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INSTITUTIONAL ARCHITECTURE FOR FOOD SECURITY POLICY CHANGE: MOZAMBIQUE

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Table of Contents

ACRONYMS 3

INTRODUCTION AND METHODOLOGY 4

 PURPOSE OF THE ASSESSMENT 4

 METHODOLOGY 4

 OVERVIEW OF THE FOOD SECURITY CHANGE PROCESS IN MOZAMBIQUE 5

PART I: MAPPING OF INSTITUTIONAL ARCHITECTURE FOR POLICY CHANGE..... 6

PART II: CAPACITY OF FOOD SECURITY POLICY CHANGE 9

 POLICY ELEMENT 1: THE GUIDING POLICY FRAMEWORK..... 9

 OVERVIEW..... 9

 CAPACITY FOR POLICY CHANGE INDICATORS 10

 POLICY ELEMENT 2: POLICY DEVELOPMENT AND COORDINATION 13

 OVERVIEW..... 13

 CAPACITY FOR POLICY CHANGE INDICATORS 15

 RECOMMENDATIONS..... 17

 POLICY ELEMENT 3: INCLUSIVITY AND STAKEHOLDER CONSULTATION..... 17

 OVERVIEW..... 18

 CAPACITY FOR POLICY CHANGE INDICTORS 19

 RECOMMENDATIONS..... 20

 POLICY ELEMENT 4: EVIDENCE-BASED ANALYSIS 21

 OVERVIEW..... 21

 Capacity for Policy Change Indicators..... 23

 RECOMMENDATIONS..... 24

 POLICY ELEMENT 5: POLICY IMPLEMENTATION 25

 OVERVIEW..... 25

IAAPC MOZAMBIQUE

Capacity for Policy Change Indicators..... 26

Recommendations 28

POLICY ELEMENT 6: MUTUAL ACCOUNTABILITY 28

OVERVIEW..... 28

CAPACITY FOR POLICY CHANGE INDICATORS 30

Recommendations 31

PART III: CASE STUDY 32

IMPLEMENTING POLICY CHANGE IN THE SEED SUB-SECTOR 32

CONCLUSION..... 33

ANNEX I 355

ANNEX II..... 38

ANNEX III.....41

ANNEX IV.....42

ACRONYMS

ACIS	Association of Commerce and Industry
AGDPO	Agriculture Development Policy Operation
AGRED	Agriculture and Rural Economic Development
AU	African Union
CAADP	Comprehensive Africa Agriculture Development Program
CCSA	Agriculture Sector Coordinating Committee
CGIAR	Consultative Group for International Agricultural Research
CEPAC	Center for the Studies of Policy and Food Security and Nutrition Program
CEPRAGRI	Center for the Promotion of Commercial Agriculture
CTA	Confederation of Economic Associations of Mozambique
DUAT	<i>Dereito de Uso e Aproveitamento da Terra, (Land Use Rights)</i>
EU	European Union
FAO	Food and Agriculture Organizations of the UN
GOM	Government of Mozambique
IFAD	International Fund for Agriculture Development
IFPR	International Food Policy Research Institute
IIAM	<i>Instituto de Investigação Agrária de Moçambique (Mozambique Agricultural Research Institute)</i>
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MIC	Ministry of Industry and Commerce
MINAG	Ministry of Agriculture
MISAU	Ministry of Health
MOF	Ministry of Finance
MOZ SAKSS	Mozambique's Strategy Analysis and Knowledge Support System
MPD	Ministry of Planning and Development
MZN	New Mozambican Metical
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organizations
PAPA	Food Production Action Plan
PARPA	Mozambique's Poverty Reduction Plan
PEDSA	Strategic Plan for Agricultural Sector Development
PER	Public Expenditure Review
PFM	Public Financial Management
PNISA	National Agriculture Sector Investment Plan
PROAGRI	National Agriculture Development Program
ReSAKSS	Regional Strategic Analysis and Knowledge Support
SADAC	Southern African Development Community
SETSAN	Technical Secretariat for Food Security and Nutrition
TIA	Annual Agriculture Survey
UEM	University Eduardo Mondlane
USAID	United States Agency for International Development
VAT	Value Added Tax

INTRODUCTION AND METHODOLOGY

PURPOSE OF THE ASSESSMENT

The path and trajectory of policy change is a complex, non-linear process that is often unique to a particular country. However, experience has demonstrated that effective processes share some features, namely predictable, transparent, inclusive, and evidence-based policy making. A core concern and commitment of the African leaders in advancing the Comprehensive Africa Agriculture Development Program (CAADP) framework, is to establish a policy enabling environment for the implementation of the national agricultural investment plans. In support of this goal and recognizing the critical importance of the quality of the policy change process, the USAID Bureau of Food Security is emphasizing the need for an understanding of the Institutional Architecture for Food Security Policy Change¹.

This assessment provides an approach for analyzing a country's capacity to undertake food security change², by identifying implementation barriers, designing policy options, and coordinating actions across public and private institutions. It examines the components of the policy-making process; providing USAID, local policymakers, and other key stakeholders with information on possible constraints that could stymie effective policy change. This work will support USAID in providing technical assistance to improve the capacity and performance of the policy change process.

METHODOLOGY

Part I: Mapping of Institutional Architecture for Policy Change

The first step maps out the key systems, processes, and relationships that influence the food security policy development process. This approach involves identifying and mapping the guiding policy framework; the key institutions that hold primary responsibility for implementing; inter-ministerial coordination mechanisms; private sector and civil society organizations, as well as think tanks and research organizations that impact and influence the policy change process in the context of food security. These factors are examined in the context of the broader economic and social dynamics that impact the policy environment.

Part II: Capacity of Food Security Policy Change³

The second part of this assessment involves an analysis of the country's capacity to undertake transparent, inclusive, predictable, and evidence-based policy change. The country is examined through the following six components of the policy formation process to determine its "readiness" for policy change:

¹ Institutional Architecture is defined as "the set of partner-country [processes, practices and priorities](#) for data collection and analysis, consultation and dialogue, policy proposal, feedback, approval, implementation, and enforcement."

² Food Security is defined by Feed the Future as "when all people at all times have access to safe and sufficient food to meet their dietary needs for a productive and healthy life. There are four main components: availability, accessibility, utilization, and stability of food."

³ This report is mainly based on information obtained during a July 2013 mission to Mozambique except for where otherwise noted.

IAAPC MOZAMBIQUE

- Policy Element 1: Guiding Policy Framework
- Policy Element 2: Policy Development and Coordination
- Policy Element 3: Inclusivity and Stakeholder Consultation
- Policy Element 4: Evidence-based Analysis
- Policy Element 5: Policy Implementation
- Policy Element 6: Mutual Accountability

Each of these components is analyzed through a set of indicators that determine the capacity and effectiveness of the overall policy change process. Each indicator is assessed using a three-tier rating system, which highlights the level of attention needed to improve the effectiveness of the component. A *Green* rating means the component is realized to sufficient degree, and additional attention is not required. A *Yellow* rating means that the conditions required to achieve the component are partially achieved, but additional attention is required. A *Red* rating means that significant attention is needed to ensure the component is achieved. Indicators will be accompanied by a narrative with analysis of key gaps and constraints to the policy change process.

Part III: Summary Conclusions and Recommendations

The third part draws conclusions based upon the above set of findings, and develops recommendations for future actions.

OVERVIEW OF THE FOOD SECURITY CHANGE PROCESS IN MOZAMBIQUE

In 2003 Mozambique hosted the African Union and NEPAD at the CAADP Roundtable where the signing of the Maputo Declaration launched the CAADP. At the meeting heads of state from across the continent pledged to invest 10 percent of their national budgets annually toward a shared vision and common agenda to accelerate growth in productivity of agriculture by at least 6 percent per year. Mozambique signed its CAADP Compact in 2011, and in the same year produced a strategic plan for the agriculture sector (known as the PEDSA). The PEDSA aims to transform the agricultural sector into a “prosperous, competitive, equitable and sustainable agriculture sector” able to contribute to food security, and raise the incomes of rural households. In 2013 the Government of Mozambique launched a national investment plan for agriculture (PNISA) operationalizing the PEDSA’s policy framework, which is well aligned with the principles of CAADP. Over this period, the Government of Mozambique met part of its commitment to the Maputo Declaration by achieving average annual growth in the agriculture sector of 7 to 8 percent⁴. However, during this period, the Government was less successful at consistently achieving CAADP’s other main target of increasing public investment in agriculture to a minimum of 10 percent of the total national budget. This target was met in years 2003, 2004 and 2007⁵.

⁴ Ibid, see also Mogues and Benin. December 2012. “Public Expenditure in Mozambique”, IFPRI Working Paper No. 3 for an in-depth analysis of this.

⁵ Table 1: Budget Allocation and Expenditure for Agriculture and Non Agriculture Sectors in Mozambique, 2001-2009, (Constant 2003 MZM million), ReSAKSS Issue Note No. 21 January 2013. http://www.ifpri.org/sites/default/files/publications/gfpr2012_indicators.pdf.

IAAPC MOZAMBIQUE

However, in 2009, 2011 and 2012⁶ the Government's allocation and expenditure for the agriculture sector was in the range of 3.5 to 4.2 percent per annum⁷.

Agriculture is critical for Mozambique's economic growth and development. The sector employs more than 80 percent of the active population and contributes approximately 25 percent to GDP. Steady growth in agriculture, averaging about 8 percent per year since 2003⁸ has helped to make Mozambique one of the fastest growing countries in Africa. This growth is the result of expanded land under cultivation following the resettlement of rural areas at the end of Mozambique's civil war, rather than increased productivity. Growth in agriculture is expected to slow in 2013⁹, to below the 7 percent target in the National Agriculture Sector Strategy (PEDSA) and the 6 percent commitment under the CAADP Compact. Agriculture will be overtaken by extractive industries in the near term, driven by recent discoveries of natural gas. Still, Mozambique's potential strength as a regional leader in agriculture is significant, and it remains largely unrealized. Just 10 percent of the country's 36 million hectares of arable land is farmed. The 2010 agricultural census found that over the ten year period (1999-2009) one-third of all farms remained below one hectare in size, and two-thirds were between 1-10 hectares. Few smallholder farmers access commercial markets (20 percent) and use improved inputs such as irrigation, fertilizer and improved seeds¹⁰. The sector is further constrained by access to land use rights, credit and labor.

Despite sustained growth over the last decade, there has been little or no change in the lives of the poor. More than 50 percent of Mozambicans continue to live in absolute poverty and malnutrition affects more than 40 percent of the population. Many also suffer vulnerability to drought and extreme weather conditions that are expected to worsen in time due to the adverse effects of climate change. Still, Mozambique benefits from its large land mass and central location. It is located at the nexus of three transport corridors linking neighboring landlocked countries to its ports. More than two decades of relative political and economic stability, sound economic policies, effective structural reforms, and post war reconstruction have contributed to the enabling environment for a strong and competitive agricultural sector.

PART I: MAPPING OF INSTITUTIONAL ARCHITECTURE FOR POLICY CHANGE

⁶ Agriculture and Rural Development Spending as shown in the Republic of Mozambique, Ministry of Finance, (*Relatorio de Exeucão do Orcamento do Estado*), Budget Expenditure Report 2012. Table 1, Expenditure of Priority Sectors, p. 24 indicates the percentage of the total budget allocation for Agriculture and Rural Development was 4.2 percent in 2011, and 3.5 in 2012.

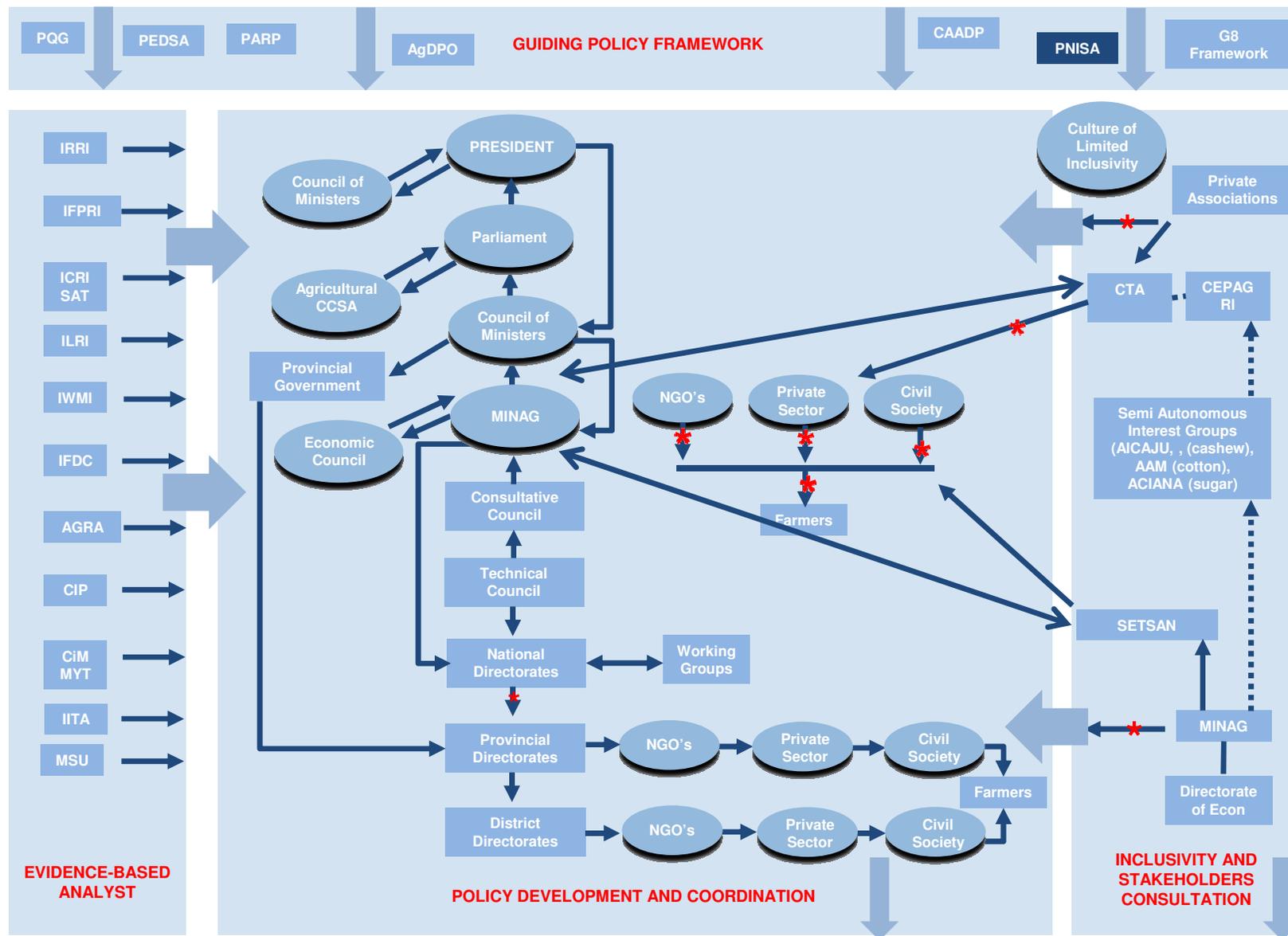
⁷ It is also noted that between 2003 and 2009, the GOM's total budget allocations and expenditures increased significantly while expenditure for the agriculture sector did not kept pace, see ReSAKSS Issue Note No. 21 January 2013.

⁸ FTF. June 30, 2011, Mozambique "FY 2011-2015 Multi Year Strategy", and WBG. April 2013. Agriculture Development Policy Operation-1.

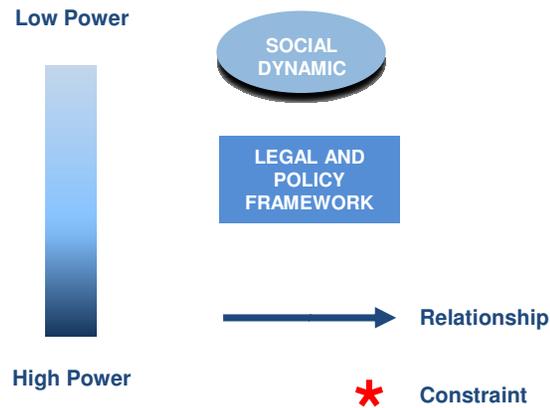
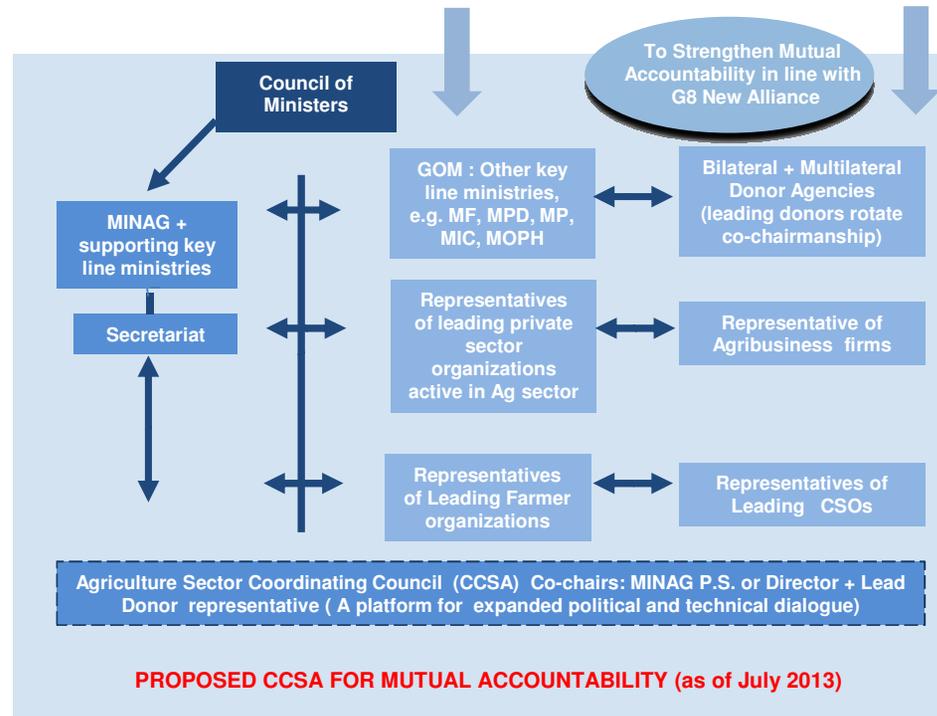
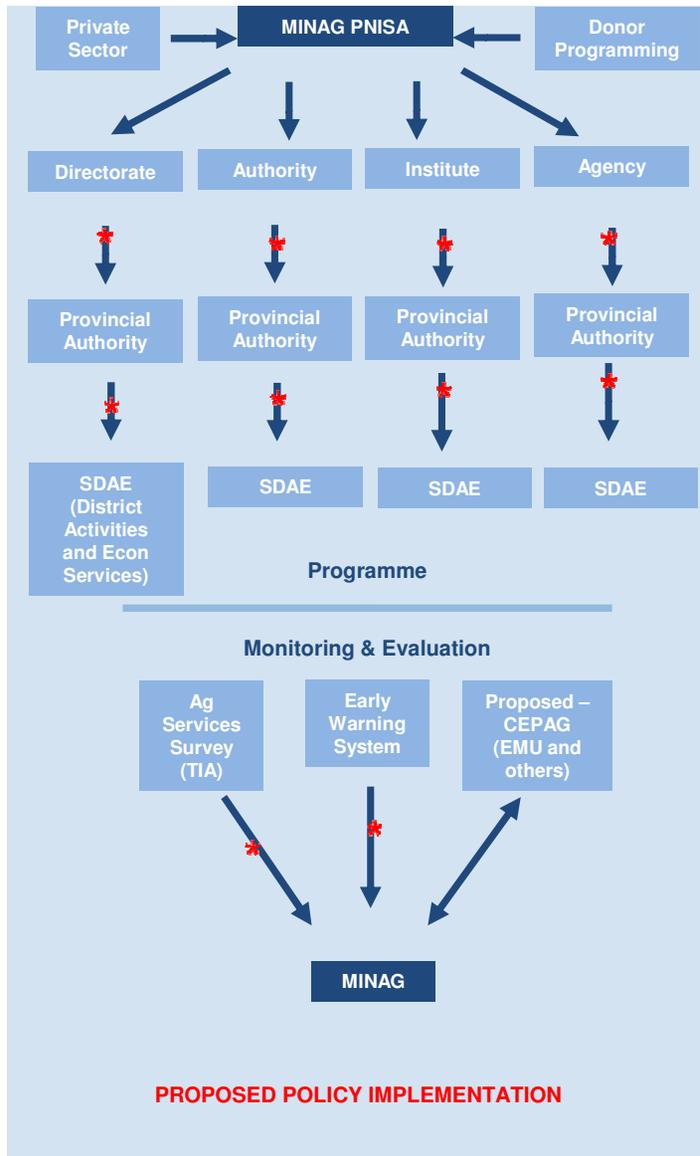
⁹ The World Bank cites a decline in growth in agriculture to 4.3 percent due to a decline in the national agriculture investment budget, and a drop in funds from external sources. Donor funds provided under PROAGRI (1998-2011) comprised between 60-75 percent of the MINAG's capital budget. This declined to 38 percent in 2012. Some believe that the previously high rate of donor contribution may have interfered with MINAG's ability to make a strong case for funding to the Ministry of Finance in recent years.

¹⁰ Five percent of producers use irrigation and less than three percent use fertilizer. Only 7 percent of farmers belong to farmer-based organizations, and just 34 percent use price information (World Bank).

INSTITUTIONAL MAP OF FOOD SECURITY POLICY REFORM: Mozambique



IAAPC MOZAMBIQUE



PART II: CAPACITY OF FOOD SECURITY POLICY CHANGE

POLICY ELEMENT 1: THE GUIDING POLICY FRAMEWORK

Mozambique has a consistent set of policies and strategies for agriculture and rural development, demonstrating their commitment to improving the enabling environment for the promotion of food security and poverty alleviation.

OVERVIEW

Two policy and strategy documents provide the Government's overarching policy framework for agriculture and rural development¹¹: 1) the Government's Five Year Program (PQG, 2011-2014); and 2) the Action Plan for the Reduction of Poverty (PARP, 2011-2014). The primary objective of the PQG is to reduce poverty by improving the living conditions of Mozambicans in peace, harmony and tranquility. The program calls for the promotion of rapid, inclusive, and sustainable economic growth.

The PARP (in its third phase: 2011-2014) is the Government's Medium Term Strategy for the eradication of poverty. It sets ambitious goals for poverty reduction and emphasizes inclusive and broad-based growth through increasing agricultural production, promoting employment through the development of small and medium enterprises (SMEs) and investment in human and social development.

The principles embedded in the **CAADP Compact** (2011) are present in the Government's planning and budget process, and made fully explicit through **the Strategic Plan of the Agriculture Sector (PEDSA 2011-2020)**. Approved by the Council of Minister in 2011, the PEDSA provides a guiding framework for promoting the sector's targeted annual growth rate of 7 percent¹². It also aims to expand cultivated areas of food crops by 25 percent by 2020, and strengthen cooperation with the private sector across various value chains, in six priority corridors for agricultural development and expansion.

Mozambique's National Investment Plan for the Agricultural Sector (PNISA) is in the process of being finalized. This sets out a comprehensive roadmap for investment in agriculture, operationalizing the PEDSA. With a few exceptions where crops are the responsibility of semi-autonomous agencies overseen by MINAG (e.g. cotton, sugar, cashews), the plan aims to link and exploit synergies across value chains to build capacities in the sector. For example, agricultural extension services are linked with research, post-harvest management, marketing, and institutional strengthening¹³. The PNISA is composed of 5 components that correspond to the 4 pillars of the PEDSA, adding one for Food and Nutritional Security. This incorporates the Multi-Sectoral Action Plan for the reduction of chronic malnutrition in Mozambique (PRDC 2011-2014). The PNISA proposes 26 programs and more than 60 subprograms. The total estimated cost of the PNISA to the Government, its investors and development partners is approximately USD 4 Billion. Of this, 40-50 percent¹⁴ was committed by the cooperating partners at the CAADP business meeting. A financing gap of about 50 percent remains at the time of this report.

¹¹ As cited in the PNISA.

¹² derived from Mozambique's Vision 2025.

¹³ As cited in World Bank Project Document , P 129489, IDA Project in the Amount of USD 50 Million, (AGDPO-1), April 2013.

¹⁴ The approximate amount was provided by EU and USAID, and others interviewed.

IAAPC MOZAMBIQUE

The G19, Programmatic Aid Partnership (PAP) is a partnership between GOM and 19 international donor agencies that provides programmatic support, through general budget support and general sector support. This mechanism for dialogue on country-donor cooperation is built upon a set of policy frameworks aligned with the PARP and organized around 5 pillars (macroeconomics and poverty, governance, human capital, economic development, and cross-cutting issues).

Mozambique was among the first African countries to commit to the **G8's New Alliance for Food Security and Nutrition (late September 2012)**. This is intended to be a platform for accelerating implementation of the PNISA, as well as private investment and scaling up innovation. G8 members agreed to focus key resources and other contributions on high priorities, and high impact investments featured in the PNISA, in particular to benefit the Zambezi Valley, Beira, and Nacala agricultural growth corridors. The Government has committed to pursue the goals in the document's policy framework, in order to build the confidence of domestic and international private sector investors. Through letters of intent private sector representatives have committed to invest in agriculture in support of the National Agriculture Strategy and Investment Plan.

Mozambique's First Agriculture Development Policy Operation (USD 50 million) or AgDPO, (2013) is well aligned with the PEDSA, PARP, and the CAADP, and the G8 and G19 policy frameworks. The development objective of this three year program is to promote private sector-led agriculture growth in order to achieve improved food and nutrition security. It provides a framework to engage the government in a medium term reform program with policy and institutional measures directed at achieving the goals of the PEDSA, and to meet the objectives of the World Bank and other development partners.

The PEDSA, PARP and CAADP, G8 and G19, and Ag DPO policy frameworks are well aligned at both strategic and operational levels.

CAPACITY FOR POLICY CHANGE INDICATORS

a. Clearly Defined and Consistent Policy Framework

Status: Green

Mozambique has a consistent set of policies, laws and regulations aimed at ensuring food security and reducing poverty, articulated in the PQG, PARP, PEDSA, PNISA, and other instruments described above. These instruments are well aligned at both strategic and operational levels.

b. Predictability and Transparency of Policy-Making Process

Status: Green

The formulation of food security policy is led by high level champions, where authority is delegated from the President to the Prime Minister to the Council of Ministers. There is a consistency of party affiliation among these actors and this lends predictability, and regularity to policy outcomes. Government has used cross-sector interagency working groups to forge a participatory process and improve transparency within the government. Particularly with regard to the formulation of the CAADP Compact and the PNISA, the process signals the Government's support to reform. The successful implementation of policy reform may be more difficult to achieve, highlighting the difference in outcome between reforms that are enacted into law, and

those that are eventually implemented, (*de jure* and *de facto*), the latter being of greater consequence¹⁵.

c. Clear and Functional Legislative System

Status: Yellow

The Parliamentary Committee on Agriculture Rural Development Economic Activities and Services plays a key role in legislative oversight by connecting stakeholders to the Council of Ministers on Agriculture policy issues. Parliamentary oversight has become increasingly important since the decree law; a new form of legislation introduced by the 2004 Constitution allows the Council of Ministers to request Parliament to delegate legislative authority for defined purposes. Decree laws enter into force if unchallenged by Parliament during the session following the decree law's publication.

The legislative oversight system in the National Assembly is composed of 8 Committees; the chairperson for each committee appears in brackets below.

1. Committee on Constitutional Affairs, Human Rights and Legality (Teodoro Andrade Waty)
2. Commission of Planning and Budget (Eneas da Conceição Corniche)
3. Committee on Social Affairs, Gender and Environmental (Telmina Passion Manuel Pinho Pereira)
4. Commission of Public Administration, Local Government and Media (São Bernardo Alfredo Maria Cepeda Gamito)
5. Committee on Agriculture, Rural Development, Economic Activities and Services¹⁶ (Francisco Ussene Mucanheia)
6. Commission for Defense and Public Order (Maria Anastasia Coast)
7. Committee on International Relations (Maria Anastasia Coast)
8. Committee on Petitions (Mario Lampião Sevene)

Laws passed by the National Assembly are given 18 months to develop Implementing Rules and Regulations (IRR). Some have been known to get stuck at this stage, for example the Insolvency and Competition laws passed in 2007, stalled and never developed IRR, remaining on the books, but not in practice.

d. Appropriate Dispute Resolution

Status: Yellow

The Mozambique justice system is still governed by the 1992 Organic Law of Judicial Courts, with three main layers of courts: district in the formal system, provincial and the Supreme Court in Maputo.

In 1990, the Constitution introduced a formal separation between the judiciary and the executive. The 2004 Constitution further strengthened guarantees for both administrative and

¹⁵ For a general discussion of this see Andrews, Matt (2013). *The Limit of Institutional Reform in Development*. Cambridge University Press.

¹⁶ The Committee on Agriculture, Rural Development, Economic Activities and Services connects with the Council of Ministers on Agriculture related proposals before they are submitted for consideration by the Assembly.

political independence of the courts. Furthermore, President Guebuza has emphasized his commitment to the rule of law, and made this a priority of his electoral campaign in 2005. However, a 2006 report by the Open Society Foundation on the Justice Sector and rule of Law in Mozambique found that challenges to judicial independence remain, in part because the President has influence over the nominations to the higher courts. In particular, the President appoints the President and Deputy President of the Supreme Court with the Higher Council of Judiciary (CSMJ) playing an advisory role. The CSMJ role in balancing the power of the Executive is diminished somewhat by the President of the Supreme Court who presides over the CSMJ. This has led to the perception that the council is closely linked to the executive. Other capacity constraints to the judiciary include an overstretched court system with poor administrative coordination and long delays, judges without access to the latest legislative texts, especially at the district level, and the lack of jurisprudence and peer reviewed commentary on law. A lack of coordination with community courts set up by FRELIMO after independence is another issue. While these courts are officially recognized judicial fora numbering more than 1500, they have never been linked to the official judicial court system, and receive no assistance, or support from the official judicial system.

The Government of Mozambique (GOM) recently passed a new arbitration law with support from CTA and USAID.

e. Clearly Defined Institutional Responsibilities

Status: Yellow

MINAG's Directorate of Economics played a key role in coordinating the development of the guiding policy frameworks. MINAG in close cooperation with AgRED is in the process of finalizing the *Terms of Reference for an Agriculture Sector Coordinating Council (CCSA)* and a *Terms of Reference for Dialogue among MINAG and cooperating partners* (see Annex 1 and 2). These were modeled on similar institutional arrangements developed under the CAADP framework in Ghana and Rwanda.

This assessment found that many of those interviewed expect the coordination of institutional partners to the PNISA, to be a constraint, due to the cross-sectoral nature of the challenges within the agriculture sector. For instance, in the case of licensing private investment in irrigation there are roles for various ministries, including agriculture, water, infrastructure and finance. The corridor strategy called for in the PEDSA, the G8 New Alliance, Pro Savanna, will require more than just a common agenda and shared vision among collaborating agencies. It will require coordinating secretariats, mutually reinforcing activities among key actors, shared measurement, and constant communication. This will necessitate building new institutional architecture that has the reach (both horizontally and vertically) to serve the landscape corridor level with an integrated multi-sectoral approach. In the near term this will challenge the absorptive capacity of the civil service.

Recommendations

- Do more to raise awareness about the GOM's commitment and vision for agriculture growth and food security, and the important role of private sector investment (internationally and nationally) among all stakeholders.

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- Manage the message– make the priorities of the PNISA crystal clear and back them with budget.
- Support the G8 New Alliance Policy Framework to improve the enabling environment for increased private sector participation and growth in the Agriculture sector, and as a platform for resource mobilization.

POLICY ELEMENT 2: POLICY DEVELOPMENT AND COORDINATION

The formulation of national and macro-level policies and strategies is predominantly the work of the national government, whereas provincial and district-level government agencies are responsible for implementing the new policies and strategies across jurisdictions. Policy making in Mozambique is highly centralized with reforms driven primarily by the President or Prime Minister’s office, and followed up by the Council of Ministers. MINAG knows that for the PNISA to succeed it must collaborate and coordinate with other government departments and agencies, and reach out to the private sector. It is doing this to some extent now, and plans to do more under the PNISA.

OVERVIEW

Mozambique is a presidential republic, and a multi-party democracy. Its Constitution was ratified in 1990. The country has ten provinces, and is further decentralized into 128 district governments and 43 municipalities. Ten more municipalities will be added this year. It is culturally heterogeneous, with myriad ethnic groups, languages and religions, contributing to a complex socio-political and historical context. President Armando Emilio Guebuza, is the head of state. He was elected in 2005, and re-elected in 2009. There is a presidential election scheduled for 2014, but the constitution limits the President to two terms in office. President Guebuza is expected to remain President of the Government’s ruling party until at least 2017. This position is considered highly influential, and is expected to give him considerable leverage over his successor¹⁷. The outcome of the November local elections cast some doubt on this eventuality, and the new opposition party the *Movimento Democrático de Moçambique* (MDM) made a strong showing, and held on to key positions in important areas, such as the mayorships of Beira and Quelimane¹⁸.

In 2012, the president appointed Prime Minister Alberto Clementino Vaquina, also from FRELIMO. The legislative branch is unicameral with 250 members, directly elected by the people for a five year term. FRELIMO controls 74 percent. Municipal leaders are elected, while district leaders are appointed.

¹⁷ Africa Confidential, “Partial Win for Guebuza”, Vol. 53 No. 20, 5 October 2012.

¹⁸ Updated upon request, see “Frelimo Unnerved”, Africa Confidential, Vol. 54 No. 24, November 22, 2013.

According to the analysis many believe President Guebuza was waiting for Frelimo to do well in the local elections, to give him sway to get his nominee accepted as the leading Presidential candidate, or to somehow use the situation to lengthen his term. It now looks like this will be more difficult for him.

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Following the civil war, a sovereign Mozambique successfully held elections in 1999, 2004, and 2009. Aid flows have risen to nearly 10 percent of GDP¹⁹. Mozambique's "new limited access order equilibrium", has been attributed to Frelimo's shift to a more open approach to governance across four dimensions: 1) support for multiparty elections; 2) a shift away from direct state control of the economy (toward both markets and privatization); 3) Frelimo's shift toward cooperation with rural leaders through the establishment of consultative councils in rural areas; 4) the governance of Frelimo itself, from a tightly restricted membership to a growing inclusiveness of all classes and strata of Mozambicans. Although, the inner core of the party, remains closed to public scrutiny²⁰.

In the years just after the war, reform interventions and new policy initiatives often came from regional and international development partners, who brought ideas for policy change from outside²¹. Weak institutions and donor conditionality tied reforms to resources that GOM needed.²² Today, the policy change process is more often led by champions within GOM, who are directly involved in designing the policies and seeing them through. This process typically begins at the highest levels with the engagement of the President, the Prime Minister and the Council of Ministers.

The PEDSA and the PNISA provide good examples of a structured and participatory policy development process. This process was led by the President and the Prime Minister with participation from MINAG, MinPD, MIC and other ministries, the private sector, civil society, educational institutions, and other development partners. Technical assistance in the form of research, analysis and facilitation to the process was provided by the Strategic Analysis and Knowledge Support System (SAKSS), Michigan State University, FAO and others, see part I, Capacity for Policy Change Maps for a full list of organizations.

The main agency charged with the coordination function is the Directorate of Economics at MINAG, which provides analysis, formulation, and monitoring of public policies concerning land and agriculture, internal and external regulatory and audit mechanisms; service provision (external and research).

Key inputs into the planning process of the PNISA are described below:

- In January 2012 a technical team was created that guided the process using priorities established by the PEDSA.
- FAO contributed technical and process support
- National consultants contributed to the elaboration of the master document
- Working groups formulated proposals – for sub-sector level investment plans, while involving key stakeholders.
- Plenary sessions were held for the presentation and defense of proposals.
- The Technical Team led a consultation process involving a cross section of government agencies, the private sector, international agencies, non-governmental organizations and civil society. The outcome of this process was analyzed by the technical team and incorporated into the final PNISA document.

¹⁹ Douglas North, John Joseph Wallis, Steven Webb, Barry R. Weingast. 2013. "Zambia and Mozambique: Development's Knife-Edge", from *In the Shadow of Violence: Politics, Economics and the Problems of Development*. Cambridge

²⁰ Ibid.

²¹ De Renzio as cited in Andrews (2013),p. 96

²² Ibid.

IAAPC MOZAMBIQUE

MINAG's Technical Team and its working groups produced policy and strategy proposals that were submitted to the Consultative Council and later to the Cabinet and Parliament for consideration. This process resulted in the PNISA which is now being finalized.

Three organizations in MINAG have semi- autonomous status because of their key role in rural development and the agriculture sector: the Mozambique Cotton Institute, the Mozambique Sugar Institute and the Cashew Promotion Institute. These organizations have effectively engaged in the legislative process, in implementation, and monitoring of policies, specifically for cash crops.

CAPACITY FOR POLICY CHANGE INDICATORS

a. Approved Food Security Strategy/Investment Plan

Status: Green

The PNISA provides the country with a comprehensive medium term food security plan.

b. Predictable Policy Agenda and Priorities Development

Status: Yellow

In the PNISA, the Government has articulated consistent objectives and a roadmap for implementation. NEPAD's technical review resulted in 45 pages of critical feedback on the plan. The international donor community's thorough review of the PNISA by AGRED requested that the MINAG technical team clarify its policy priorities to a greater extent, noting that 26-27 programs could lead to their "projectization", creating challenges to coordination and implementation down the road. The current status report on the G8 New Alliance Policy Matrix indicates that some policy change initiatives may be stuck. This could be due to a possible misalignment of priorities, bottlenecks, and, or constraints to policy change—suggesting a more limited authorizing environment.

c. Annual Work Plans

Status: Yellow

The PNISA calls for annual work plans that identify objectives, activities, targets and indicators for gauging policy development and progress at the end of each year, but these are still in the design stage.

d. Functioning Coordination Process

Status: Yellow

As mentioned, the MINAG's, Directorate of Economics, plays a key role in intergovernmental coordination and planning with respect to policy development for food security and nutrition. A technical interagency working group was formed to coordinate and facilitate the design of the PNISA. Coordination between national and decentralized agencies of governments, and monitoring and evaluation at all levels was flagged in our interviews as in at times ad hoc, and in need of attention. MINAG's ability to engage the interest of non-state actors and in particular private sector firms in the PNISA has been limited to date.

e. Secretariat/Administrative Support Function

Status: Red

Because of the scope and complexity of the PNISA, it is in need of a strong secretariat to coordinate intergovernmental and multi-stakeholder engagement. Under the current

scenario coordinated by the MINAG, Director of Economics, there are capacity constraints in human resources, equipment, ICT, and office space. As important, are the constraints to change posed by limited capacity for monitoring and evaluation. Right sizing the secretariat is another concern. Some of the roles and responsibilities called for in the TOR of the CCSA, are actually key functions, (i.e. planning, coordinating and monitoring) that are often best provided by a smaller dedicated secretariat.

Secretariats can play a vital role in encouraging collaboration around a shared vision and common agenda for change. For example, the persistence of SETSAN together with AgRED, and technical assistance from donor partners resulted in successful mainstreaming of nutrition and food security into MINAG's agriculture policy, and the addition of a 5th pillar to the PNISA.

f. Technical Capacity

Status: Yellow

Technical capacity constraints within MINAG are addressed by donor-supported technical assistance which is largely from outside in the form of research analysis, advisory services and facilitation provided by CTA, SPEED, Monitor Deloitte, MSU, ReSAKSS and links to members of the CGIAR including IFPRI, IFDC, and private sector organizations such as AGRA. USAID supports an embedded advisor in MINAG, who plays a key role in coordinating the technical working group responsible for the design and development of the PNISA. Terms of Reference for national political and technical teams have been drafted by GOM and AgRED and are currently being finalized. As mentioned above, NEPAD also provided an in-depth technical review of the PNISA. While this technical capacity from outside has made significant contributions, what is still needed is technical assistance for institutional development to bring this more fully into the decision making process at the organizational level, and into policy formulation at the institutional level.

g. Political Support and Approval

Status: Yellow

It is difficult to gauge the extent of political support that exists at MINAG and among top level leaders in GOM for the agriculture and food security policy initiatives detailed in the PNISA, the G8 New Alliance and other policy frameworks. A highly structured consultative process was employed to develop the PNISA, reaching across a broad range of government agencies. Participation by the President and the Prime Minister in the food security policy dialogue is said to be increasing. The PM is a medical doctor by training. This has led some to believe that he will be personally interested in the issues of food security and nutrition. However, the interviews also revealed some skepticism about GOM's commitment to the PNISA²³. Several of those interviewed admitted that few within the private sector know much about it, because GOM's main interests in agriculture remain with its cash crops (cashew, sugar, and cotton) which should continue to do well, with or without the PNISA. Others said GOM's agriculture investment figures appear high because of the addition of

²³ A recent Africa Confidential article suggests that the Minister of Agriculture is a leading contender for the Presidency in 2014 (http://www.africa-confidential.com/article/id/5012/Renamo_ramps_up_the_pressure.) However, when asked who was the champion for the implementation of the PNISA, most of our interviews indicated this leadership is coming from the Director General level in MINAG. The Minister of Agriculture was not mentioned as a primary champion of the PNISA.

IAAPC MOZAMBIQUE

programs outside the sector, which obscure the fact that the MINAG's investment is actually declining as a percentage of the total government budget. Some of those interviewed pointed to examples of policy change initiatives that are currently moving slowly, or stuck: Reform of land use rights (DUAT), Elimination of permit requirements (Guia) for inter district trade, regulations to increase credit to smallholder farmers, enabling regulation for ICT applications.

h. Parliament/Legislative Body

Status: Green

As illustrated in Section I, the policy change process begins at National Directorates which assemble technical resource persons from various ministries, private sector, civil society and NGO's forming working groups to support the policy design process. The documents prepared at this level are sent to the technical council for critical analysis, and then to the Consultative Council (the Board of Directors of MINAG including the Ministers and Permanent Secretary). After this, the documents are submitted to the Council of Ministers. If the document is intended to become a decree, strategy or regulation, the process ends here. If a law is required, the document continues to go on to the Parliament through the Office of Prime Minister. Once in the Parliament the Commission on Agriculture must review it before submission to the plenary for vote. After approval by the Parliament, the document is sent to the President of the Republic. Before ratifying the law, the President will seek the advice of the Constitutional Commission.

RECOMMENDATIONS

- Develop a strong Agricultural Sector Coordinating Council (CCSA) to drive implementation of the PNISA/PEDSA.
- Enable more South-South Knowledge Sharing among CAADP Compact Countries for exchange of good practice, benchmarking. Those who attended the recent G8 New Alliance meeting in Dakar said they learned a lot from other CAADP countries about what is possible when it comes to creating administrative capacity for implementing policy change in agriculture.
- Create a special fund to support gearing up administrative capacities, including building capacity for M &E, and awareness raising about implementing policy change associated with the G8 New Alliance Policy Framework, and the PNISA.

POLICY ELEMENT 3: INCLUSIVITY AND STAKEHOLDER CONSULTATION

Throughout the development of the CAADP Compact, and later during the policy development process for the PNISA, MINAG's objectives were to gain high level political buy in, wide stakeholder inclusion and ownership of the process. The process was driven by the government, with only limited involvement of non-state actors, in particular, private sector engagement was minimal. There was regular attendance of civil society organizations, such as the leading farmers' organization, and women's organization. However, these organizations are generally believed to be greatly in need of institutional strengthening

IAAPC MOZAMBIQUE

and development. Stakeholders interviewed raised doubts about whether outreach to the private sector, in particular to agro-business concerns, in support of the PNISA had been adequate.

During the first half of 2013, there were reports that Renamo rebels had threatened to attack export routes, protesting their party's marginalization and trying to tap public concerns that too few had benefited from the Government's megaprojects. Clashes between the government forces and Renamo were said to be heating up²⁴ leading to the local elections on November 20, 2013. By the election, what transpired was called, "some of the worst political violence in more than a decade"²⁵. Election Day itself was said to be peaceful in most of the country. Renamo kept its pledge not to carry out armed conflicts on Election Day²⁶.

OVERVIEW

Private sector engagement in the policy development process to date has been limited. However, there are formal mechanisms in place for regular public-private dialogue. New initiatives underway by GOM with support from the AGREED should expand private sector engagement, including commitments under the G8 New Alliance agreement. Key structures and working mechanisms for a more public dialogue on agriculture policy are also in progress. This will focus on three levels of dialogue: 1) Agriculture Sector Coordination Committee (CCSA); 2) National political and technical dialogue; 3) Corridor level dialogue.

GOM's primary partner in the private sector is the Confederation of Economic Associations of Mozambique (CTA), which serves as the umbrella organization for private sector associations. CTA meets monthly with its members to discuss their priority concerns. It then brings these issues before its partners in the GOM. CTA holds an annual conference that brings the private sector together with the Ministries of Agriculture, Trade, Industry and Commerce, and Finance to discuss the Agriculture sector with the President of Mozambique. CTA also holds biannual meetings for its members with the Prime Minister. CTA benefits from access to high level government officials. It has played a key role in forging government support for several policy change initiatives, including VAT reform, a new Arbitration Law, changes to the withholding tax, and support to the G8 New Alliance. Another organization which could be similarly tapped to broaden support of the private sector is ACIS (Association of Commerce and Industry). ACIS is a nonprofit association that aims to promote investment and development in Mozambique and forge links between government and the private sector in the interest of improving dialogue and economic development.

To enhance private sector engagement, MINAG created the Center for the Promotion of Commercial Agriculture (CEPRAGRI). This works closely with CTA.

²⁴ Africa Confidential, "Renamo Ramps Up the Pressure", August 15, 2013, http://www.africa-confidential.com/article/id/5012/Renamo_ramps_up_the_pressure.

²⁵ Africa Confidential, "Military Manoeuvres", Vol. 54 No 8.

²⁶ Africa Confidential, "A Bumpy Road to the Polls", Africa Confidential, Vol 54, No 13, June 21, 2013.

IAAPC MOZAMBIQUE

Other private sector-oriented interest groups that engage at the sub sector level include: The Association of Cashew Manufacturers (AICAJU); The Cotton Association of Mozambique (AAM); The Industrial Association of Mozambique which includes the sugar sub-sector; and the Commercial and Industrial Association of Nampala (ACIANA) of Nampula Province- who relate to the government through CEPRAGRI. NGOs are also active in the agriculture sector running programs supporting the production of certain crops, income diversification, and agricultural marketing and organizing small producers. They fill a gap in the provision of services in rural areas that cannot be adequately served by national and provincial level extension services.

MINAG's national focal unit or team (within the Directorate of Economics) for the CAADP Compact was composed of approximately 48 members. By all accounts the team composition encouraged inclusiveness and ownership among stakeholders (including civil society, NGO's, the private sector, academia and donors) that was necessary for the signing of the Compact. However, the group is also constrained by its large size, and it may lack the strategic composition and orientation required for successful collective action in support of policy change and reform—and it may benefit from some streamlining and fine-tuning in this regard.

CAPACITY FOR POLICY CHANGE INDICATORS

a. Inclusive Participation within the Policy Coordination Management Entity

Status: Yellow

There are formal mechanisms for engaging with MINAG in public-private dialogue.

A public-private dialogue is conducted by CTA monthly with the Ministry of Agriculture, twice a year with Prime Minister and annually with the President. While some of those interviewed said the President's interest in the Government's agriculture sector strategy has increased over time, most said there is little follow up from these consultations. Those interviewed agreed that more needs to be done to engage regional organizations such as SADC, CAADP, NEPAD. The CAADP National Team is large and will likely be streamlined by the proposed CCSA.

b. Outreach and Communication

Status: Yellow

There is a need to bring provincial and district government agencies up to date on policy developments. Outreach and communication is constrained by limited capacity of extension services. However, there are a few outstanding examples of success through the use of strategic communication tools (radios and billboards) to broadcast changes in withholding tax regulations at the provincial and district levels. These are associated with the SPEED program²⁷.

c. Private Sector Participation—Opportunity/Space

Status: Red

Private sector participation should be broadened. Some of the stakeholders interviewed said a case could be made for legislation that would require the government to consult private sector

²⁷ See www.speed-program.com

IAAPC MOZAMBIQUE

more often, through “participation legislation”. The interviews suggest that there is a need to raise awareness about CAADP and the Government’s agriculture strategy, and the PNISA among the private sector.

d. Private Sector Participation—Capacity to Participate

Status: Red

CEPAGRI is in need of institutional strengthening. As the lead organization in the Letters of Intent (LOI) for facilitating and monitoring agriculture sector investment in the country. Private firms lack access to market information. Other constraints to private sector participation include weak farmer organizations, weak retail networks, limited access to credit, and limited access to ICT. CTA is not positioned to lead multi stakeholder participatory approach. There appears to be untapped potential for strengthening sector-based associations.

e. Participation of CSOs—Opportunity/Space

Status: Red

CSO participation in policy development appears to be limited to a small set of leading organizations; however, their potential role in implementing policy change is significant. Therefore, more opportunity for their participation should be created. Only one farmers’ organization and one women’s organization are engaged semi regularly. Greater participation may bring learning by doing to these organizations, and through learning opportunities of engagement may be opened.

f. Participation of CSOs—Capacity to Participate

Status: Red

This is considered to be very low, in terms of numbers of organizations, and the quality of the services provided, and their ability to influence policy change outcomes. The organizations most often mentioned as in need of capacity development were UNAC and Mucedo. Another set of CSOs were mentioned less frequently, but were considered strong at both the institutional and individual levels. These included: Save the Children, World Vision, SNV, Technoserve, CLUSA, CARE, and ORAM.

RECOMMENDATIONS

- Develop guidelines and term of reference for engagement of CSOs– women’s and farmers organization in particular.
- Consider bringing key private sector, agribusiness firms and CSOs into the CCSA.
- Support more associations and networks for greater opportunities in Public-Private Dialogue.
- Support joint training on management and leadership, and raise awareness to build relationships, capacity, and ownership among stakeholders.
- There are clear political gains for GOM, to do more to offer more inclusive public goods approaches to the agriculture sector development to benefit all Mozambicans.

POLICY ELEMENT 4: EVIDENCE-BASED ANALYSIS

OVERVIEW

In 2010, as part of the CAADP roundtable, MINAG led a stocktaking of existing studies and reports to identify gaps in the knowledge base and information needed to support policy design and evidence-based decision-making. GOM in collaboration with development partners then set out to fill these gaps. This produced Strengthening Mozambique's Capacity for Agricultural Policy Analysis, Productivity, Growth, and Poverty Reduction, funded by USAID with Michigan State University. Since 1991, MSU has worked with MINAG to increase its capacity to help formulate and implement agricultural sector policies, strategies and reforms. Since 2004, it has also supported the National Agricultural Research Institute. The Mozambique Strategy Support Program (MozSSP) was funded by USAID and SIDA and implemented by the International Food Policy Institute (IFPRI). This set out to support the government's efforts to reduce poverty through evidence based research, capacity strengthening, and strategic communication. At its center was the Mozambique Strategy Analysis and Knowledge Support System, closely linked with MINAG's Directorate of Economics²⁸. Annually IFPRI and MSU offer a joint food policy conference in Maputo.

Other analytical work was compiled in preparation for the AgDPO. Some examples include²⁹:

- European Commission's Mozambique: *Analysis of Public Expenditure in Agriculture. Volume II: Public Expenditures and the Irrigation Subsector*. June 2010.
- *Fundo de Apoio a Reabilitacao da Economia (FARE): Grupos de Poupanca e Credito em Mocambique: 10 Years Later. Rural Finances Support Project (PAFR)*, March 2011.
- Jones, S., and F. Tarp: *Jobs and Welfare in Mozambique. Country case study for the 2013 World Development Report*. World Bank 2013.
- Ministry of Agriculture (MINAG), National Statistics Institute (INE): *A Ten Year Master Plan for Agricultural Statistics for Mozambique. Republic of Mozambique*, October 2011.
- Mozambique Strategic Analysis and Knowledge Support System (MozSAKSS) and Ministry of Agriculture (MINAG): *Monitoring and Evaluating Agricultural Growth, Trade, and Poverty in Mozambique. Republic of Mozambique*, October 2012.

Many of those interviewed for this assessment, brought up the need for greater results-orientation, and improved monitoring and evaluation across the whole civil service toward achieving more evidenced-based policy making, greater transparency, and operational efficiency. Progress is clearly underway; however challenges remain both in terms of quality and quantity of data, and in the need for country systems and for improvement in public expenditure tracking. There are opportunities to strengthen information management with the private sector, civil society for greater transparency, integrity, accountability, for complaints and appeals. Noting that there has been significant public financial management (PFM) reform in Mozambique over the past five years, improvements are cited in the

²⁸ The CAADP stocktaking on evidence-based analysis produced a comprehensive list of recent analytical work undertaken in the agriculture sector by Michigan State University, and development partners, see <http://www.aec.msu.edu/fs2/mozambique/caadp/index.htm>.

²⁹ This information is extracted from the World Bank/International Development Association Program Document for a Proposed Credit in the Amount of USD 50 Million to the Republic of Mozambique for the First Agricultural Development Policy Operation (AgDPO-1), March 28, 2013, a full list of analytical works may be found in this document on page 26.

IAAPC MOZAMBIQUE

Public Expenditure and Financial Accountability (PEFA) indicators from 2006-2010 across all dimensions of PFM³⁰, and the gradual introduction of an integrated financial management information system (IFMIS) known as the (e-SISTAFE). Despite these gains challenges remain, for example: 1) the application of internal controls at decentralized levels; 2) Funds flow and information gathering from remote districts; 3) the need for more staff; 4) delayed releases of budgets; 5) a high level of off budget spending.

The World Bank's 2011 analysis of public expenditure in Agriculture in Mozambique, found that low budget execution, and monitoring and evaluation were real weaknesses in the sector, and exacerbated by decentralization. According to the World Bank, PFM problems influence the ability to execute effectively and control the efficiency of expenditures in the agriculture budget. The World Bank suggests that this has led to MINAG executing just 68 percent of its recurrent budget and 32 percent of its investment budget from its own resources, while budget execution of external funds is said to be higher because they are managed outside of Government systems. Improvements in PFM are expected to be a Government priority for 2011 to 2025, and this is supported by development partners through planned programs in excess of USD 157 Million. PFM reforms are expected to remain an area for targeted support from the World Bank and other donors³¹ for some time. And the importance and complexity of this will likely grow with the implementation of the PNISA, because of its scale, and scope that goes beyond MINAG to include MOF, MIC, MPD and other Ministries and government agencies through 26 programs.

Data collection, analysis and reporting are the responsibility of MINAG through two information systems: the Agricultural Services Surveys (TIA) and the Early Warning System. These assess activities, outputs, and outcomes, with performance indicators for monitoring and evaluation, of the agriculture sector's programs and policies. However, there are still significant discrepancies between the two systems both in terms of data collection methodology, and their effectiveness and reliability.

Despite these limitations, TIA and the Early Warning System are the only internal data sources currently available for use in sector reviews and for assessing the quality and quantity of results for planning, and decision-making. TIA is also used to support monitoring and evaluation systems and periodic reporting for the purpose of learning for program and policy improvements as well as for the preparation of strategic plans and the setting up of performance indicators at the national level. Recent functional reviews of the Ministry show that there are few if any M&E specialists, or statisticians on hand in MINAG. Capacity gaps include qualified staff, adequate work space, and direct resources.

As mentioned previously, many of the reform policies and strategies in Mozambique are initiated at the highest levels of Government, and are derived from interventions instigated by international/regional commitments. Others are driven by the need to respond to internal challenges of food security as part of the national campaign against poverty rather than being based on an evidence-based approach.

³⁰ This includes multi-year planning, annual budgeting, procurement, accounting, internal controls, auditing and public access to key fiscal information including Parliaments approval of annual budgets as well as reports on the use of Government funds which are now made available through the MOF external website.

³¹ See page 54, P.129489, Program Document, First Agricultural Development Policy Operation (AGDPO-1), March 28, 2013.

IAAPC MOZAMBIQUE

A new homegrown initiative underway seeks to rationalize the platform for knowledge sharing and scientific and policy research and development in agriculture, and to build the capacity of a network of national centers to engage locally and connect globally. The initiative known as the Center for the Study of Policy and Food Security and Nutrition (CEPAG) proposes to strengthen capacity and linkages among local institutions for just-in-time research and analysis in support of an integrated approach to policy change in agriculture. It would cover all dimensions in the agro-food system including linkages with the international institutions such as FAO, WHO, and CGIAR system. CEPAG would also support the policy units in the ministries that have got many roles to play and little human and financial resources to produce evidence for informed policy change. This initiative is being led by Eduardo Mondlane University (EMU); see Annex III for a Diagram of the proposed organization.

Capacity for Policy Change Indicators

a. Economic and Financial Analysis Completed as a Component of Planning

Status: Yellow

Economic and financial analysis is conducted by the Directorate of Economics within MINAG. It is also provided by outside research institutions, such as those that constitute the CGIAR platform, and MSU and IFPRI. The AgDPO calls for investment in improving public financial management systems at the sectoral level. Many of those interviewed said that the poor quality of data is a persistent problem, see section overview.

b. Performance Monitoring Measures and Targets Developed

Status: Red

Currently under development by MinAG for the launch of the mutual accountability framework for the PNISA. We do not yet know what this will look like or how well they will be implemented. Pending its completion this is marked red.

c. Quality Data Exists for Policy Monitoring

Status: Red

The quality of data is said to be poor. Key informants in MINAG said they rarely use targets and indicators, to monitor the progress of their programs. Expenditures are not tracked against investments and outcomes, so it is difficult to gauge efficiency. Good data is in short supply. This is generally agreed upon.

d. Quality Data is Available for Policy Making

Status: Red

Annual performance measurement reports are produced and reviewed. However, performance indicators, targets and data are often inconsistent and incomplete. Performance data and statistics are publically available. There is a Government website but this data may also be unreliable and incomplete. The website could be more user -friendly. Agriculture statistics can be found in the Institute of National Statistics, as well as in the Department of Statistics in the Directorate of Economics.

e. Inclusion of Analysis in the Policy Development Process.

IAAPC MOZAMBIQUE

Status: Yellow

There are more than ten independent think tanks in Maputo that regularly provide good quality analysis for the policy development process, e.g. the CGIAR institutions. However, many people claim there is a dearth of reliable data used with in key Government institutions for the policy development process. Clearly there is a need to strengthen the capacity of government institutions in knowledge and learning. Informants from these research institutes said they would like to see in-country capacity strengthened.

f. Capacity to Monitor Policy Implementation and Results

Status: Red

Most of the key informants interviewed said there is a great need to develop a stronger results orientation across ministries, to improve country systems for monitoring and evaluation, and raise the bar for the quality and quantity of data.

g. Annual Performance Measurement Report Produced and Reviewed

Status: Yellow

Annual work plans are used by MINAG, but they often do not include indicators and targets, making it difficult monitor and report progress effectively.

h. Independent Analysis Capacity Exists

Status: Yellow

Capacity exists for independent analysis. There are 10 think tanks in Maputo that have served this independent evaluation function from time to time, in particular IFPRI, through the CGIAR (Consultative Group on International Agriculture Research) Platform. These organizations are housed off site, but in close proximity to MINAG.

RECOMMENDATIONS

- In the short term conduct a needs assessment, to look at country systems and M & E capabilities across all the ministries involved in the PNISA. The assessment should be consistent with the guidelines set forth by OECD DAC, 2006; *The Challenge of Capacity Development is working toward Good Practice*.
- Work toward a common set of performance indicators should be developed across all government and donor agencies involved in the PNISA, to aid in coordination of M & E.
- Push to build capacity of the civil service, (evidence-based policy making), hire young, well educated, committed staff with technical skills.
- Invest in a nationally -driven platform/network for knowledge-sharing in agriculture and food security to improve policy making in this area, e.g. CPAG, MozSAKKS
- Improve data collection systems.

POLICY ELEMENT 5: POLICY IMPLEMENTATION

Some of the main reasons for the slow pace of policy implementation include: limited human resource capacity; limited absorptive capacity (which includes the need to improve public financial management and to strengthen countries systems for monitoring and evaluation); and the need to better understand the underlying interests and influences that determine government's willingness to reform³². In the absence of strong country systems, and well defined indicators and targets for monitoring and evaluation, it is difficult to learn from and improve existing policy. In this environment of weak institutions, strong and effective leadership becomes critically important for policy implementation.

OVERVIEW

Once policies are approved by the President, they are sent back to the Council of Ministers for implementing rules and regulations. The Council of Ministers will mandate MINAG or the provincial governments to apply the policy. MINAG, through its provincial offices then pass these on to the District Directorates for implementation. Outreach to farmers requires some engagement beyond extension services, which are currently insufficient, with NGO's, Private Sector or Civil Society stepping in to bridge the capacity gap. The Provincial Government also sends new and revised directives (laws/policies) to the Provincial Directorates where they converge. This requires liaising with Government at all levels, through MINAG, Provincial or District Directorates.

Decentralization creates constraints to coordination when it comes to linking national-level policy change with implementing agencies at the provincial and district levels, and farmers who are the ultimate implementers. This has bearing on service delivery as well as resource allocation. The Corridor strategy is expected to introduce significant additional coordination challenges. At the local level, extension services lack capacity in terms of numbers of extension workers, knowhow and skills. This makes it difficult to engage small scale farmers in commercial agriculture in order to improve productivity and livelihoods. District authorities under the Ministry of State Administration are implementing the local development program of small loans for economic activities, which includes agriculture projects. There is a risk that the lack of clarity that currently obscures accounting between district and provincial services delivered to small holder farmers could be made worse by the introduction of the many projects under the PNISA. Some interviews flagged transparency and accountability issues associated with this program.

The World Bank's project appraisal document for the 2013 AgDPO underscores the need to strengthen budgetary planning and the capacity to monitor spending and the flow of funds. It highlights the example of the medium term expenditure framework submitted each year under the PROAGRI that regularly overlooked linking anticipated sector outcomes with corresponding budget requests. It is believed that with the end of PROAGRI and the emergence of a CAADP-

³² De Renzio, 2010.

oriented plan for agriculture investment this will change. The quality of public financial management systems is closely linked to the Government's implementation effectiveness. It is worth noting that the sector consistently underspends at the provincial level. For example, provincial agricultural spending for 2009 was 48 percent of the budgeted amount³³.

With decentralization the organization and structure of local administration was changed and the local representations of ministries were restructured through a combination of some district directorates into one (e.g. agriculture, industry and commerce became district activities and economic services (SDAE). But the corresponding ministries at the central level remained unchanged. Apparently, the central level did not adjust to the decentralized system- as there is no decentralization policy. In addition, provincial and district administrations often lack the human resource capacity to efficiently address local challenges. Agriculture service delivery is the responsibility of the district level services for economic activities (SDAE), *Serviços Distritais das Atividades Económicas*). SDAE's core services such as agricultural extension are often supported by donor-funded projects and implemented by NGOs.

There are also sequencing and timing issues suggesting some incompatibility of the government's budget cycle, with the agriculture cycle. As a result funds may not be available during the most active agricultural period, from January to April. Apart from this, there are complaints of considerable delays in the release of external funds which sometimes come in November or December.

At the same time there are big projects such as irrigation projects financed "off budget" with their own accounting system out of MINAG's control that have no link to the national agriculture budget. These projects are expected to continue in parallel to the PNISA. Key informants said that many managers in the agricultural sector still consider accounting solely as a book keeping function, rather than a tool for financial control and monitoring project activities. Changing these attitudes to improve practices and performance overall, will require adaptive leadership

Capacity for Policy Change Indicators

a. Implementation Plans Developed

Status: Green

PNISA is Mozambique's guiding policy framework for implementing the government's sector strategies for agriculture and food security. The main goals of the PNISA are to 1) achieve an annual agricultural growth rate of at least 7 percent over the next 10 years; (2) reduce malnutrition among children under 5 years of age to 30 percent by 2015; (3) cut in half the number of people suffering from hunger by 2015.

³³ Taking both central and provincial agriculture for 2009 into account, the net spending for the total was 73 percent of the budgeted amount. By comparison, average government spending in 2009 was 88 percent of the budgeted amount. Umarji, Mariam, Chris Lees, Joe Cavanagh, Esther Palacio e Arenio Paulo. 2010. *Relatório Final 2010. Avaliação de Despesa Pública e Responsabilidade Financeira (PEFA) em Moçambique 2010*. Maputo: Ministério das Finanças, Inspeção Geral de Finanças e os Parceiros da Ajuda Programática (PAPs), p. 33.

IAAPC MOZAMBIQUE

b. System in Place to Analyze Implementation Capacity Constraints

Status: Yellow

Ministry of Finance (MF, 2010) identified technical analysis and management of public finances, planning and strategic monitoring of MINAG as weak with tasks and mandates not very clear at different levels due to decentralization.

c. Food Security Policy Priorities Aligned with Work Plans of Line Ministries

Status: Red

PNISA's M&E Framework is being prepared by MINAG and AgRED, could serve this purpose once it is operationalized.

d. Policy Implementation budget committed by host country

Status: Yellow

The host country budget is expected to surpass the CAADP target of 10 percent, but many of the key informants said that the figure was not very meaningful as it includes MINAG plus other associated ministry budgets (MIC, MPD, MISAU, etc.)³⁴.

e. Supplemental Implementation Fund Secured

Status: Yellow

Donors are expected to provide between 60 to 75 percent of the PNISA budget either directly through the government programs or through private sector investments. At present the PNISA is said to be 45-50 percent funded³⁵. The New Alliance for Food Security and Nutrition is expected to play a key role in accelerating implementation of the PNISA, and attracting investment.

f. Administrative and technical capacity of staff to implement policy change

Status: Red

The World Bank's program appraisal document for the 2013 AgDPO-1 underscores the need to strengthen systems for budgetary planning and the capacity to monitor spending and the flow of funds. It highlights the example of the medium term expenditure framework submitted each

³⁴ See CAADP/RESAKKS budgetary definition of "food security", which counts non-MOA spending. CAADP countries are allowed to count non-MOA expenditures as part of food security expenditures, e.g., feeder roads and irrigation; however, this has made it more difficult to gauge the Government's commitment to the PNISA. Note – RESAKKS shows Mozambique spent 5.5% of its budget on food security in 2010: http://www.resakks.org/sites/default/files/pdfs/ReSAKSS_AgExp_2013_website.pdf. For a detailed discussion of the investment needed to reach PNISA growth targets see : Tewodaj, Mogues and Samuel Benin, Mozambique Strategy Support Paper, Public Expenditure in Agriculture in Mozambique, IFPRI, Working Paper No.3, December 2012.

³⁵ An Interview with USAID indicated that 50 percent of the PNISA was already funded. PNISA Budget Output Document provided by AgRED indicates approximately 55 percent of the proposed PNISA budget is funded. This range was confirmed in subsequent interviews by a number of people. The proposed sources of funds are 20 percent Government, 20 percent Donor, 60 percent Private Sector (some portion of private sector investment will be raised by the International Donor Community).

IAAPC MOZAMBIQUE

year under PROAGRI. This regularly overlooked linking anticipated sector outcomes with corresponding budget requests. It is believed that with the end of PROAGRI and the emergence of a CAADP-oriented plan for agriculture investment this will change. However the scope of the PNISA could challenge absorptive capacity.

g. M&E
Status: Red

A lot of work needs to be done to improve the quality of data, the work planning and programming to produce results frameworks, and to build the human resource capacity and country systems for Monitoring and Evaluation to track the implementation of the PNISA.

Recommendations

- Push for policy change and incentives to attract private sector investment
- Build up the capacity of extension services, and strengthen the role of NGOs, and the private sector in capacity development, consistent with the OECD/DAC guidelines.
- Launch awareness raising and capacity development on M&E and implementing policy change to reach provincial directorates, and district offices
- Harmonize provincial and district level plans in line with the PNISA implementation plan.
- Align the budget with performance indicators and monitoring tools.

POLICY ELEMENT 6: MUTUAL ACCOUNTABILITY

OVERVIEW

To ensure successful implementation of the investment plan in the PNISA, the GOM proposed coordination mechanisms at both national and subnational levels. This includes a Council of Ministries to oversee strategic direction, and an Agricultural Sector Coordinating Committee (CCSA) to ensure effective dialogue among stakeholders, and coordination platforms at the provincial and district levels. The CCSA main role will be to promote dialogue between different stakeholders as they monitor the implementation of the PNISA. This is in line with the CAADP principles of fostering inclusive policy dialogue, partnerships and alliances, peer review and mutual accountability. The CCSA is conceived of as similar in form and function to the Agriculture Sector Working Group (ASWG) in operation in other CAADP countries, most notably Ghana and Rwanda.

Development Partners Group for Agriculture and Rural Development (AgRED)

Donor coordination in the agriculture sector is implemented through the development partners group for agriculture and rural development (AgRED). Created in 2011, and chaired by the EU and World Bank, the group replaced the donor harmonization arrangements supporting PROAGRI's common fund and comprises 30 agencies supporting agriculture in Mozambique. It aims to strengthen the overall development effectiveness of assistance provided to the Ag sector by advancing harmonization and coherence among development partners and by promoting coordinated and efficient policy dialogue with the GOM. AgRED's priorities include joint dialogue with the government on operationalizing the PEDSA, the CAADP agenda in Mozambique and implementing the PNISA, the potential co-funding modalities and improving

public financial management within MINAG since PROAGRI. Recently, the group has supported consultations on the Government's policy measures under the PNISA, the G8 New Alliance, the - GOM AgDPO.

G19 Performance Assessment Frameworks (PAF)

Taken more broadly, mutual accountability between the Government and the donor community relies on two performance assessment frameworks (PAFs). These are evaluated annually. The PAF for the Government contains commitments and indicators coming from the national planning system (PARPII and PARP), and PAF for the Development Partners is focused on aid effectiveness. In 2010, the PAP covered about 91 percent of aid support dispersed by the Government. For this reason the Government is discussing the possibility of establishing a group incorporating Brazil, Japan, China, and others through the signing of a Code of Conduct.

Building Mutual Accountability with the Programmatic Aid Partners (G19)

Programmatic Aid Partners (PAP) is a partnership between the Government of Mozambique and 19 international agencies that provide programmatic support to Mozambique (600 M MZN for 2013, and 344 M MZN is earmarked for General Budget Support and General Sectoral Support. Known as the G19, the group is composed of Austria, Belgium, Denmark, European Union, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Sweden, Switzerland, the United Kingdom, Spain, Canada, World Bank and the African Development Bank. The United Nations and the United States are associated members as they do not provide budget support but participate in the planning, monitoring and evaluation and policy dialogue processes. Annually, the G19 elects 3 bilateral agencies and 2 permanent members (WB and EU), to represent and coordinate the group. The partnership is governed by a Memorandum of Understanding (MOU) that is valid for 5 years, establishing the principles and process which support the General Budget. The MOU calls for high level policy dialogue on a quarterly basis annually between Ministers and Ambassadors. Another mechanism for dialogue between the Government and the PAP is known as the "Management Group", or Joint Steering Committee (JSC). The Ministry of Planning and Development chairs this committee and Ministries of Finance, Foreign Affairs and Cooperation are permanent members. Other ministries participate on an ad hoc basis. Sector groups meet monthly to ensure communication and coordination between the Government, cooperation partners and civil society organizations on the development. The groups are organized around 5 pillars: macroeconomics and poverty, governance, human capital, economic development and cross-cutting issues. The MOU calls for an annual review in April/May of each year to evaluate the performance of both the Government and PAP, on the basis of the targets set in the Performance Assessment Framework (PAF). The results of this are compiled and disseminated. Donors will take this into account toward making their commitments to the state budget for the next year. Targets are updated in September at a planning meeting. The Ministry of Planning and Development coordinates this process and prepares the terms of reference.

G8 New Alliance Cooperative Framework

The New Alliance for Food Security and Nutrition is expected to play a key role in accelerating implementation of the PNISA, and attracting investment. The New Alliance Cooperative Framework was launched in April 2013. The event, hosted by MINAG, drew together approximately 150 participants including the private sector, farmer organizations, civil society and development partners. At the event the GOM articulated its vision for policy change intended to encourage private sector investment toward achieving strong agriculture sector-led growth for Mozambique. The event produced a roadmap of milestones of priority actions. The joint sector review process of the PNISA is expected to lead to greater coordination among stakeholders, and implementation. Executing and coordinating agencies located in the corridors

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are expected to play an important role in this, through monitoring and reporting through the Joint Sector Review.

CAADP Framework

Mutual accountability under the CAADP is predicated on three main conditions: 1) a shared agenda and objectives that bring together all the partners as a basis of cooperation action; 2) Use of performance measures based on mutually agreed upon criteria; 3) Genuine dialogue and debate process based on mutual consent, common values and trust. MINAG brought the CAADP framework into the process of drafting the CAADP Compact. And MINAG has returned to the CAADP framework, to fine tune the PNISA. The proposed terms of reference for a new coordinating committee for the agriculture sector (CCSA) calls for better monitoring and evaluation systems to support the PNISA, and more mechanisms for dialogue and debate among key stakeholders. The terms of reference for this are outlined below.

Enhanced Debate and Dialogue within the PNISA

There are three mechanisms for dialogue currently under consideration for the PEDSA/PNISA: 1) Coordinating Committee for the Agriculture Sector (CCSA); 2) National Political and Technical Dialogue; 3) Corridor level Dialogue. The national political dialogue will meet twice a year, and the technical dialogue 6 times per year. The National dialogue would take place among MINAG and its cooperation partners, including bilateral and multilateral donors and global initiatives. It is by invitation to CSOS, national and international NGOs and the private sector. The terms of reference under consideration would be chaired by the Minister of Agriculture. The dialogue would inform the Joint Sector Review. The main responsibility of the CCSA would be to review the sector strategy in light of sector performance indicators in PNISA, and those in PARP and PQG; progress with PNISA financial indicators, institutional capacity; alignment of capacity development interventions with PNISA priorities identified in MINAG; coordination of capacity development interventions use of national systems; intervention by sectors; review improvements in business climate; issues in need of special attention, and constraints.

GOM-WB AgDPO Policy Matrix

The 2013 Ag DPO Policy Matrix is the product of intensive dialogue led by the Ministry of Planning and Development. It was developed with the Government and development partners, incrementally. The lead ministries involved in policy change are included in the policy matrix, and donor coordination on agriculture is managed through outreach to the G19 and AgRed, where the World Bank has played a leading role. Mutual accountability was further addressed through workshops and focus group discussions which brought World Bank staff together with GOM and development partners.

CAPACITY FOR POLICY CHANGE INDICATORS

a. A Forum Exists for Regularly Scheduled Donor-Government Meetings

Status: Green

This is under revision by the GOM and AgRED. A terms of reference is being finalized.

b. Joint Policy Priorities Developed

Status: Green

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The new terms of reference for the CCSA calls for improvements to the joint sector review process. The process which is currently being proposed will strengthen multi stakeholder dialogue and participation.

c. Monitoring Systems Exist

Status: Yellow

G19 reports every April on performance and September on progress. A balanced score card is submitted to parliament to approve, for planning and budget purposes. Provincial level agencies report annually in social and economic ministries. MINAG uses annual work plans and reporting, however much work still needs to be done to strengthen country systems for monitoring and evaluation.

d. Donor Coordination- Alignment and Harmonization

Status: Green

Policy frameworks and priorities are well aligned and harmonized among donors.

e. Private Sector Accountability

Status: Yellow

Private sector engagement is still limited. The private sector is more active in Mozambique's successful cash crops, which have achieved semi-autonomous status. Therefore, these subsectors are less transparent, and are able to act with more discretion.

f. CSO Accountability

Status: Red

UNAC has expressed concern that large scale commercial operators may not be willing to contribute to food security. Very few CSOs are currently engaged in the development of the PNISA. The semi-autonomous entities that work with the subsectors of Agriculture (in cashews, sugar and cotton) are not required to report to the Government on their role in implementing policy change.

Recommendations

- Build a more credible Joint Sector Review Process, as outlined in the PNISA. This includes the establishment of the CCSA that will be responsible for convening public institutions, private sector, civil society and the donor community, and serve as a mechanism for following up on progress for the PNISA and the New Alliance policy framework.
- Create opportunities for policy change through expanded Public-Private Dialogue around shared priorities.
- Support current plans for an Agriculture Sector Coordinating Committee (CCSA) that meets at least twice a year to ensure a regular dialogue between public institutions, donors, private sector and civil society.

PART III: CASE STUDY

IMPLEMENTING POLICY CHANGE IN THE SEED SUB-SECTOR³⁶

Until recently, Mozambique's seed sub-sector was dominated by government intervention which constrained its potential for becoming a well performing industry. Under the Government's AgDPO and the G8 New Alliance Cooperative Frameworks and with the backing of the CAADP guiding principles commitments were made for the development and implementation of "policies and regulations that promote competitive, private sector agricultural input markets, especially for smallholder farmers". The underlying rationale was three fold: 1) There was an expectation that enhanced competition would result in higher quality agricultural inputs, such as seeds; 2) Stakeholders believed that the lack of competition within the markets for inputs pushed up prices undermining agricultural profitability; and 3) Due to differing regulatory frameworks the movement of seed from one country to another was problematic.

On the ground, farmers suffer from poor access to agricultural inputs and technical assistance—with limited access to fertilizer, improved seeds, pesticides, agricultural implements, farming services, transport and agro-processing.

The multi-stakeholder Oilseed Innovation Platform in Nampula, facilitated by SNV, a Dutch NGO, has developed a more inclusive approach to enhancing dialogue on innovation in response to the opportunities and constraints in the oilseed sector. This involves collaboration among SNV, Clusa-Sana, Agrifuturo, ADRA, CEPAGEI, SDAE, DPA, Agrifocus, OLAM, ETG, IKURU, financial institutions, cooperatives, associations and forums. The platform is particularly focused on quality assurance within the chain, including the use of quality seeds and technical service provision. The initiative, part of the Agri-ProFocus Network in Mozambique, involves the commodity sub-sectors of (groundnut, soya and sesame) that are experiencing a booming demand for seeds.

At a platform meeting in August 2012, an analysis of the seed system for the three value chains led to the development of an action plan that was adopted by the main actors in the chain: The Zonal Research Centre in Nampula, seed producers, the Provincial Seed Services, and the private sector. This was further supported by NGOs. The platform has resulted in linkages between producer, financial institutions and companies, the development of feasibility studies, and the comprehensive dissemination of market information. As a result farmers have gained access to financing for agricultural inputs, rural shops have begun to stock agricultural inputs in rural communities, and farmers have gained greater awareness about the sub-sector. The initiative is coordinated by SNV with a secretariat at AgriHub.

Legislation regulating seed production, trade, quality control and certification was revised and approved in 2013, bringing it into compliance with regional SADC protocol requirements. New National Seed Policy

³⁶ Informed by an interview at SNV on July 19, 2013, and a follow email from Marleen Schiereck, Agri-Hub Business Broker Coordinator at SNV. See also Integrated Seed Sector Development Africa (ISSD), 2013, ISSD Briefing Note-April 2013, <http://www.wageningenur.nl/en/show/integrated-seed-sector-development-in-Africa.htm>

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legislation was ratified in February 2013. Regulations governing seed proprietary laws which promote private sector investment in seed production (basic and certified seed) were adopted the same month. The oil seed innovation platform in Nampula shows us how inclusivity and broad multi-stakeholder consultation can lead to implementation of policy change, bridging policy emerging from the center of Government with provincial and district level implementers who receive tangible benefits.

CONCLUSION

Mozambique has demonstrated a real commitment to improving the enabling environment for more inclusive growth in the agriculture sector and the promotion of food security.

MINAG has made great progress in designing a national investment plan for agriculture. The PNISA is grounded in the CAADP principles of country ownership and leadership, and is ambitious in its aims to transform the sector from subsistence agriculture to a competitive market-oriented force for economic growth and shared prosperity. The PNISA is guided by a set of mutual accountability mechanisms that are both well established (G19) and newly initiated (G8 New Alliance Framework), with MINAG's Directorate of Economics and the AgRED at the center working to finalize a plan that will mobilize policy change and ultimately improve sector performance, and aid effectiveness.

An overall finding of this assessment is that while many of the practices and structures being put in place are important building blocks for the future, they may not be enough by themselves to improve performance overall. A number of constraints remain; these are addressed below, with some possible next steps.

1. There is a need for a greater results orientation across the civil service. Data collection, analysis and reporting by the Government are considered inadequate for monitoring the PNISA. The PNISA will need to have a well-designed results framework, and improved systems for public financial management at the central, provincial and district levels of government. Good quality data and evidence-based analysis is a necessary starting place. At the same time ambitious targets are needed. If targets for change are set too low, there is a risk that political leaders may perceive that things are moving well enough and there is no reason to change.

Possible Next Steps: Invest in developing a greater results orientation, strengthen capacity of Government institutions for monitoring and evaluation to enable more evidence-based analysis and improved results frameworks. Set resources aside to support the enhanced reporting and coordination that will be needed to operationalize the PNISA. Position a stronger joint sector review process, to strengthen mutual accountability. Wherever possible adopt a common set of indicators and targets to enhance collective impact and mutual accountability. Consider building country systems that are able to connect globally and regionally, and engage locally for evidence-based analysis through the proposed CEPAG initiative.

2. Policymaking in Mozambique is driven by high level government leaders. MINAG knows that to succeed it must find champions at the very top and mobilize political will. This will mean collaborating and coordinating with other government departments and agencies, and reaching out to the private sector, civil society organizations and NGOs to build coalitions of support and mobilize change. At present, the private sector in Mozambique is unaware of the PNISA, and

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not very familiar with the CAADP. The government will need to continue to set ambitious targets as it has in the PNISA, and invest time and effort to improve its business climate.

Possible Next Steps: Government will need to do more to raise awareness (nationally and regionally, internationally) about its commitment and vision for agriculture growth and food security and the role of private sector investment in this. This will require bringing the right actors to the table through the CCSA. Engaging change agents from the private sector will require greater outreach, more platforms for public-private dialogue, with more frequency, and a leadership team that is able to mobilize people, ideas and resources from across a broad base of stakeholders to achieve complex and large scale change. This may mean casting the net more broadly, to expand collaboration among associations of commerce and industry, and working closely with Agribusiness.

3. Avoid crowding out implementation with planning.

Possible Next Steps: Stimulate policy dialogue with a focus on implementation, build on the strategies and policy frameworks that have been developed. For the PNISA to succeed, it must move stakeholders from a shared vision and agenda to action on the ground. Getting the word out nationally, to the provinces and districts will require enhanced coordination, outreach and strategic communication interventions, as well as internationally. This will mean focusing on improving the business climate to gain the attention of the private sector.

ANNEX I

TERMS OF REFERENCE

COORDINATION COUNCIL FOR AGRICULTURAL SECTOR (CCSA) IN MOZAMBIQUE

Following the launch of PNISA in April 2013, the government of Mozambique proposed the establishment of coordination mechanism at central and regional level. This mechanism include a Council of Ministers for strategic orientation and an Agricultural Sector Coordination Council (CCSA) with the objective of serving as an inclusive dialogue platform on policies, partnerships and accountability among the stakeholders at provincial and district levels. The idea is create a CCSA that is similar to the Agriculture Sector Working Groups (ASWG) in other countries such as Ghana and Rwanda that are considered success stories.

Min tasks committed to CCSA include:

- Supervision on implementation of PNISA
- Ensure alignment of policies, programs, projects and financial support to the agricultural sector with government sectoral priorities
- Evaluate the progress on the implementation of cooperation commitments such New Alliance for Food Security and Nutrition
- Support the preparation of Joint Sector Reviews including progress reports in collaboration with MINAG
- Serve as a platform for information sharing among stakeholders in agricultural sector.

COMPOSITION

1. Ministries and other government institutions

- MINAG is the focus institution and co-chair of the group through the Permanent Secretary or the Director of Planning paired with a representative of donors.
- Other key ministries to support MINAG:
 - i. Ministry of Finances (MF)
 - ii. Ministry of Planning and Development (MPD)
 - iii. Ministry of Fisheries (MP)
 - iv. Ministry of Industry and Commerce (MIC)
 - v. Ministry of Public Works (MOPH)
 - vi. Ministry of Environment (MICOA)
 - vii. Ministry of Social Action (MMAS) and,
 - viii. Ministry of Science and Technology (MCT).
- One representative from each province?

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2. Donors, bilateral and multi-lateral agencies concerned with agricultural development including those who support government budget being one of them co-chair CCSA together with MINAG.
3. Representatives of main agricultural organizations
4. Representatives of civil society (OSC)
5. Representatives of private sector

Total number of members should be around 30 to people.

FREQUENCY OF MEETINGS: Once a month

ROLES AND RESPONSIBILITIES

MINAG

- Prepare agenda and call for meetings
- Chair meetings of CCSA
- Coordinate CCSA
- Coordinate collection of data and information on main indicators for M&E on PNISA implementation
- Organize Sectoral Joint Reviews
- Prepare annual reports on New Alliance Cooperation on Food Security and Nutrition
- MF
- Mobilize resources for PNISA
- MPD
- Align PNISA targets with other national targets
- DONORS
- Co-chair CCSA meetings with MINAG
- Resources mobilization
- Ensure harmonization of donors support to PNISA
- PRIVATE SECTOR

Participants should be members of the New Alliance for Food Security and Nutrition

- Present opportunities of establishment of public private partnerships
- FARMER ORGANIZATIONS
- Share information and validate agricultural policies and programs

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- ORGANIZATIONS OF CIVIL SOCIETY
- Share information and validate agricultural policies and programs
- SECRETARIAT OF CCSA

The CCSA Secretariat will ensure the day-to-day affairs. It will be composed of staff from Planning and M&E Department or similar to it.

Key functions:

- Ensure monitoring and follow up on decisions taken during meetings
- Information sharing
- Liaise with planning and budgeting staff from different ministries, departments, donor agencies, private sector and civil society

WORKING PRINCIPLES

- Ownership and national leadership
- Inclusive and participatory dialogue
- Partnership and alliance
- Joint Review and benchmarking
- Learning and mutual responsibility
- Engagement in results oriented management
- Evidence based planning and implementation
- Gender sensitivity
- Relevance to PNISA and other cooperation agreements

Annex II Terms of Reference for Dialogue MINAG and Cooperating Partners.

Terms of Reference for

Dialogue

MINAG

and

**Co-operating
Partners**

MAPUTO

Context for the agricultural dialogue

The national **agricultural development plan** was adopted in 2011 – **PEDSA, Plano Estratégico para o Desenvolvimento do Sector Agrário** – which builds upon the national poverty reduction strategy (the PARP). The CAADP compact was launched in December 2011. The Plano Nacional de Investimento no Sector Agrário (PNISA) was launched in April 2013, establishing a framework for investment in the sector. The Co-operating Partners pledged alignment and funding to this plan. In this context a meaningful dialogue is an essential component of joint progress.

This document describes the key structures and working mechanisms for the dialogue structure around the agricultural policy. The guiding framework is the PEDSA, and its investment plan, the PNISA. Dialogue will take place at three levels:

- 1) Comité Co-ordenador do Sector Agrário (CCSA)
- 2) Diálogo nacional político e técnico

3) Dialogo a nivel dos corridors

These ToRs address only dialogo nacional politico e tecnico

PURPOSE:

The overall aim is to support the implementation of the PNISA by co-ordinating and aligning interventions and ensuring that partners and the government are fully informed on the state of progress with the PNISA and its impact. Their respective commitments under the CAADP process will be monitored. The dialogue also has to meet the requirements of the Joint Annual Review process for General Budget Support.

Operation of the dialogue

MINAG convenes the meetings and drafts the respective minutes.

The **agenda** will be jointly agreed between the GoM and the CPs.

Suitable dates will be agreed in advance, leaving sufficient time to prepare and ensure appropriate participation.

The specific agenda and supporting documents will be circulated at least one week before the meetings.

Frequency

The **frequency** and agenda of the sessions will be determined in close co-ordination with the focal points of both parties. Day-to-day communication and co-ordination will be carried out through the Directorate of Economics (DE) in MINAG, and the focal donor as representative of the CPs.

Dialogo nacional politico – twice per year

Dialogo nacional tecnico – at least 6 times per year

Dialogo nacional (politico e tecnico)

TIMING

The dialogo nacional at appropriate level will take place in time to support the planning and reporting cycle of the GoM, as reflected in the PES and BdPES and the Joint Annual Review and Planning process (currently called G19).

Participants

The dialogo nacional addressed here is between the Ministry of Agriculture (MINAG) and its Co-operation Partners (Bilaterals, Multilaterals, global initiatives).

Other key Ministries, civil society organizations, national and international NGOs and the private

sector will be invited when deemed suitable.

Dialogo nacional politico will be chaired by the Minister for Agriculture.

Dialogo nacional tecnico will be chaired by a national director in the Ministry for Agriculture, depending on the technical focus of the meeting.

Activities

It will include a review of:

- Sector strategy when appropriate
- Sector performance against agreed indicators – these include PNISA M+E indicators, as well as the PARP (or its successor) and QAD indicators related to the sector.
- Sector policy implementation in practice, including the corresponding budget allocations and execution
- Progress with PNISA financial execution
- Institutional capacity
- Alignment of CP interventions with PNISA priorities identified by MINAG
- Co-ordination of CP interventions, and the use of national systems
- Envisaged interventions in the sector by CPs
- Review the improvement in the business climate for agricultural investments
- Issues of special attention and obstacles from previous review
- Issues of special of attention and obstacles for the future.

Basis of dialogue

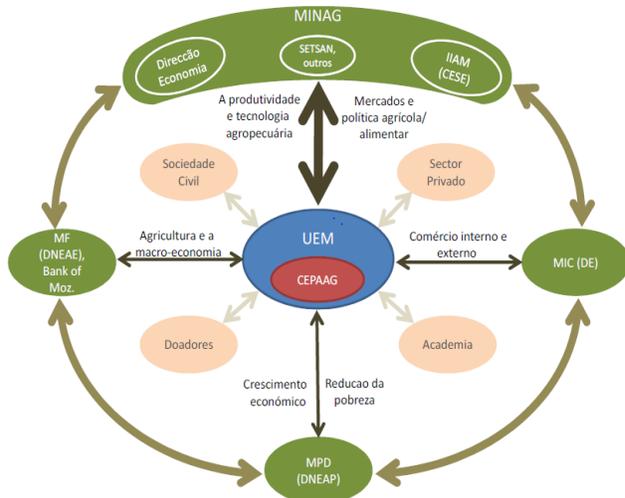
The focus of the dialogue is on strategic issues and not on the practical details of implementation.

The **political dialogue** is based on the standard planning and reporting documents of the Government of Mozambique – PES/BdPES, State Budget and budget execution report. In addition, a **dedicated report** will be drawn up under the leadership of MINAG, addressing the impact and execution of the PNISA, including the M+E, policy commitments and financial execution.

The **technical dialogue** prepares the political dialogue. The technical dialogue can equally address more detailed technical issues relating to policy approach or specific areas of activity, in the aim of improving co-ordination and alignment of CP activities.

Annex III

Diagram: Center for the Study of Policy on Food Security and Nutrition (CEPAG)



Source: EMU, Department of Agronomy

ANNEX: CAPACITY FOR POLICY CHANGE INDICATORS

- **Red:** requires significant attention to ensure the component is achieved.
- **Yellow:** Progress is mixed. The conditions required to achieve the component are partially achieved, but additional attention is required.
- **Green:** The component is realized to a sufficient degree, and additional attention to this area is not required at this time.

Capacity of Policy Change Indicators	Status		
			
Policy Element 1: Predictability of the Guiding Policy Framework			
Clearly Defined and Consistent Policy Framework: The policy framework impacting food security policy-making is clearly defined, and consistently applied and enforced from year to year.			
Predictability and Transparency of the Policy Making process: The policy development process is transparent in accordance with the rules contained within the country's constitution, basic law, and elsewhere in the formal legal framework.			
Clear and Functional Legislative System: There is a legislative capacity to deal with food security policy change, and the legislative requirements are clearly defined and predictable.			
Appropriate Dispute Resolution Process/Judicial Framework: The judicial system is perceived as fair and effective, and there is an appropriate system for dispute resolution where conflicts arise relating to food security policy.			
Clearly defined Institutional Responsibilities: Institutional responsibilities are clearly defined, consistently applied, and predictable from year to year.			
Policy Element 2: Policy Development & Coordination			
Approved Food Security Strategy/Investment Plan: There is an approved/official multi-sectoral, multi-year food security plan developed, which specifies priorities and objectives, and addresses the roles of various contributors, including across government, the private sector, and CSOs. The vision and strategy to improve food security is clear.			
Predictable Policy Agenda and Priorities Developed: The policy items required to achieve the national food strategy have been identified and documented, i.e., specific policy objectives exist.			

Capacity of Policy Change Indicators	Status		
			
Work Plans: There is an annual work plan that identifies objectives and activities in regard to policy development.			
Coordination Process: There is an entity, such as a coordination unit or task force, that has defined membership and meets regularly to discuss, develop and coordinate food security policy development (and oversee cross-sector coordination).			
Secretariat/Administrative Support Function: There is an adequate staff capability to perform required support processes, including coordination, meeting management, communication, and document management. This may be a stand-alone secretariat, or a responsibility within an existing entity.			
Technical Capacity: There are work groups, or technical committees, that have the authority and capacity to perform the following functions: identify policy and technical challenges/issues, develop sector- or project-specific policies/strategies, consult within the sector and draft funding proposals. There should be active participation by the private sector and CSOs on the technical work groups (as appropriate).			
Political Support and Approval: There is a line of authority/participation by high-level decision-makers above the ministerial level so as to enable efficient political support for the passage and development of new policies, e.g. involvement of prime minister’s office (especially for policies that cut across sectors, e.g. trade and agriculture).			
Engagement of Parliament/Legislative Body: There is engagement from the country’s legislative entity to debate and engage on food security issues, and to sponsor and advocate for the required legal/policy changes.			
Policy Element 3: Inclusivity and Stakeholder Consultation			
Inclusive Participation within the Policy Coordination Management Entity: The main coordination entity has: a) clear goals and participation from key government ministries (beyond just Ministry of Agriculture) and; b) some representation from non-government entities, particularly from donors.			
Outreach and Communications: There is a process for interacting with stakeholders and sharing information. This could include regular public “forums”, a website of key information and other mechanisms.			
Private Sector Participation – Opportunity/Space: The private sector is provided meaningful opportunity to participate in policy formulation and strategy discussions. This could be through participation in the management/steering committee, in technical work groups and/or through other forums. Communications and interactions should be two-way, and access to key information should be readily available.			

Capacity of Policy Change Indicators	Status		
			
Private Sector Participation – Capacity to Participate: Some organizations representing the private sector have the capacity to participate in government-led discussions on food security policy. This is to say they are able to represent their members, they are able to articulate and communicate policy positions, and they are able to provide some level of evidence-based analysis to support their viewpoints.			
Participation of CSOs – Opportunity/Space: The CSO sector, including representation from women’s associations and farmers associations, is provided meaningful opportunity to participate in policy formulation and strategy discussions. This could be through participation in the management/steering committee, in technical work groups and/or through other forums. Communications and interactions should be two-way, and access to key information should be readily available.			
Participation of CSOs – Capacity to Participate: Some organizations representing civil society, including representation from women’s associations and farmers associations, have the capacity to participate in government-led discussions on food security policy. This is to say they are able to represent their members, they are able to articulate and communicate policy positions, and they are able to provide some level of evidence-based analysis to support their viewpoints.			
Policy Element 4: Evidence-based Analysis			
Economic and Financial Analysis Completed as a Component of Planning: National food security priority policy initiatives/investment plans are based on economic and financial analysis, including independent policy analysis. The analysis is available for public review.			
Performance Monitoring Measures and Targets Developed: The national food security policies/plans include specific objectives, performance indicators, and targets exist to monitor the accomplishment of the objectives.			
Quality Data Exists for Policy Monitoring: There is a database of quality statistics that is used to routinely report and analyze progress in achieving objectives. (Analysis to be conducted by USDA – and not as part of this assessment framework.)			
Quality Data is Available for Policy Making: Data on the performance of the agriculture sector and the food security are publically available and shared in a timely manner. This information is available for others to use and analyze.			
Inclusion of Analysis in the Policy Development Process: Evidence-based analysis is considered and used to develop policy priorities/policy proposals.			

Capacity of Policy Change Indicators	Status		
			
Capacity to Monitor Policy Implementation and Results: The government has the ability to review data on policy performance and produce an analysis of the policy’s effectiveness. A policy analysis function/unit exists and has adequate and skilled staff, and is sufficiently funded. If required, specific analysis can be outsourced to specialized firms or consultants as needed (case-by-case).			
Annual Performance Measurement Report Produced and Reviewed: Evidence-based analysis is produced to review policy effectiveness (for implemented policies). A formal review session is held, and includes key development partners (including principal donors and multilateral partners, such as FAO and IFPRI). Recommendations are developed as a result of the review and incorporated into subsequent plans.			
Independent Analysis Capacity Exists: There exists an independent capacity to analyze food security data and use the analysis to make policy recommendations and engage in policy discussion and advocacy. Such an analysis could be conducted by a research institute, university or similar non-governmental/objective organization. This capacity should be engaged in the government's policy development and review process as, for example, through papers, forums or participation introduced in official policy review and discussion meetings.			
Policy Element 5: Policy Implementation			
Implementation Plans Developed: The overall food security strategy has been broken down into programs and projects that have: a) a sufficient level of detail to permit implementation; b) have been “packaged” into priority projects that can be managed by ministerial units; and 3) “packaged” priorities can be translated into funding proposals to gain support for projects/programs from development partners (to address financing gaps).			
System in Place to Analyze Implementation Capacity Constraints: An analysis of institutional, workforce, system and financial constraints is conducted. Critical implementation constraints are identified; a work plan is developed to address constraints; and implementation actions are moved forward (and periodically reviewed).			
Food Security Policy Priorities Aligned with Work Plans of Line Ministries: The priority policy and associated objectives of the national food security strategy are broken down into specific programs and projects (with a sufficient level of detail) so that policy actions can be implemented by line ministries. The plans of individual ministries, and units within ministries, align with overall national strategy and its policy objectives.			

Capacity of Policy Change Indicators	Status		
			
Policy Implementation Budget Committed by Host Country: Resources are committed by the host country to implement the identified policy agenda. Over time, the country’s budget is adjusted to provide adequate financing for the implementation of actions required to implement policy priorities. Budget documents, including budget proposals, are released fully and in a timely manner.			
Supplemental Implementation Funds Secured: Proposals can be submitted, and funds secured, to address financing gaps. Funds may come from multilateral funds (such as GAFSP), regional organizations, bilateral donors and the private sector.			
Monitoring and Evaluation: Capacity exists within the public sector, private sector, or civil society to review the effectiveness and impact of policy changes. Sector reviews are performed and other research evidence is collected. There is a system to share, store, and access the findings from these reviews.			
Policy Element 6: Mutual Accountability			
A Forum Exists for Regularly Scheduled Donor-Government Meetings: These meetings discuss policy and programs and set priorities. Meetings may include, for example, Joint Sector Reviews, sector working groups or other similar arrangements.			
Joint Policy Priorities Developed: A document exists that articulates the shared policy objectives between the government and the donor community.			
Monitoring System Exists: Performance measures exist (for the performance commitments of the government and for the performance commitments of the donors). There is a schedule for reviewing and documenting progress – at least on an annual basis.			
Donor Coordination – Alignment and Harmonization: There is a process for donor participation in the food security policy process and for aligning government and donor objectives and priorities. Donor programs should contribute directly to host country strategies, plans, and objectives. This may include the signing of cooperation frameworks that indicate a joint commitment to specific policy change goals.			
Private Sector Accountability: The government provides feedback to the private sector on the performance of the food security program (including the private sector’s role) and provides an opportunity for dialogue on the program and its performance.			
CSO Sector Accountability: The government provides feedback to the CSO sector on the performance of the food security program (including the role of CSOs) and provides an opportunity for dialogue on the program and its performance.			

