

# Operational Plan 2011-2015

## DFID MOZAMBIQUE

Updated June 2012

|                  |                                   |            |
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# Introduction

The UK Government is determined to help reduce the inequalities of opportunity we see around the world today. We believe that promoting global prosperity is both a moral duty and in the UK's national interest. Aid is only ever a means to an end, never an end in itself. It is wealth creation and sustainable growth that will help people to lift themselves out of poverty.

In May 2010, the International Development Secretary, Andrew Mitchell, commissioned the Bilateral Aid Review to take a comprehensive and ambitious look at the countries in which DFID works through our direct country and regional programmes. The review focussed on the best ways for the UK to tackle extreme poverty, ensuring that we make the greatest impact with every pound we spend. In parallel, through the Multilateral Aid Review, DFID assessed how effective the international organisations we fund are at tackling poverty.

On the 1st March 2011, the key outcomes of the reviews were announced, including the results that UK aid will deliver for the world's poorest people over the next four years. The Bilateral Aid Review has refocused the aid programme in fewer countries so that we can target our support where it will make the biggest difference and where the need is greatest. The Multilateral Aid Review findings enable us to put more money behind effective international organisations which are critical to delivering the UK's development priorities. In addition the independent Humanitarian Emergency Response Review looked at how the UK can build on its strengths in responding impartially to humanitarian needs and help ensure future disaster responses can be better prepared and coordinated.

DFID is committed to being a global leader on transparency. In the current financial climate, we have a particular duty to show that we are achieving value for every pound of UK taxpayers' money that we spend on development. Results, transparency and accountability are our watchwords and guide everything we do. DFID regards transparency as fundamental to improving its accountability to UK citizens and to improving accountability to citizens in the countries in which it works. Transparency will also help us achieve more value for money in the programmes we deliver and will improve the effectiveness of aid in reducing poverty.

The UK Aid Transparency Guarantee commits DFID to making our aid fully transparent to citizens in both the UK and developing countries. As part of this commitment we are publishing Operational Plans for country programmes. The Operational Plans set out the vision, priorities and results that will be delivered in each of our country programmes.

We will concentrate our efforts on supporting achievement of the Millennium Development Goals, creating wealth in poor countries, strengthening their governance and security and tackling climate change. The prize, in doing so, is huge: a better life for millions of people, and a safer, more prosperous world.

# 1) Context

Mozambique experienced an unrivalled development take-off after the end of its civil war in 1992. It has been the fastest-growing, non-oil economy in sub-Saharan Africa in the last 15 years. The Government of Mozambique (GOM) has doubled its own revenue from 10% to 19.5% of GDP in the last decade. At this rate, it could become independent of aid in 2023. It enjoys huge, untapped potential, abundant natural resources (minerals, gas, coal and now oil) and 30 million hectares of unused arable land. Its location, linking five landlocked countries to global shipping routes, gives it strategic regional importance. The Tete corridor in the north is the main trade route between Malawi, Zimbabwe and South Africa and the shortest route from Zambia to the sea. A world class coalfield in Tete is being developed. By 2015, the volume of exports could be greater than anywhere else in Central Africa. The railways and roads being constructed to serve the mines could fundamentally change the economic geography of the region, creating new trade routes from Mozambican ports to inland regions and facilitating trade with other industrial zones in the region. By 2025, Mozambique aims to complete its transformation from a poor, post-conflict nation to a thriving, regional trade and investment gateway.

However, growth to date has been highly concentrated on large, capital-intensive 'mega-projects' which have brought relatively few jobs and little poverty reduction. Land use is minimal and access to land difficult: only 12% of arable land is in use. Economic opportunity is limited: only 10% of the population is formally employed. Population growth outstrips job creation and traditional exports are falling. Women's access to assets is highly unequal. Its rank on business environment is 135 out of 169 with only modest recent improvements. Infrastructure is currently basic - it is the 14th least internally-connected country in the world, and realising the regional benefits of the transport corridors will require well-planned investment and good regional coordination and cooperation.

Growth has led to proportionately little poverty reduction – and, on one measure, no progress on MDG1 in rural areas since 2002/3. Mozambique remains one of the poorest countries in the world: 75% of the population live in poverty. Female-headed households are at a particular disadvantage. Close to 50% of these households are in the poorest third of the population. 44% of children under five suffer from chronic malnutrition. The poverty gap is increasing. To address these challenges, the GOM is making agricultural productivity and job creation its priorities in its next poverty reduction strategy.

On many other MDGs, progress has continued, but current need remains huge. In spite of remarkable progress on primary school enrolment, Mozambique trails Sub-Saharan African comparators in terms of primary completion and secondary enrolment, particularly for girls. Quality of education is a significant challenge with one of the highest pupil teacher ratios in the world and insufficient classrooms. On health, Mozambique still has only 874 doctors placing it in the bottom five countries in the world in terms of health worker ratios. HIV remains a major challenge (16% prevalence) with the majority of the infected in the productive age group, but needs are substantially funded by other donors. Water and sanitation MDGs are off-track. Indeed, Mozambique has some of Africa's lowest figures in terms of access to improved sanitation facilities – 4% in rural areas. Poor hygiene exacerbates the problem. Diarrhoea is the fourth largest cause of death among children under five.

On governance, Mozambique made early gains following the end of the war. It held competitive elections, increased media freedom and introduced a new constitution. Peace and stability were consolidated. Good performance in economic and financial management continues. But the 2009 elections tightened the ruling party's grip on power. Boundaries between party, state and the private sector have become blurred. An elite operates with relative impunity. Accountability mechanisms are weak. Corruption appears to be a growing problem. This is happening as natural resource revenues are rising and major oil finds are predicted.

Finally, in terms of donors, Mozambique hosts one of the highest concentrations of donor agencies of any country in the world, making good aid coordination imperative. DFID has a leadership role within the donor community on aid effectiveness. Under this plan DFID will continue to place a strong focus on aid effectiveness, to avoid the transaction costs involved burdening the government.

## 2) Vision

### Overview

Wealth creation and governance are the two areas upon which the success of this plan most depends. Without accelerated job creation and agricultural productivity, stability will be threatened. Without progress in tackling corruption and strengthening accountability, future gains will be jeopardised. DFID will therefore prioritise funding in these areas. The plan manages the risk of resource curse from expected oil and gas discoveries, specifically, by making future grants on growth and poverty reduction conditional on hard-edged policy reforms to improve transparency. Progress in these areas will make progress in the social sectors and on mitigation of climate change affordable and sustainable and will make graduation from aid a realistic target. The plan is also well aligned with GOM priorities on job creation, agricultural productivity, education and infrastructure. DFID will, over the period covered by this plan, increase funding in all these areas.

### Alignment to UK Government and DFID Priorities

In addition to poverty reduction, the UK's priorities in Mozambique are security, trade and investment. The UK has an interest in ensuring that Mozambique remains a regional anchor of stability and that its future development is not threatened by maritime insecurity and increasing levels of organised crime. DFID will work with the British High Commission (BHC) and Defence Attache to support this objective. The UK also has an interest in helping Mozambique take advantage of its location as an economic gateway to the wider region, linking five landlocked countries to global shipping routes. DFID will work with the BHC and private sector to improve the business climate and strengthen Mozambique's links to the UK and global economy.

In terms of alignment to DFID priorities, we will: maintain high levels of primary enrolment whilst improving primary and secondary school retention particularly for girls; improve the delivery of health and family planning services; increase the number of people in rural areas using improved water and sanitation sources and practising safe hygiene behaviours; increase the resilience, tools and skills to manage the impacts of climate change while attracting investment funds; and support the development of local democratic institutions, civil society groups and the media. DFID will develop new projects on property rights and small and medium-sized enterprise finance, accelerate community registration and productive use of land, catalysing rural development in the fertile Zambezi valley, leverage private sector infrastructure investment in the four regional development corridors and extend rural road coverage and quality. DFID will improve the lives of girls and women by prioritising investment in adolescent girls, through our health, family planning, water-sanitation and education programmes; targeting girls and women directly by improving rights to own property, access to finance, jobs and income and targeting of cash transfers; increasing the proportion of female social pension beneficiaries by improving the monitoring mechanisms for effective targeting; strengthening women's voice and engagement in decision making, supporting women's role in the direct school support programme and women's engagement in citizen score cards to improve monitoring of health and education services; and increasing the participation of women in politics and the media through our governance programmes. We will monitor the contribution to nutrition goals of our interventions in health, education, social protection and wealth creation and consider new work in that area.

### What we will stop doing

DFID Mozambique will stop funding the HIV/AIDS sector programme but will address the epidemic as part of a holistic approach to the health system. We will step away from the leadership of the donor group in 2012. We will cease current activities in Public Sector Reform to help focus on domestic accountability. We aim to gradually handover our engagement of the roads sector to the European Commission (EC). We will not get directly involved in agriculture sector dialogue, but rather focus on the wider constraints to rural development, which will target the agriculture sector as well as other productive sectors.

# 3) Results

## Headline results

| Pillar/ Strategic Priority | Indicator   | Baseline (including year)  | Expected Results (including year)  |
|----------------------------|---|--|--|
| Poverty                    | Number of poor people benefiting from basic social protection programmes.   | 454,000 people (2010)<br>of which 56,000 are attributable to DFID                                  | 604,000 people (2014 only)<br>An average of 43,000 people per year attributable to DFID between 2011 and 2014.   |
| Education                  | Number of children completing primary education   | 341,000 children, of which 155,000 girls (2010)<br>DFID share: 11,800 children; 5,400 girls (2010) | 474,000 children, of which 216,000 girls (2014 only)<br>DFID share: 43,700 children; 20,000 girls (2011 to 2014)   |
|                            | Number of children attending lower secondary (8th - 10th grade).  | 529,000 children, of which 244,000 girls (2010)<br>DFID Share: 18,400 children; 8,500 girls.       | 717,000 children, of which 338,000 girls (2014 only)<br>An average of 18,200 children (6,500 girls) per year attributable to DFID between 2011 and 2014. |
| Governance                 | Number of people supported to have choice and control over their own development and to hold decision makers to account | 0 (2010)   | 33,000 people (2014 only)<br>An average of 15,000 per year are attributable to DFID between 2011 and 2014  |
| Health                     | Number of births delivered with the help of nurses, midwives or doctors   | 465,000 births (2009)<br>of which 23,800 are attributable to DFID                                  | 552,000 births (2014 only)<br>of which 98,000 are attributable to DFID (2011 to 2014)  |
|                            | Number of pregnant women receiving anti-malarial drugs  | 140,000 women (2009)<br>of which 7,000 are attributable to DFID                                    | 229,000 women (2011 to 2014)<br>8,900 women attributable to DFID (2011 to 2014)  |
| Water and sanitation       | Number of additional rural people with access to improved sanitation facilities   | 270,000 additional people (2010)<br>of which 3,300 attributable to DFID                            | 1.7 million additional people (2011 to 2014)<br>of which 111,000 attributable to DFID  |
| Wealth creation            | Number of people supported to improve their rights to land and property   | 186,000 people (2010)<br>of which 83,000 attributable to DFID                                      | 699,000 people (2011 to 2014)<br>of which 314,500 are attributable to DFID and 173,000 are female  |

### 3) Results (continued)

#### Evidence supporting results

The core evidence base of this plan is drawn from proven internationally recognised evidence that analyses the main constraints to development and growth: e.g. World Development and Governance Indicators, Country Economic Memorandums and CPIA scores. This is complemented by DFID country level political economy and fiduciary risk assessments undertaken as part of our risk analysis for general and sector budget support, and drivers of change analysis. These are supported by the Government of Mozambique's 2010 national poverty survey confirming income poverty and inequality remain high, with progress continues on basic services such as health and education.

For a first set of broad interventions (Wealth Creation, Economic Governance and Education) the country evidence base is strong. There are systematic data collection and verification mechanisms including: Investment Climate Assessments; PEFA assessments; the Africa Peer Review Mechanisms; and the highly developed Education Management Information Systems where we are proposing to design and scale up core programmes.

For a second set of interventions where the factors determining improved access and outcomes are known from in-country and international experience (Health, Water and Sanitation and Cash Transfers) there are annual data verification exercises and regular household and cluster surveys to cross check evidence. We will continue to provide significant support whilst building data systems.

For a third set of interventions where the evidence base is weaker and where we are new to areas without proven sources of reliable evidence (feeding programmes and cash transfers in education, vouchers and contracting out procurement of contraceptives in health, cash for work programmes, political governance) we will pilot or fund an inception phase to gather the evidence base before scaling-up. Moreover, the Poverty pillar specifically ring fences funding for poverty monitoring, which will help fill the evidence gaps and we will recruit an evaluation advisor to further develop systems at the project level. We plan to bid for additional funds from DFID centrally for the outer two years of this plan, to scale-up new interventions should the evidence of results from the first two years justify it.

#### Value for Money (VfM) rationale

Despite great distances, remote population and poor infrastructure, the unit costs underpinning this plan compare favourably with other sub-Saharan African countries. Examining our options about intervention choices and partnerships we considered how best to maximise the results from our aid. We focused on:

- (1) how we could maximise synergies between pillars to increase cost effectiveness;
- (2) how we could best influence government policy and funding decisions;
- (3) how we could best impact effectiveness of other aid; and
- (4) how we could use funds to leverage significant private sector finance specifically around wealth creation.

In terms of synergies, e.g. education contributes to health (integrating reproductive rights into the curriculum), sanitation (prioritising girl-friendly toilets in schools) and poverty (cash transfers to encourage attendance). In terms of influencing government policy and funding decisions we are maintaining significant General Budget Support, whilst intending to introduce a performance tranche to maximise our influencing potential. The money we are providing through Sector Support is through common planning and hence government systems, which is likely to present better value for money than projects. It will also build on our track record of influencing at the sector level and will leverage the large vertical funds (e.g. Fast Track Initiative and health Global Funds). In terms of our approach to wealth creation, the outcomes are based on DFID funds leveraging larger additional investments, from the private sector, private public partnerships and the public sector.

We will harness Corporate and Divisional financial improvement strategies and tools to ensure we have the systems, procedures and practice in place to drive continued improvement in financial management.

## 4) Delivery and Resources

### Intervention choice

Our intervention choice is informed by DFID's relatively small share of total donor financing in Mozambique, coupled with the Government of Mozambique's desire to reduce aid dependence. These factors mean we need to use our aid to leverage better value for money from total spend on poverty reduction in Mozambique, be it from donor or domestic revenue; and we need to use the narrow window of time before aid reduces, to help put in place systems to sustain those improvements.

It is therefore important that we maintain our general budget support to the GOM over the next few years, to maintain leadership and influence with other donors and GOM and, thereby, drive the governance and wealth creation reforms that are necessary for Mozambique to graduate from aid. This will be complemented by more capacity-building projects and technical assistance in specific areas of economic governance, like procurement, anti-corruption and public financial management.

Over the course of the four year period we will move gradually towards more sector budget support programmes ensuring that we continue to meet existing commitments in the short-term. This will ensure basic service delivery is not disrupted and provide sufficient lead time to design more innovative pilot interventions.

We envisage a number of tailored projects to target specific constraints in individual sectors and to allow us to engage with, influence and leverage in large-scale private sector finance. We will significantly increase support to project interventions outside GOM systems to build accountability to citizens through civil society and the media. These will involve administrative overheads which will be large at the outset, but they support a potentially high impact outcome and, together with the capacity-building projects mentioned above, will target the major governance risks to this plan.

### Partnerships

Our key focus with the GOM in the short term is to influence policy reform to support positive change in Mozambique and manage the risks around "resource curse". Over the medium term, a shift to more sector support programmes will encourage more efficient provision of sector support both from DFID and from other donors, resulting in efficiency savings for the GOM.

Our plans to work with other donors take into account the findings of DFID's Multilateral Aid Review. We will work *through* multilaterals where possible, for example the EC in roads and through bilaterals in other cases e.g. the Dutch in water-sanitation. We will work with colleagues in the UK to mitigate the risks of working through other donors, including through lobbying in headquarters. We will have strategic targeted interventions to leverage others' resources, e.g. setting up a unit in the Ministry of Health to ensure the Global Fund increases its effectiveness. We will also build partnerships and incentives for the private sector to join public and donor funds to create large investments into the rural sectors, whilst building regional infrastructure.

We will use those of our projects which target local levels to strengthen partnerships with local government, communities and civil society. These partnerships and the data that flow from these projects will help to inform our wider policy engagement.

We will strengthen our partnerships with the private sector, through our joint activities on wealth creation objectives, using the additional capacity brought by the new Private Sector Development adviser we aim to recruit, in collaboration with the British High Commission, and using their commercial networks.

A particular challenge will be to strengthen links with the ruling and other political parties, an objective which so far the international community has found challenging.

## 4) Delivery and Resources (continued)

### Planned Programme Spend

| Pillar/Strategic priority                    | 2010/11        |               | 2011/12        |               | 2012/13        |               | 2013/14        |               | 2014/15        |               | TOTAL (2011-15) |               |
|--|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|-----------------|---------------|
|  | Resource<br>£m | Capital<br>£m | Resource<br>£m | Capital<br>£m | Resource<br>£m | Capital<br>£m | Resource<br>£m | Capital<br>£m | Resource<br>£m | Capital<br>£m | Resource<br>£m  | Capital<br>£m |
| Wealth Creation                              | 13             | 4             | 14             | 4             | 13             | 4             | 18             | 4             | 20             | 2             | 65              | 14            |
| Climate Change                               | 0              | 0             | 1              | 0             | 1              | 0             | 1              | 0             | 0              | 0             | 3               | 0             |
| Governance and Security                      | 10             | 0             | 11             | 0             | 14             | 0             | 13             | 0             | 15             | 0             | 53              | 0             |
| Education                                    | 22             | 0             | 20             | 0             | 23             | 0             | 21             | 0             | 21             | 0             | 85              | 0             |
| Reproductive, Maternal and<br>Newborn Health | 2              | 0             | 2              | 0             | 2              | 0             | 2              | 0             | 2              | 0             | 8               | 0             |
| Malaria                                      | 3              | 0             | 3              | 0             | 3              | 0             | 3              | 0             | 2              | 0             | 11              | 0             |
| HIV/Aids                                     | 4              | 0             | 4              | 0             | 3              | 0             | 4              | 0             | 4              | 0             | 15              | 0             |
| Other Health                                 | 7              | 0             | 7              | 0             | 5              | 0             | 7              | 0             | 7              | 0             | 26              | 0             |
| Water and Sanitation                         | 0              | 6             | 0              | 8             | 0              | 5             | 0              | 8             | 0              | 7             | 0               | 28            |
| Poverty, Hunger and<br>Vulnerability         | 4              | 0             | 4              | 0             | 3              | 0             | 4              | 0             | 4              | 0             | 15              | 0             |
| Humanitarian                                 | 1              | 0             | 1              | 0             | 1              | 0             | 0              | 0             | 1              | 0             | 3               | 0             |
| Other MDG's                                  | 0              | 0             | 0              | 0             | 0              | 0             | 0              | 0             | 0              | 0             | 0               | 0             |
| Global Partnerships                          | 1              | 0             | 1              | 0             | 0              | 0             | 0              | 0             | 0              |               | 1               | 0             |
| <b>TOTAL</b>                                 | <b>67</b>      | <b>10</b>     | <b>68</b>      | <b>12</b>     | <b>68</b>      | <b>9</b>      | <b>73</b>      | <b>12</b>     | <b>76</b>      | <b>9</b>      | <b>284</b>      | <b>42</b>     |



## 4) Delivery and Resources (continued)

### Planned Operational Costs

|                                 | 2010/11     | 2011/12     | 2012/13     | 2013/14     | 2014/15     | Total (2011-15) |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-----------------|
|                                 | £'000       | £'000       | £'000       | £'000       | £'000       | £'000           |
| Frontline staff costs - Pay     | 907         | 982         | 1,675       | 1,385       | 1,454       | 5496            |
| Frontline staff costs - Non Pay | 923         | 980         | 795         | 1,115       | 1,171       | 4061            |
| Administrative Costs - Pay      | 431         | 322         | 368         | 258         | 265         | 1213            |
| Administrative Costs - Non Pay  | 261         | 223         | 122         | 127         | 135         | 607             |
| <b>Total</b>                    | <b>2522</b> | <b>2507</b> | <b>2960</b> | <b>2885</b> | <b>3025</b> | <b>11377</b>    |

## 4) Delivery and Resources (continued)

### Planned Efficiency savings

#### Delivering Programme Efficiencies

| Category                   | Details   | Residual cost in the SR period £'000 |
|----------------------------|---|--------------------------------------|
| Strategic Reprioritisation | Public Sector Reform programme closing one year early in 2011 | 250                                  |
| Strategic Reprioritisation | Catalytic HIV Prevention Fund closing two years early in 2012 | 1,400                                |
| Strategic Reprioritisation | Exit roads sector in 2014/15, two years earlier than planned  | 2,500                                |

| Administrative Cost Savings Initiative              | 2011/12   |               | 2012/13   |               | 2013/14   |               | 2014/15   |               |
|---|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|
|   | PAY £'000 | Non Pay £'000 | PAY £'000 | Non Pay £'000 | PAY £'000 | Non Pay £'000 | PAY £'000 | Non Pay £'000 |
| Reduction in Consultancy Payments                   |           | 5             |           | 0             |           | 0             |           | 0             |
| Reduction in Admin staff                            | 70        | 34            | 75        | 8             | 75        | 21            |           | 0             |
| Reduction in Travel                                 |           | 12            |           | 7             |           | 15            |           | 0             |
| Reduction in Training                               |           | 6             |           | 4             |           | 4             |           | 0             |
| Reduction in residential property security          |           | 5             |           | 0             |           | 0             |           | 0             |
| Reduction in Estates and Property maintenance costs |           | 8             |           | 1             |           | 0             |           | 0             |
| Reduction in storage charges                        |           | 7             |           | 0             |           | 0             |           | 0             |
| <b>Total</b>  | <b>70</b> | <b>77</b>     | <b>75</b> | <b>20</b>     | <b>75</b> | <b>40</b>     |           | <b>0</b>      |

## 5) Delivering Value for Money (VfM)

**Key Challenges:** The classification system within the Government of Mozambique's budget does not necessarily permit the construction of VfM metrics that are internationally comparable. Within DFID-Mozambique, a number of our programmes are pilots and new. This provides the opportunity to identify value for money issues in the design phase but developing actual VfM metrics will take time. Given this, we will undertake a systematic approach to VfM, through an action plan to mainstream VfM through DFID's new business case model, whilst trying to influence VfM capacity of GOM. This approach will be critical given the volume DFID Mozambique intends to deliver through government systems.

**Skills, Systems and Structures:** Our VfM focus will be on improvements to government systems as well as within projects. All our Teams will integrate VfM into their work. This will be backed up by internal peer review. VfM will be led by the Economic Adviser with support from the Results and Evaluation Adviser.

**Operating Costs:** As part of the VfM strategy we will systematically monitor opportunities to make more effective use of our relationships with the BHC (investigating co-location options, closer working on estates maintenance, transportation and accreditation processes), systemically monitoring travel costs (greater use of conferencing facilities and low grade ticketing), improving VfM of our housing stock (use of apartments, dropping accommodation with high maintenance), localising posts where possible (corporate services and advisory services) and using in-house technical expertise where possible.

**Programme Spend :** In order to improve the VfM we get from our programme spend we will:

1. Develop a comprehensive VfM strategy for the DFID-Mozambique office by mid-2011. The implementation of this strategy – across the OP period - will include both in-house training on VfM for all programme staff and hands-on practical support from the Economics team to help measure, analyse and understand VfM within programmes. As a result of training/support, DFID programme staff – at advisory and project management level – will be able to talk confidently about basic VfM concepts in general, be able to discuss VfM issues related to specific projects and use this information to influence our implementing partners (including the GOM) to improve both the measurement and delivery of VfM;
2. Ensure that VfM Metrics are developed and monitored regularly across the programme, against international comparisons where possible and appropriate. Metrics will be developed at business case stage for new interventions and at annual review stage for existing programmes. Metrics will then be developed and reported on during Annual Reviews;
3. Undertake a stock take (and systematic monitoring) of the quality of our log frames to identify whether they have appropriate outputs and outcomes to monitor VfM systematically.
4. Undertake a review of the VfM strategy and implementation plan by end FY 2012/13.
5. Undertake an assessment of our public financial management interventions (based on other donor interventions and risk) to identify where strengthening is required and DFID support can best add value (led by Governance and Economic Advisers);
6. Develop sound methodology for measuring DFID attribution to specific outcomes, including to capture the contribution (financing and influencing) of budget support.

**Overall:** This approach will build in VfM considerations from the start of the project cycle through the baseline work. We expect the targeted interventions on procurement reform within GOM to provide greater VfM from DFID funds that use government systems. The establishment of a system of peer review prior to project approval will provide quality assurance. The use of annual reviews to systematically monitor VfM – as an integral part of programme monitoring and evaluation (M&E) – will ensure effective implementation of the VfM strategy.

## 6) Monitoring and Evaluation

**Monitoring:** DFID will work to improve national systems of monitoring and evaluation, working jointly with other donors to coordinate this support. Many of the baselines and targets used in the results framework correspond to national baseline data and agreed national targets for poverty reduction. We will seek to identify system weaknesses in key sectors in which we engage and increase investment in monitoring and evaluation systems, either directly, or by working through others.

**How** – DFID will support annual sector reviews, providing financing and technical support to strengthen monitoring and evaluation capacity where needed. For project financing, we will demand regular reporting of performance against outputs. Where progress is slow or off-track, remedial actions will be agreed and implemented. We will ensure that all programmes put in place an monitoring and evaluation framework. More rigorous monitoring and evaluation plans will be designed for innovative projects in order to capture lessons learned and inform future programming.

**Who** – We will work directly with the GOM and its line Ministries to strengthen national monitoring and evaluation systems. Implementing partners will be responsible for monitoring programmes directly. DFID Programme staff will collate the reports from these partners and feed these into Performance and Annual Reviews as well as the performance update on the Operational Plan Results Framework.

**When** – Frequency of partner monitoring will vary across programmes. DFID will align its reporting needs with national monitoring and planning cycles whenever possible. The programme teams will meet twice a year to report on and discuss progress against the Operational Plan and Results Framework and recommend to the Head of Office actions where performance needs to improve.

**What** – Performance and Annual Reviews will capture progress against outputs, to feed into the Results Framework performance update. Where trends are off track, remedial actions will be designed with partners, based on an analysis of changes in context and programme assumptions.

**Evaluation:** Overarching criteria for evaluation will be developed based on DFID guidance to help teams decide which programmes or aspects of programmes and projects to evaluate. A fuller evaluation plan will be developed by June 2012 based on current DFID guidance, taking into account our partners' preparedness and capacity gaps that need to be addressed.

**Evaluation currently underway** – Public Sector Reform is being evaluated as part of a high level multi-country study on Aid Effectiveness. Evaluation of the Education Sector Strategic Plan of 2006-2011 was commissioned jointly by the Ministry of Education and donor partners in order to inform the new strategy.

**Planned Evaluations** – We will support a series of impact evaluations on demand-side work. This includes looking at citizen engagement to improve health and education service delivery, improved voice of, and accountability to, urban citizens and a pilot intervention to improve quality of education. The Health Sector strategy ending in 2012 will be evaluated in 2012 to inform the next strategy. The full evaluation plan we will develop by June 2012 will identify additional evaluations in other sectors.

**Proportion of budget that will be subject to independent evaluation:** We aim to have at least 25% of our annual budget subject to independent evaluation.

**Evaluation post** – A full-time Evaluation and Results Adviser will be recruited.

**Actions to address gaps in skills** - The Evaluation and Results Adviser will coordinate implementation of the monitoring and evaluation plan, with support from the programme team, 20% of a UK based Statistician and Research and Evidence Division. Relevant staff will receive training and other support to develop the appropriate skills required for implementing the monitoring and evaluation plan.

**Support to improve partners' use of monitoring and evaluation:** DFID will assess implementing partners' existing use of monitoring and evaluation. Training will be designed to create an enabling environment for effective monitoring and evaluation. This will build on the lessons learned by the Ministry of Education which, with support from partners, has developed a training module for improving monitoring and evaluation at the district level.

## 7) Transparency

DFID Mozambique will assess the implications of the UK Aid Transparency Guarantee and put in place a plan in the first half of 2011 to ensure we meet these commitments. Subject to information security protocols, we will endeavour to maximise the availability of information to the public.

### **Sharing Information**

We will ensure the information we publish is quality checked and introduce management incentives for ensuring all staff take responsibility for the quality of information produced, integrating this into staff performance objectives. We will stress the importance of jargon-free plain English in all external communications, and discourage the use of acronyms in all information to be shared externally. We will review all translations into Portuguese for accuracy. Finally we will ensure the quality of aid information we provide to the government aid database (ODAMOZ) is consistent with the agreed International Aid Transparency Initiative standards. We will translate our operation plan into Portuguese and make it widely available in electronic form and in hard copy to implementing partners. We will encourage our partners (donors, civil society, government) to be more transparent.

We will ensure programme support considers and budgets for dissemination and accessibility of information. We will continue to push for an Access to Information Law and will support civil society organisations to avail themselves of it and the GOM to respond to demands. We will encourage our partners to share reviews/reports with different stakeholders in written form, online or through consultative open forums where possible. We will use our chairmanship of the Group of 19 donors to identify other ways for donors to promote domestic accountability.

### **Enabling Access to Information/feedback from beneficiaries**

We will communicate the availability of information about DFID Mozambique projects through different ways. Examples could include: including a link to the DFID project database on [www.pap.org.mz](http://www.pap.org.mz) and [www.odamoz.org.mz](http://www.odamoz.org.mz) ; including a “transparency commitment” signature in staff emails; publishing and distributing a flyer on the main points of DFID’s transparency commitments and where the public can access information.

We will provide opportunities for those directly affected by our projects to provide feedback on the performance of projects in a number of ways: We will promote debate around the annual independent assessment of the performance of budget support donors. We will produce a targeted and accessible version of this report for the parliament, media and civil society. We will ensure that donor and government performance assessment frameworks, all documentation related to the annual general budget support review, all conditionality and external evaluations (of all DFID funded programmes) are published on the joint donor website: [www.pap.org.mz](http://www.pap.org.mz) We will ensure mechanisms for consultation with those affected by our projects are built into all stages of the programme cycle.

Research and analysis funded by DFID Mozambique will be made public. Terms of Reference for pieces of research will state how the report will be disseminated, and how dissemination will be planned and budgeted for. We will be more proactive in involving civil society organisations in policy discussions, and in sharing informal information and analysis with civil society groups (e.g. budget analysis, background documents, political economy analysis etc.).

# Annex 1: Revisions to the Operational Plan 2011

## 1. Headline Results

### a) **Wealth Creation**

The original indicator (“Number of jobs created”) is no longer reflective of DFID Mozambique’s work on wealth creation; the job creation programme is at a very early stage and currently only represents a small part of the portfolio. The new indicator is more representative of the portfolio and provides information on what is a key deliverable in terms of Mozambican development.

### b) **Governance**

The scope of the original indicator has been widened beyond “Voice of urban citizens” to cover all citizens. This change makes the indicator more reflective of DFID Mozambique’s work on accountability as it now includes work on supporting civil society organisations and a new citizen engagement programme focused on improving service delivery in health and education. The indicator wording and methodology has also been aligned with that used for the DFID Results Framework (DRF) indicator.

### c) **Other minor changes**

- Poverty – the baseline and target have been updated to harmonise with the agreed methodology for the DRF indicator on cash transfers, this means that now both direct and indirect beneficiaries are included. The baseline and target are also affected by changes made to improve the methodology to attribute DFID’s share of results through general budget support. The target was also revised due to newly available forecasts from the Government of Mozambique on the number of beneficiaries they expect during the Operational Plan period. The target was previously based on the final year, this is now based on the average over the four year Operational Plan period, this is more representative of the number of people we plan to reach over the period.
- Completion of primary education - The baseline and target have been updated to harmonise with the agreed methodology for the DRF indicator of the same name. This means that the indicator is now a measuring intake vs. repeaters in the final grade, rather than survival to the final grade. And that the target is now based on a cumulative total from 2011 to 2014, rather than just 2014. The baseline and target are also affected by changes made to improve the methodology to attribute DFID’s share of results through general budget support.
- Enrolment in secondary education – The targets used in the previous Operational Plan were based on the Mozambique government’s targets, this year we have revised down the targets to make them more realistic. The target was previously based on the final year, this is now based on the average over the four year Operational Plan period, this is more representative of the number of people we plan to reach over the period. The baseline and target are also affected by changes made to improve the methodology to attribute DFID’s share of results through general budget support.
- Births attended – The target is now based on the cumulative number of births attended over the four year period, rather than just the final year. This change was made to align with the agreed methodology for the DRF indicator of the same name. The baseline and target are also affected by changes made to improve the methodology to attribute DFID’s share of results through general budget support.
- Malaria treatment – The Government of Mozambique has not been able to deliver as much as expected in this area, due to problems with the supply chain management system and shortage of funds for malaria in 2010 and 2011. Targets have therefore been revised down . The baseline and target are also affected by changes made to improve the methodology to attribute DFID’s share of results through general budget support.
- Sanitation - the baseline and target has been updated to harmonise with the agreed methodology for the DRF indicator of the same name , this means that now only people who have gained access over the OP period are reported. The baseline and target are also affected by changes made to improve the methodology to attribute DFID’s share of results through general budget support.

# Annex: Results Progress

## Progress towards headline results – one year on<sup>1</sup>

| Indicator   | Baseline   | Progress towards results  | Expected Results   |
|---|--|---|--|
| Number of poor people benefiting from basic social protection programmes. <sup>2</sup>                                  | 454,000 people (2010)<br>of which 56,000 are attributable to DFID                                  | 64,000 people benefitted from social protection in 2011 (attributable to DFID) this represents good progress towards the target.                            | 604,000 people (2014 only)<br>An average of 43,000 people per year attributable to DFID between 2011 & 2014.   |
| Number of children completing primary education   | 341,000 children, of which 155,000 girls (2010)<br>DFID share: 11,800 children; 5,400 girls (2010) | 16,200 children (7,400 girls) completed primary education in 2011 (attributable to DFID). This means that 37% of the 2014 target has already been achieved. | 474,000 children, of which 216,000 girls (2014 only)<br>DFID share: 43,700 children; 20,000 girls (2011 to 2014)   |
| Number of children attending lower secondary (8th - 10th grade). <sup>2</sup>   | 529,000 children, of which 244,000 girls (2010)<br>DFID Share: 18,400 children; 8,500 girls.       | 28,000 children (13,100 girls) attended lower secondary education in 2011 (attributable to DFID), which means that the target is on track to be delivered.  | 717,000 children, of which 338,000 girls (2014 only)<br>An average of 18,200 children (6,500 girls) per year attributable to DFID between 2011 and 2014. |
| Number of people supported to have choice and control over their own development and to hold decision makers to account | 0 (2010)   | 13,000 people were supported to hold decision makers to account in 2011 (attributable to DFID). The target is on track to be delivered by 2014.             | 33,000 people (2014 only)<br>An average of 15,000 per year are attributable to DFID between 2011 and 2014  |
| Number of births delivered with the help of nurses, midwives or doctors   | 465,000 births (2009)<br>of which 23,800 are attributable to DFID                                  | 35,000 births were attended by skilled health personnel in 2011 (attributable to DFID), this represents 36% of the 2014 target.                             | 552,000 births (2014 only)<br>of which 98,000 are attributable to DFID (2011 to 2014)  |
| Number of pregnant women receiving anti-malarial drugs  | 140,000 women (2009)<br>of which 7,000 are attributable to DFID                                    | 1,700 pregnant women received anti malarial drugs in 2011 due to DFID support. The target is on track to be delivered by 2014.                              | 229,000 women (2011 to 2014)<br>8,900 women attributable to DFID (2011 to 2014)  |
| Number of additional rural people with access to improved sanitation facilities   | 270,000 additional people (2010) of which 3,300 attributable to DFID                               | 30,000 additional people were given access to improved sanitation facilities in 2011 (attributable to DFID)   | 1.7 million additional people (2011 to 2014)<br>of which 111,000 attributable to DFID  |
| Number of people supported to improve their rights to land and property   | 186,000 people (2010)<br>of which 83,000 attributable to DFID                                      | 88,600 people were supported to improve their access to land in 2011 (attributable to DFID). The target is on track to be delivered by 2014.                | 699,000 people (2011 to 2014)<br>of which 314,500 are attributable to DFID and 173,000 are female  |

<sup>1</sup> These results may not directly aggregate with other country results due to different measurement methodologies

<sup>2</sup> For these indicators, achieved results is more than the target. DFID is continuing to maintain the same level of support over the period covered by this plan but it is expected that DFID's share of the results delivered through General Budget Support will decline due to increased spending by the Government of Mozambique.