva, director of the CEA, Eduardo Mondlane University
Aiuba Cuerencia (Vice-Minister, State Administration),
Luisa Diogo, Minister of Planning and Finance
Dra Domingas, Assistant National Director of Industry
Dra. Gabriela, Instituto Nacional Normação, Qualidade e Controle –
Monika Gronvall-Branks, Consultora, Suplente JEC, Malonda
Dipak Jaiential, Senior Economist, World Bank
Senhor Laice, National Director of the Treasury.
Jose Eduardo Leandro, Senior Economist, Africa Region, World Bank

Ester Lönnstrup/Danish Embassy
Atanásio Magunhe, Director of Regional Roads
Brazão Mazula, Rector of Eduardo Mondlane University
Eng Carlos Morgado, Minister of Industry and Trade
Julião Novela, Grupos Africa da Suécia
Jose Nunes, European Union
Ritva Parvianainen, Grupos Africa da Suécia
Adelino Pimpão
Frances Rodrigues (Vice-Minister, Ministry of Cooperation)
José Rudolfo, Assistant Nacional Director of Trade
Jorge Salvador, Advisor to the Minister of Industry and Trade
Omaia Salimo, Executive Director, FFPI
Leonardo Simbine, Banco de Moçambique
Luis Eduardo Siteo, National Director, Ministry of Industry and Trade
Jose Carlos Trindade, Executive Director, AMODER.
Manuela Soeiro, Teatro Avenida
Arie van der Wiel, Ambassador, Royal Dutch Embassy

Other Interviews in Maputo

Pedro Barreto, KPMG
Ana Cabeza, Adult Education
Virgilio Cambaza, ISRI,
Carlos Cardoso, Journalist.
E. Castel-Branco; MOLISV
Maria Marina Fernandes, Consultant
Antonio Francisco, Faculty of Economics, UEM
H. Falck, Consultant, Department of Economics, Lunds University
Joseph Hanlon, AWEPA.
Kare Landfald, Consultant.
Oscar Monteiro (consultant)
J.-G. Negrão, Faculdade de Agronomia, Cruzeiro du Sul
Alberto Simao, Consultant
Clara de Sousa, Administrator, BM
Teodoro Wate, Presidente, Conselho de Administracao do FUNDAC, Presidente da Assembleia da Cidade de Maputo

Interviews in Niassa

Fazal C. Lacá president of the AAGICON

Amelia Carlos Caetano, Provincial Secretary of the OMM, Lichinga

José Chissonga Macuinja president of the AACINIA

Francisco Cuinica, Director of the Secretariat of the Provincial Assembly of Niassa

Feliciano dos Santos, Coordinator of ESTAMOS

Etelvino Emílio Carlos, Coordinator of Casa Velha

Salvador Francisco Omade, JEC, Candidate-head of the financial department of the provincial direction of agriculture

Inez Hackenberg Coordinator Ibis-Pedal

Bosse Hammarstrom, Co-coordinator of PROANI

Elena India, Secretary of the Islamic Association of Niassa

Mick Jafare, coordinator of Aro Juvenil,

Albertina Macamo, Concern Niassa

Luisa Maposse, Manager of Austral Bank, Lichinga

Arzidio Matsinhe, Provincial director of mineral resources and energy

Elcídio Parruque, Department of Roads

Party Organisations (Frelimo) Sanga District

Lizete Sende Administrator of Sanga District

David Simango, Governor of Niassa Province

Felizberto Simão, Provincial director of culture, youth and sport

Eusébio Simbe Andrade Substitute Director of Public Works, Head of Water Department

I. Sotomane, Provincial Director of Agriculture, Co-coordinator PROANI

Sr. Zimba, Advisor to the Governor of Niassa

Interviews in Stockholm, Dar-es-Salaam, and London

Ulla Andrén, Project Coordinator Niassa Project at Sida

Rui Baltazar, Mozambique Ambassador

Jan Bjerninger, former Head of Dept for Southern Africa (1994–1996)

David Booth, ODI, London

Lars Ekengren, Head of Africa Dept, Sida

Lucia Hanmer, ODI, London

Anders Kreitz, Programme Officer, Infrastructure Division, Sida

Hans Persson, Programme Officer, Education Division, Sida

Ann Stödberg, former counsellor-development cooperation Mozambique

Calle Svensson, Counsellor, Swedish Embassy

Karin Sverkén, Desk Officer for Mozambique, Africa Dept

Annex 4

Documentation Consulted

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Assumptions and Partnerships in the Making of a Country Strategy

A new country strategy for the development co-operation between Sweden and Mozambique is produced in 2001. As a means of improving the effectiveness of Swedish aid in general, and the co-operation with Mozambique in particular, the country strategy for the period 1996–2001 has been evaluated. The evaluation raises several important issues, and will therefore serve as an important input into the formulation of the new country strategy.

The Institute of Social Studies in the Netherlands was contracted to undertake the evaluation in 2000. This is the second evaluation of a country strategy commissioned by Sida. The exercise, as was also the case of the first evaluation (of the Sweden-Tanzania co-operation), is a valuable learning opportunity, not only for the development co-operation with Mozambique, but also for Sida-financed co-operation in general. The evaluation is also valuable to other donor agencies using country strategies as tools for effective development co-operation.

The 1996–2001 country strategy for Mozambique was Sida's first country strategy. It was made just after a major re-organisation at Sida. These two factors had implications on the quality and the functioning of the strategy. Several efforts have been made in the last few years to improve the country strategy process. There is, however, still a lot to be learned from this evaluation, which points to generic problems as well as to historic-specific factors that influenced the strategy.



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