



Cover photo:

Beneficiary of pension scheme in Bilene district; picture taken during field trip on February 13<sup>th</sup>, 2012

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## **Policy response of poverty patterns in Mozambique**

Contract act. 23708: Inception report

*“The signature of the contract will be followed by a submission of an inception report, covering the period 1<sup>st</sup> January to 31<sup>st</sup> of March. The inception report shall be submitted before the 30<sup>th</sup> April 2012. It will be inclusive of an inventory of collaborators/trainees and their training needs and contain the specificities and timeline of the proposed activities under each Theme.”*

*(Article 2.4, third paragraph)*

### **1 AIM**

During the reporting period January 1<sup>st</sup> to March 31<sup>st</sup> 2012, activities were focused on an effective start of the project, based on the TOR and the plan of work annexed to the Contract (Annex 3 and Annex 4, respectively). The aim was to bring together the stakeholders and participants (Work plan Activity #1: Kick-off) and to initiate the poverty research and the training (Work plan Activity #2: Research and Capacity Building).

By and large the activities were in line with the TOR and the plan of work, see section 2. Importantly, it appeared that the topic fits well the interest of development partners across the board, adding to the chances for success, see section 3. On a few points specificities have been added and adjustments to the time-table were made, see section 4.

### **2 ACTIVITIES, JANUARY TO MARCH 2012**

To mark the start of the project, a team from the Centre for World Food Studies SOW-VU visited Maputo from Monday the 5<sup>st</sup> to Friday the 17<sup>th</sup> of February 2012. The consultancy team consisted of Bart van den Boom and Alex Halsema and is hereafter referred to as the CT. An annotated itinerary of the inception visit is attached as Annex 1, while Annex 2 contains the coordinates of the people met and the contacts made during the visit. The presentation of the project to the development partners is attached as Annex 3 of this report, while, finally, Annex 4 provides the adjusted time-table.

The visit was hosted by Eleásara Altunes, liaison officer of the project at the Royal Dutch Embassy in Maputo, and by Christine Pirenne, coordinating the project on behalf of the bilateral donors (G19/PAMS group). They also facilitated several meetings for the CT, including the meeting at the Ministério da Mulher e Coordenação da Acção Social MMAS, the meeting at Cruzeiro do Sol – Instituto de Investigação para o Desenvolvimento José Negrão, the meeting at SNV Netherlands Development Organization and the meeting with staff of the International Labor Organization ILO on social protection. Furthermore, Mrs. Altunes organized a fieldtrip during the visit. The CT was given the opportunity to inspect three different social protection programs of MMAS in Bilene district of Gaza province, namely a cash transfer program for elderly and disabled, and income generating project for single parent female-headed households and a nursing home for demented elderly expelled from their community. The trip was extraordinary. It not only provided a unique opportunity to look at rural realities in Mozambique, but also it was food for thought as regards some of the challenges involved in the design and implementation of large-scale social protection programs, see Annex 1.

In preparation of the visit, during the month of January, the CT had extensive communications with Thomas Kring (Economic Advisor at the United Nations Development Program UNDP) who provided invaluable assistance to identify the intended beneficiaries, collaborators and trainees for the project. During the visit he facilitated the required meetings for that purpose, in particular at the Instituto Nacional de Estatística INE and at the Ministério da Planificação e Desenvolvimento MPD. As a chairman of the PAMS group he also organized a seminar where the CT gave a presentation on the project, see Annex 3. In that respect it must be mentioned that the preparation of the visit received extensive support from Vasco Molini (Senior Poverty Economist at the World Bank), whose technical supervision on poverty analysis issues is also invaluable. Furthermore, he arranged for additional meetings with development partners interested in the project during the visit, especially with the World Bank, the World Food Program WFP and with the European Union Delegation EU.

Following up on the visit, during the month of March, poverty research proceeded along the lines sketched in the TOR, while preparatory steps were taken to develop a training program (Activity #2: Research and Capacity Building). Regarding research, a draft was written for a paper entitled “*Upward and downward bias of poverty lines and poverty patterns: Theory and evidence for Mozambique*”. Regarding capacity building, the outcomes of the meetings that the CT had with the various development partners, as summarized in Annex 1, clearly showed that there is a pressing demand for improving the local capacities to analyze poverty patterns in Mozambique and their responsiveness to policies. A range of poverty indicators that measure various aspects

of the living standard of households and individuals is available from surveys and censuses, both at the national level, at the level of the 11 provinces of Mozambique, at the level of the 147 districts and, in some cases, at the most detailed level of the 411 administrative posts. These indicators include measures of consumption, (mal-)nutrition, income, assets and access to public goods and services. Yet, the capabilities to put these indicators into a consistent picture are limited, let alone the capacities to analyze how policies may have changed the picture in the past and how prevailing policies are likely to affect poverty in the future. For example, poverty maps of the various indicators at the level of the administrative posts or at the district level are still under construction and under scientific scrutiny.

The training in the project aims at the strengthening of these capacities. An introductory training was already foreseen to take place during the first visit of the CT, but this appeared overly optimistic in view of the time that was required to work out the institutional setting for a new project and to mobilize the necessary support and facilities. The good thing about this was that the CT could spend the time planned for the introductory training on meetings with a variety of development partners, see Annex 2, while also a most interesting field trip could be made, see Annex 1. In this manner, the CT was able to obtain a balanced impression of the views held by the development partners regarding poverty patterns and poverty reduction efforts in Mozambique. In particular, in practically every meeting, concerns were expressed about the local capacities to analyze poverty patterns in the country and to assess the response to ongoing and proposed programs and policies. The role of the rapidly expanding extractive industries in an inclusive growth strategy for Mozambique was another issue that came up at various meetings.

In consultation with UNDP and WB, it was decided that, initially, the training will focus on INE, notwithstanding the possibility that MPD and others who showed interest during the visit may join in a later phase of the project. INE is the primary institute in Mozambique to provide development statistics to the government and to the public. A first training has been planned for the end of May 2012. This training will feature an introduction to software specifically designed to explore survey and census data for the identification of poverty patterns in Mozambique. In particular, the training will explore two consecutive Censuses (INE, 1998, INE, 2008) along with three consecutive large-scale household surveys (INE, 1998, 2004, 2010) and the associated poverty patterns according to the “*National Poverty Assessments*” (MPF/UEM/IFPRI, 1998; MPF/IFPRI/PU, 2004; MPD-DNEAP, 2010) and to the report “*Analysis of poverty in Mozambique*” (Van den Boom, 2011), inter alia. The elements of the training and its targets will make special reference to the themes that were identified in the TOR of the contract. Amongst others, efforts will be made to construct a new and consistent set of poverty maps.

### **3 IDEAS FOR SUCCESS AND RISK**

The activities during the first three months of its implementation made clear that the topic of the project fits the interest of development partners across the board. In particular, the project appeared to concord with the perceived need to strengthen the local capacities in the area of evidence-based poverty analysis. In that regard, the agreed capacity building and collaboration at the Instituto Nacional de Estatística INE is one important element of success of the project. In fact, the active involvement of INE in the project is addressing the major contingency of the project, namely the risk related to the mobilization and participation of researchers and policy makers in Mozambique. Unlike other similar capacity building projects, the current project is expected to achieve a high rate of commitment and participation.

While data collection and data processing capacities are well developed at INE, its capacity for data analysis and poverty research appeared still relatively small. Yet, this very capacity can play a critical role in Mozambique poverty reduction strategy. For example, an enhanced poverty analysis capacity at INE might improve the MDGs-based planning and decentralized budgeting in Mozambique. INE is the distinct institute to blend individual and household information from censuses and from surveys with geographic information at the level of provinces, districts and administrative posts. The project can provide a comprehensive data platform for examining the linkage that exists between the national poverty reduction strategy and the local policies and programs. This linkage may help to improve the formulation of the national and district plans and accelerate the MDGs achievement in each district.

Another idea for success is the liaison with other government institutions and with other ongoing initiatives. Specifically, the Ministério da Planificação e Desenvolvimento MPD and the Ministério da Mulher e Coordenação da Acção Social MMAS showed an interest to participate. The project will keep these ministries posted about progress, while also an active involvement in a later stage is an option. By the same token, the enthusiastic response of the bilateral and international donor community was reconfirming. The project will build on the initial contacts, which may well lead to an intensification of research and capacity building activities in the area of policy response of poverty patterns.

Notwithstanding these ideas for success, the project also faces a certain risk. Fortunately, as already mentioned, the prospects are favorable as regards commitment and participation of development partners. This also minimizes the risk that the achievements of the project will not be sustainable in the sense that the capacity building efforts at INE and elsewhere are lasting only for the duration of the project. Yet, the 18-months duration of the project and its relatively

small scale may not be adequate to achieve full sustainability within the plan of work, especially when the progress in training would appear to be more time consuming than foreseen. One factor that might slow down the progress is the language barrier between trainees with limited skills in English and consultants with limited skills in Portuguese. Efforts are made to level this barrier.

#### **4 IMPLICATIONS FOR THE PLAN OF WORK**

As indicated in the introduction, the activities during the reporting period were grossly in line with the TOR and the plan of work. On two points though, the time-table had to be adjusted and the modified time-table is attached as Annex 4. First, the table now explicitly mentions the advanced training in Amsterdam for selected participants from INE. This component was already foreseen in the original plan and will be at the expense of the Contractor. The second change in the time-table is an additional training visit, following the inception meeting. In the original plan, a first training was already foreseen during the kick-off workshop, but this appeared overly optimistic. As a result, an additional training trip to Mozambique has been scheduled for May 2012, while, if needed, the length of second and the third workshop will be shortened somewhat in order to stay within the overall budget.

#### **ANNEXES**

- 1 Annotated itinerary of the inception visit, February 5-17, 2012
- 2 Coordinates of the contacts
- 3 Presentation of the project to the PAMS and economist group, February 9, 2012
- 4 Revised time-table of the project (Gantt-chart)



## Annex 1: Annotated itinerary of the inception visit

A consultancy team CT consisting of Bart van den Boom and Alex Halsema from the Centre for World Food Studies SOW-VU visited Maputo from Monday the 5th to Friday the 17th of February 2012.

*Monday February 6, 2012*

### **Meeting at the Royal Dutch Embassy**

On the first day, the CT met with Eleásara Altunes, the liaison officer of the project, and Christine Pirenne, First Secretary of Trade and Economics at the Embassy and with Vasco Molini, Senior Poverty Economist at the World Bank. The meeting started with a short expose by Mrs. Pirenne on the changed landscape for the embassy due to the changed political setting in the Netherlands. This caused the delay in finalizing and signing the contract.

Hereafter the objective and the program for the visit were discussed. The current project "*Policy response of poverty patterns in Mozambique*" is a follow-up of the pilot that was completed in March 2011 ("*Analysis of poverty in Mozambique*", Van den Boom, 2011). The main purpose of the kick-off visit will be to find a Mozambican counterpart and obtain a critical mass within the development community, the government and the local research community to participate. Both Mrs. Altunes and Mrs. Pirenne suggested a number of possible counterparts and provided their contact details. They also mentioned that one of the recurrent problems of the government is the limited capacity to respond to policy questions and policy notes issued by the development partners. Because progress in poverty reduction is generally considered one of the main (unresolved) issues, the research and capacity building activities in the current project is a timely contribution.

As a counterpart in the project, the Instituto Nacional de Estatística INE would be a natural candidate. It is the primary institute in Mozambique to provide development statistics to the government and to the public. The meeting further identified the two ministries that are involved directly in poverty reduction efforts, namely the Ministério da Planificação e Desenvolvimento MPD and the Ministério da Mulher e Coordenação da Acção Social MMAS. MPD is the ministry that published the results of the 3 consecutive household surveys and that recently proposed to allocate development funds on the basis of a district poverty map. However, the poverty measure used is questionably (see also Van den Boom, 2011) and the resulting map gives strange results such as a concentration of poverty in Maputo. Mr. Molini indicated that The World Bank will take a stand against this map. He has re-visited the data and the methodology and will propose a map that is more comprehensible. MMAS is the ministry involved in various social protection programs. According to Mrs. Altunes, it experiences problems of targeting the poor and too little is known about the efficacy of ongoing interventions. Also, the poverty reduction funds of the ministry are too narrow to expand its programs and obtain a complete coverage of the poor who are eligible to assistance.

The meeting ended with a tentative schedule of meetings with INE, MPD and MMAS.

*Tuesday February 7, 2012*

### **Communications with interested counterparts; work on presentation of proposed software**

The CT spent the time in the hotel to prepare the meeting with INE on the next day, to contact various persons and institutes for a meeting during the visit and to work on examples of the software that is proposed for the research and capacity building in the project (Keyzer, 2008; Keyzer and Pande, 2010).

*Wednesday February 8, 2012*

### **Meeting at UNDP**

In the morning, the CT met with Thomas Kring, Economic Advisor at UNDP, and with Vasco Molini, Senior Poverty Economist at the World Bank, to discuss the program of the visit. As regards the upcoming meetings at INE and at MPD, both Mr. Kring and Mr. Molini indicated that it will be difficult to train staff from INE together with staff from MPD, in avoidance of a politically-related collision of competences. Furthermore, they iterated that UNDP and WB have an interest in the project and offered to facilitate the training, in which UNDP and WB staff would also want to participate.

### **Meeting at INE**

Mr. Kring and Mr. Molini joined the CT during a meeting with Saide Dade, Monica Magaua and Amosse Ubbise from INE. Mr. Dade, Director National and Global Indicators, chaired the meeting. He welcomed the initiative by arguing that, in spite of an appreciable capacity to collect survey and census data, INE is short of analytical capacity to publish poverty indicators on the basis of the data that it collects. Notably, the poverty reports on the last three national household surveys (1997, 2003, 2007) were published by MPD/DNEAP, who also work on the poverty map mentioned above. Clearly, when it comes to providing poverty indicators for the country, INE is the proper institute to take the lead, notwithstanding the own poverty assessments that others may want to make. In that effect, Mr. Dade, in consultation with the president of INE, indicated that he is setting up a new unit within INE, specifically to strengthen INE's analytical capacity for data analysis. He welcomed the training proposed in the project, which could be of great help. He proposed six trainees from INE and, regarding the timeline, a start towards the end of May. Asking after the initial skills of the participants, Mr. Dade indicated that the trainees have a degree in economics or statistics from the Universidade Eduardo Mondlane in Maputo, corresponding to a level between BA and MA, noting that the curriculum of economists is more business orientated than mathematical or micro-economics, while for economists statistics is limited to a single course. In order to smoothen the training, Mr. Dade further indicated that he will improve the language skills of the trainees by sending them to an English course prior to the training.

Regarding data issues, Mr. Molini mentioned that in the future there should be more coordination in data collecting efforts at INE. An issue that came up internally at INE is whether the large-scale household survey held every 6 years in the past (IOF 1997, 2003, 2009) should be done

annually. Though a somewhat higher frequency might be useful, for several reasons, the others in the meeting thought that it would not be wise to have an annual cycle. For example, a 5-years cycle may be expected to capture well the pace and oscillation of the development process, while, practically, time is needed to publish the results before the start of the next survey. Also, from a budgetary point of view, it might lead to a dilution, with the risk that certain modules are skipped. Notable, a skipping of the child anthropometrics would be a major loss in the quality and usefulness of the data. The next IOF is scheduled to take place in 2012/2013.

*Thursday February 9, 2012*

#### **Presentation for the PAMS and economist group**

The CT gave a presentation for the PAMS and economist group in which the highlights of the report of last year's pilot (Van den Boom, 2011) are related to the upcoming research and capacity building activities. Particular reference was made to the capabilities of dedicated software concerned with the joint processing of census, map, survey and district data to identify policy responses. The presentation is attached as Annex 3. The participants appeared very interested in the topic and the example of child stunting patterns in Mozambique was discussed extensively, with anecdotic evidence that stunting in certain provinces could well be higher or lower than the stunting data presented on the district map. It was emphasized that the example was just an illustration of the software and that it remains important to work with Mozambicans to increase the credibility of the analysis. After the presentation the CT had individual talks with Ismael Sulemane (Italian Cooperation) and Manuel Felipe (UNDP) concerning their possible participation in the project.

*Friday February 10, 2012*

#### **Meeting at MPD**

Mr. Kring and Mr. Molini guided the CT in a meeting with Cristina Matusse and Alfredo Mutombene from MPD. Mr. Kring explained the purpose of the visit and indicated that the project is a follow up of a consultancy in 2011 on poverty analysis in Mozambique. Mrs. Matusse, Head of Department National Directorate of Planning, responded enthusiastic and indicated interest of MPD to participate in the proposed research and capacity building activity, given the need to understand and interpret poverty figures better. She indicated that the activity bares close similarity with the activities of the research department within the ministry, the Direcção Nacional de Estudos e Análise de Políticas DNEAP. She will try to set up a meeting with the Director of DNEAP, Antonio Cruz, to discuss further. Regarding participating in the training, Mrs. Matusse indicated that some 10 trainees could be made available.

**Meeting at WFP**

In the afternoon, the CT met with Billy Mwiinga and Lara da Silva Carrilho. The meeting was arranged by Mr. Molini. Mr. Mwiinga, WFP Country Coordinator for Mozambique, indicated that WFP has extensive programs in various districts and over a prolonged period. For the purpose of impact assessment, data have been collected on beneficiaries and non-beneficiaries in all districts and all periods, including a quantitative assessment and a qualitative assessment during the lean season of the program. Due to the limited analytical capacities, there is an apparent void in the analysis of these data. Mrs. Da Silva Carrilho showed how the data are used in fact sheets, monitoring updates and policy briefs. This usage has remained rather simple. What is more, the publications lack of a clear-cut assessment of the extent to which the assistance has been successful to increase the living standard of the beneficiaries, as compared to those households who were not selected in the program but who also meet the eligibility criteria.

The WFP interventions are done in close collaboration with the MMAS ministry, applying standard rules for eligibility and selection. Besides the provision of food, WFP also blends its program with cash transfers. Mr. Mwiinga said that WFP is very interested in the impact assessment of these different programs and would like to receive training and get involved in collaborative research. He mentioned that a small budget could be made available for that purpose, especially to analyze the current data set for a better impact assessment and a clearer message to the public and the government regarding the importance of the interventions for Mozambique's poverty reduction strategy.

*Weekend February 11-12, 2012*

**City walk, Maputo**

On the kind invitation and under guidance of Christine Pirenne, we walked through Maputo, enjoying amongst others the stunning beauty of the central station and the live music at the Feira de Artesanato, Flores e Gastronomia de Maputo (FEIMA).

*Monday February 13, 2012*

### **Field trip Bilene district, Gaza province**

Eleásara Altunes organized a field trip, in consultation with MMAS/INAS, represented by Mrs. Carlota during the trip. The trip was extraordinary. It not only provided a unique opportunity to look at rural realities in Mozambique, but also it was food for thought as regards some of the challenges involved in the design and implementation of large-scale social protection programs. During the field trip, the CT visited three different social protection programs of MMAS in Bilene district of Gaza province about 3 hours driving from Maputo. The programs were, respectively, a cash transfer program for elderly and disabled, and income generating project for single parent female-headed households and a nursing home for demented elderly expelled from their community.

#### *Cash transfer to the elderly*

For the larger part of the day, we joined a team from MMAS while it was implementing a pension scheme that entitles the elderly in Mozambique (55+ for women; 60+ for men) to a monthly allowance of 130 Meticaís, a little less than 5 dollar, with a topping up of 60 Meticaís in case of dependants. The MMAS team consisted of 7 people, including the supervisor, a treasurer, one person to call the names of the beneficiaries and one to check their identity, a person taking finger prints, a police agent and a driver. We drove on a small and very bumpy sandy road. The road had been impassable during the previous month due to heavy rainfall, so the beneficiaries received a double allowance this time. The beneficiaries, around 70 all together, had gathered in 3 groups along the road maybe around 5 kilometers apart from each other. Most beneficiaries, 70% of the program according to MMAS, were indeed women. We witnessed how the team carefully distributed the cash in each group, starting at the most remote group. There was one lady whose condition was too poor to make it to the gathering and this lady was visited in her hut, in the bush some 300 meters from the sandy road.

A number of features of the scheme stood out. First, the implementation was well organized with close to 100% targeting in the sense that all beneficiaries met the eligibility criteria. Naturally, this comes at a price. From a discussion on the implementation cost later in the week at MMAS, it appeared that these cost may probably absorb one third to one half of the total budget of the pension scheme. By the same token, with about 200,000 beneficiaries countrywide, the scheme is yet far from inclusive, covering less than one fifth of the elderly in Mozambique's population of 23 million.

A second salient feature is the amount given, which would seem small by any standard. Less than 5 dollar for a month is obviously far from sufficient to reach a minimum living standard. For example, more than 20 dollars per month are needed to reach the official poverty threshold in Mozambique (some 18 Meticaís per capita per day). Nevertheless, as was obvious from their reactions, the little money that is given to them seems of great significance for the beneficiaries. This can also be seen from the pictures taken during the field trip, one of which is printed on the cover of this report.

Another feature is that the scheme pays cash, rather than in kind. It was mentioned by the supervisor that a food distribution program is implemented in parallel of the cash transfers. It is unclear what would be the preferred method of assistance. The beneficiaries might prefer cash as a means to fulfill non-food needs or to save, while in kind assistance might better fit their immediate needs and protect them from food price volatility. The same issue came up in the meeting on February 10<sup>th</sup> at WFP (see above) and iterates the needs to strengthen the impact assessment capabilities at governmental agencies in Mozambique.

Finally, it was remarkable to see that the rural population in the Bilene district appeared rather scattered rather than being concentrated in villages. This might raise the cost of the provision of public goods and thereby may limit access. For example, we saw two women tapping water from a public well that seemed to have been built in the middle of nowhere. The young woman in the transfer program who suffered from the consequences of an untreated epileptic seizure probably was another example of the inaccessibility of public services in rural area, in this case a health facility.

After returning to the main road, we paid a courtesy visit to the administrator of Bilene district. We thanked her for facilitating the fieldtrip and explained the connection with the planned research and capacity building in the project. She indicated her willingness to support the project and provide access to information that might be useful. She also expressed the hope that the project can make a case for an expansion of the program.

#### *Chicken farm*

The second project that was visited during the field trip concerned an income generating project for single parent female-headed households. A group of eligible women got a concessionary loan from MMAS to build and exploit a chicken farm. Though the building was well in place and the group appeared to have repaid the loan successfully, the farm was currently underutilized. The larger part of the building was empty, while only 2 or 3 women out of the initial 15 to 20 were raising chicken.

#### *Nursing home*

The third and final social protection project that was visited during the fieldtrip was a nursing home for demented elderly expelled from their community. The guided tour by the director showed that the nursing home was reasonably well equipped. It availed of some 20 individual bedrooms, a common dining room and a fair amount of food in stock.

*Tuesday February 14, 2012*

### **Meeting at Cruzeiro do Sul**

The CT had a meeting at Cruzeiro do Sul-Instituto de Investição o Desenvolvimento José Negrão CS with the Director Luis Filipe and his deputy Dipac Jaantilal. This interdisciplinary research institute focusing on Land, Resource Economics, Government, Gender and Environment is in a process of re-orientation entering a new 5-year plan for which a strategic plan has just been written. Mr. Filipe explained that the institute is well embedded in the government and has worked for various ministries, including MPD. One of their main concerns for Mozambique at the moment is the manner in which the government will use the windfalls from the booming extractive industries. In view of the limited negotiation capabilities of the government as compared to strong capabilities at the foreign investors and in view of a limited transparency of the contracts that are written between the government and the foreign investors, the risk that the elite will benefit disproportionately is not imaginary. One of the areas of joint research could be to explore alternatives and study inclusive growth in Mozambique, focusing on the challenges of the fast growing extractive industries. Mr. Jaantilal further indicated that research staff of CS would like to join the training in the project if possible, some of whom have PhD's or are pursuing one.

### **Meeting at MMAS**

Eleásara Altunes accompanied the CT team in a meeting at the Ministério da Mulher e Coordenação da Acção Social MMAS. The meeting was chaired by Graciano Langa, the Deputy Director of Planning. The meeting was also attended by Lúcia Mairosse, Director of the Instituto Nacional de Acção Social INAS, the department at MMAS that is in charge of the social protection programs, such as the ones we visited on February 13<sup>th</sup> (see above). Mr. Langa indicated that program evaluation is one of the major weaknesses at MMAS. Though some information is collected, e.g. beneficiaries are asked whether they are satisfied with the program they are enrolled in, there is no systematic assessment on the impact that the various programs have on poverty patterns. This is one of the reasons why MMAS is under recurrent pressure of budget cuts and makes it difficult to make a case for a higher budget allocation at the level of the cabinet. Mrs. Mairosse indicated though that unexploited information is available at local level in paper form. Should the project intend to work with these data, MMAS/INAS can process them into a digitalized database.

Given the same problems of targeting and evaluation at MMAS/INAS and at WFP as well as their cooperation laid down in a memorandum of understanding, it would be wise to join forces in empirical program evaluation efforts. This is particularly urgent because the two agencies are currently in the process of designing a new large-scale cash-for-work program. Both Mr. Langa and Mrs. Mairosse agreed that it might be useful to allocate a budget for program evaluation, e.g. to estimate the impact of transfers in terms of improved living standard and to compare the impact of food versus cash oriented interventions. Staff with a degree in social sciences from the Universidade Eduardo Mondlane can be made available to join the proposed training in the project.

*Wednesday February 15, 2012*

### **Meeting at SNV**

The CT had a meeting with Rik Overmars, country Director of SNV Netherlands Development Organization. He indicated that the staff of SNV Mozambique is generally sufficiently capable to implement the projects and write reports. Nevertheless, the organization faces difficulties in transmitting the message they get from the field. For example, Mr. Overmars mentioned that according to the national statistics practically everybody has access to clean drinking water, while field observations report that more than half of the population lacks access. This is partly caused by the fact that the government assumes that a single water point can serve 500 people while in practice 200 would seem a more realistic figure. Indeed, a more limited access would be in concurrence with the remoteness of the public water tap observed during the fieldtrip (see above, February 13<sup>th</sup>).

Concerning training government staff, Mr. Overmars suggested that a liaison with the Instituto de Formação na área de Governação CEGOV could be useful. CEGOV is located in the northern province of Nampula.

### **Meeting with ILO at the Royal Dutch Embassy**

Eleásara Altunes arranged a meeting with Nuno Da Cunha and a coworker of the International Labor Organization ILO. Mr. Da Cunha is the chair of the social protection group in Mozambique, a group that also includes various bilateral donors as well as multilateral development partners like UNICEF and The World Bank. Once more, the topic of impact assessment of social protection programs comes to the fore. Mr. Da Cunha iterated that the capacities to perform such assessments are generally weak and that the data collection for that purpose is still plagued with teething troubles. Mr. Da Cunha mentioned that Oxford Policy Management OPM is currently providing technical support to set up a data platform and write TORs for impact evaluations, focusing on a 50 million dollar project of MMAS and WFP. One of the topics is the estimation of the cost and the impact of an extrapolation of the pension program (see also the field trip on February 13<sup>th</sup>, above), under the assumption that the full transfer is spend on consumption.

*Thursday February 16, 2012*

### **Lunch at Christine Pirenne's home**

Christine Pirenne invited the CT team for a lunch with Jan Huesken, Head of Development Cooperation at the Royal Dutch Embassy and Eleásara Altunes, liaison officer of the project. The lunch was further attended by Thomas Kring of UNDP and by Monica Magaua, Head of National Accounts at INE, and Amosse Ubisse, staff member of INE. During the lunch, the latter two iterated that the project is a timely contribution to the capacity building efforts at INE (see meeting at INE of February 8<sup>th</sup>) and confirmed INE's commitment. Furthermore, the lunch was an excellent occasion to informally exchange views on

the development progress in Mozambique, in particular regarding the effectiveness of poverty reduction strategies, regarding the challenges to bring public goods and services to the (scattered) rural population (see fieldtrip February, 13<sup>th</sup>) and regarding the political economy aspects related to the surge of the extractive industries.

*Friday February 17, 2012*

### **Meeting at the EU**

At the last day of the visit, the CT had a meeting with Francesca Di Mauro, Valentina de Bernardi and Wim Ulens from the European Union Delegation EU. The meeting was arranged by Vasco Molini of the World Bank, who also attended, and chaired by Mrs. Di Mauro, Head of Section Economic Development and Governance. One of the main points of discussion was the need for better statistics for the country, for which a strengthening of capacities at INE is ongoing and to which all agree that the project is a timely contribution. In that regard it is worth mentioning that INE, according to UN, is considered a rather good statistical institute being ranked second in Sub-Saharan Africa, after South Africa Statistics. INE has an independent charter and its statistics are the main source of information for the EU delegation in Mozambique. Mrs. Di Mauro indicated that the lion's share of EU support to INE flows through a common fund, with direct support being relatively small. The support by the common fund is not earmarked, so INE might want to use part of it for additional technical support.

With respect to the EU itself, Mrs. Di Mauro told that a new 6 years cycle is being prepared that will start in 2014. The priorities of the new program for Mozambique are not set yet, but it is likely that social protection and the surge of the extractive industries will be important issues. Mrs. Di Mauro further mentioned that, within the ongoing activities by the EU delegation, there would be room to finance a small project in either of these areas.

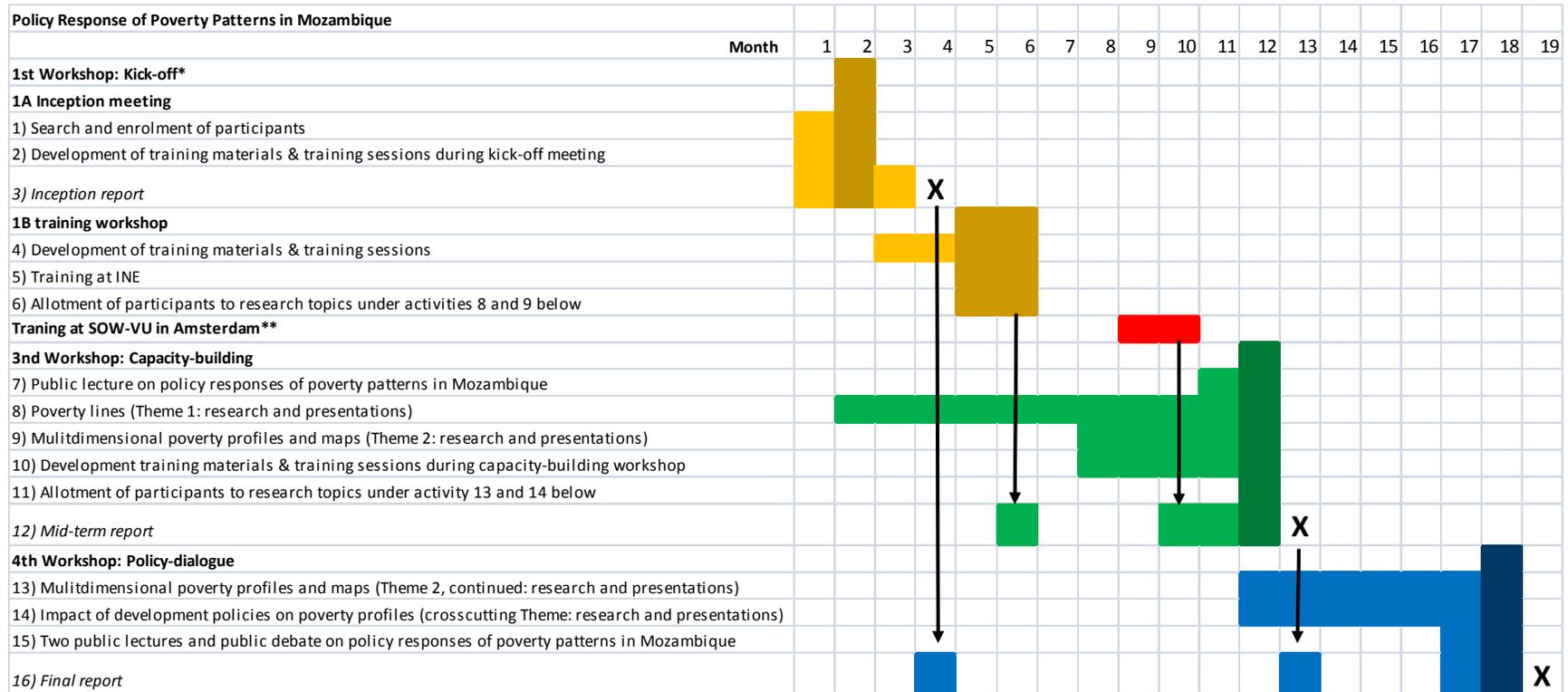
### **Meeting at the WB**

The CT had its final meeting at the World Bank with Julio Revilla and Vasco Molini, lead economist and senior poverty economist, respectively. Though the meeting was brief, a few main issues were touched upon, including the need for dependable poverty statistics, for transparency of government policies and for an appreciable analytical capacity within public agencies to assess the policy response of development patterns. Mr. Revilla indicated that these elements are of particular importance in view of negotiating good contracts with the extractive industries which are of increasing importance for the Mozambican economy.

## Annex 2: Coordinates of the contacts made during the visit

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Annex 4: Policy Response of Poverty Patterns in Mozambique (revised Gantt-chart, April 2012)



Notes

\* The kick-off has been split into an inception mission (1A) and a first training workshop at INE (1B)

\*\* Advanced training for selected participants from INE