

SDA: An Historical Reflection With Preliminary Observations

By Reginald Herbold Green

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Are doomed to repeat it.

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IN THE BEGINNING

SDA's pre history in Mozambique goes back to the first SAP. This opens with the unusual - for a SAP at any time let alone then - statement that the primary economic problem in Mozambique is the weakness of (effective) demand. The World Bank probably thought this absurd (the IMF surely did - and does!) but accepted it as not binding and because Abdul Magid Osman insisted on it. What did (presumably does) it mean to him?

Quite simply that the viable (physically and locationally despite the war) portions of the Mozambican economy were operating far below capacity and were therefore unable to carry out maintenance or to invest because there was not enough effective demand. Imbalance could only be reduced if production and household (both wage-earner and rural incomes) could be raised. In the absence of such action, either shutdown or uncompetitive prices (and uncontrollable smuggling) would result and create a vicious circle. This reading (with which I concur) in no way denied there was also a supply problem, especially as to forex and fiscal receipts, but doubted it could be closed prior to rehabilitation of incomes and reconstruction of infrastructure after the end of the war and certainly not without enhanced production and increased effective domestic demand.

Because the production (and real wage) increases could not be achieved overnight and because war had created a massive physical food shortage (as well as a household one related to inadequate income) a parallel line of action was Emergencia (rural household survival focused on deslocados totally out of production) and - later - GAPVU (and its stillborn intended government wage parallel) for urban residents unable to eat even minimally adequately without subventions.

The main source of the increased demand was seen as earned income by poor households. That meant focusing on enabling farmers to produce/sell more. That was the justification for transport subsidies from areas able to produce, but facing prohibitive transport costs and -

much less coherently - on expanding small enterprises (e.g. via the fund for small businesses to expand wage employment by financing complementary fixed capital expansion somewhat oddly smuggled into the World Bank's Urban Rehabilitation Project after vehement criticism that it was too capital intensive and employment non-creating) plus two other institutes relating to small scale and micro business facilitation, training and - very exiguously - finance.

This was a perfectly coherent and rationally argued strategy which the Bank respected even if it doubted its viability and certainly believed had no adequate data or policy articulation basis.

In parallel SDA as a Bank global (or at any rate SSA) agenda item had been born out of three interacting factors:

- a. the creation of PAMSCAD (Programme to Ameliorate the Social Consequences of Adjustment) in 1985-87. PAMSCAD was the brainchild of Ghana's Economic Advisor to the President and Prime Minister using substantial insights, personnel, advice and preliminary drafting support from UNICEF particularly the then Country Representative and a special consultant sent by the then Deputy Managing Director - as it happens the consultant was RHG which was to influence SDA albeit *Children On The Frontline* and the 1986-87 Martin/Green review of economic/security interaction for the Prime Minister were the basis for RHG's subsequent selection for work in Mozambique first with Finance (1988 including preventing Tete famine and advising on launch of GAPVU), Health (the 1988-89 Poverty Study) and Planning (1989-91 UNICEF and subsequently ODA via Bank on creation and operation of SDA);
- b. UNICEF had made a high profile attack on immiserisation caused by SAPs - later reworked to be an attack on SAPs failure to combat absolute poverty, however caused, and to restore basic services (primary health, education, water - and in UNICEF and Mozambique perspective, though much less so generally, sanitation). This shift (after a running intragency dialogue in which RHG took the increasing absolute poverty/decline in basic service access however caused position as, i) much easier to demonstrate; ii) much easier both to justify morally and - in most cases - to programme; iii) less likely to provoke violent Bank hostility since to argue something vital has been left out is easier to respond to positively than a claim you are killing people as a direct result of your actions) combined with UNICEF's intellectual/moral weight convinced the Bank it had to respond positively;
- c. Kim Jaycox had always believed "Structural adjustment programmes which rend the fabric of society cannot be sustained" (1986) and in fact believed both that such programmes were in any case bad economics and worse morality and that any SAP should stabilise and

restore overall GDP growth to create a base for economic and social transformation and development.

And so SDA was created as a Bank unit. It has always suffered from being reactive (not strategically planned within the Bank despite the 1990 World Development Report in Poverty and the 1991/2 Poverty Guidelines and priority order) and from rapid turnover of not particularly high powered (or influential) staff. In addition - especially early on - it suffered from:

- a. a surfeit of elaborate data collection proposals (everybody in the Bank who wanted data latched on to SDA leading in one case to a 60 plus page questionnaire starting with name, address and - astoundingly - nearest police station) the first of which took 4 years and cost about \$10 per capita;
- b. a belief poverty alleviation was an 'add on' to be compartmentalised in special parallel programmes under a special Treasury unit outside the main stream ministries (a marked shift in Bank approved PAMSCAD from Health-Education-Community Development-Women's Council proposals Ghana put up and one which in practice delayed and limited implementation especially in respect to production by poor people);
- c. an emphasis on public sector "redeployees" not because they were necessarily very poor (or because plausible retraining as entrepreneurs or for reintegration into small farming existed or were devised) but primarily to "buy off" opposition;
- d. and a tendency if a country clearly did not want that mix to accept anything halfway poverty related it put up (e.g. a Tanzanian package of non-pharmaceutical health inputs, water system maintenance materials, inputs into textbook printing and school furniture making) which - while micro useful - hardly constituted a strategic initiative (beyond in the case cited seeking to limit erosion of basic service provision);

Therefore - not surprisingly - in Mozambique the Bank proposed and (except for the Coordinator who was funded by UNICEF when he refused to sign a contract calling for pre delivery to GOM vetting/editing of text by the Bank) funded the 1987-89 Poverty Study.

POVERTY STUDY TO SDA PROJECT

The Poverty Study was carried out at basic data collection, preliminary analysis, and discussion of drafts level by senior Mozambican officials (most of National Director level). They were paid by the Bank as consultants at a lump sum rate more or less equal to their

GOM salaries (excluding fringe benefits). The diligence was high, the quality of results uneven.

The taking of directions from the Inter-ministerial Commission Chairman (Dr. Igreja-Campos, who was chosen as a person as much as because he was Vice Minister of Health) and the Minister of Finance, the filling of data gaps, the conceptualisation of a - necessarily - fairly rigorous but largely qualitative and order of magnitude approach and the drafting of the Poverty Report was done by the Coordinator (RHG). There was supposed to be a Mozambican feedback and then a revision, but the first never happened so the 1989 final version was the Co-ordinator's product on added data and editorial smoothing.

The "ownership" issue arose. There was substantial suspicion in some quarters (not the Chairman, the Minister of Finance or UNICEF, nor I presume the Prime Minister) that the Bank controlled the Coordinator. On the whole after a heated dialogue with a proponent of that thesis in a meeting of officials the majority accepted that the Coordinator clearly did view himself as a temporary Mozambican Civil Servant responsible to and acting on directives of Chairman, MF and - in one case - a Conselho dos Ministros terms of reference directive.

By 1989 three factors created a context in which some kind of SDA project had to go to the next Congroup meeting:

- a. several donors (Nordic, Netherlands, Canada but also UK - who liked PAMSCAD - and Germany) wanted action to alleviate poverty especially among "informal sector" members;
- b. the Bank - which thought the Poverty Study to be well done and convincing - wanted to head off \$20-50 million donor reallocation of funding to "basic needs"/poverty alleviation which it believed could not be spent on articulated, viable programmes/projects;
- c. the Minister of Finance (backed by PM and Health and, in less detail, President) wanted to create Mozambican capacity to collect data and analyse it (the reason DNE Household Survey by UNDP had been given high priority) and to conceptualise and articulate a policy reduction/basic services and infrastructure rehabilitation strategy from it for integration into all expenditure programmes and Ministries. He saw this as contributing to rehabilitating CNP and envisaged it as also strengthening Ministerial Planning Units. The intent was always to create a Mozambican capacity and to build up Mozambican professional expertise as rapidly as practicable. The key outside input from his perspective was selected technical assistance personnel on, a) concept and strategy, b) checking out articulation including Provincial/District and c) incorporating poverty reduction criteria into (ongoing) Capital Budgeting rolling three year planning (i.e. SSPA, SPA, PAA).

The need to get a proposal in place before Congroup - to head off a donor revolt for the Bank; to get inputs for capacity building for Minister of Finance and Chairman - explains otherwise odd incorporation as a protocol/amendment in an already negotiated contract. The different reasons for SDA explain:

- i. obscurity of expatriate role (self contained unit with expat head *de facto* reporting to WB-Maputo and Washington Bank optimum and reporting to Chairman via DNP via a Mozambican professional head of project Mozambican optimum);
- ii. inclusion of a Household Survey *de facto* duplicating ongoing UNDP one (which Bank wanted dropped, whereas Mozambique never considered doing so);
- iii. the relatively unrelated SAF to please bilaterals (especially DTZ, ODA, Netherlands, Switzerland) but not coherently thought out by Bank nor Mozambique who did not see it as among their priorities.

Clearly these factors were to create subsequent problems. First and foremost, SDA did not really come into operation until late 1991 and up to 1992 UNICEF financed stopgap role of SSPA with other two PA posts vacant. Second, while the dropping of Bank/keeping of UNDP for Household Survey was agreed by Bank it led them to suppose involvement in the DNE (in fact self contained UNDP until 1994) team and use of its data was somehow 'outside' SDA which was not how DNP or SDA saw it. Third, while Mozambique won on each expatriate reporting to a Mozambican, the three way accountability envisaged collapsed back to all three reporting to DNP's National Director (nominally - two in fact as DTZ person seemingly reported primarily to DTZ). However, the basic gap was the lack - until 1994 - of a Mozambican head of unit (or indeed of a unit since SDA was a project whereas UAP is an integral, permanent part of DNP structure). This related partly to scarcity of personnel and partly to a debacle. The then National Director wanted to move to be head of project, but rather too clearly in large part to earn \$40,000 a year. The overtness of this and problems of new Director/former Director now project head relations - plus DTZ and Bank reservations to funding Mozambican professionals in the public service at quasi expatriate salary levels - killed not only that appointment but any full time Mozambican project head appointment out of project funds. By 'accident' a senior professional (Sergio Cassamo) was appointed Admin Head (on a demi international salary) which was useful for the SSPA's talking through issues and for communication as he continued to be a senior advisor to the PM, but this was not a formal part of project structure (and the two other expatriates did not make much use of opportunities it presented). Fourth, the SAF problem is discussed below but basically the ND/DNP and SSPA wished to devote only strategic and fleeting attention, the SPA (none too happily) ran it with some input from Project Advisor but in a rather intrusive/do the proposals way (which may have been inevitable) and with no clear ideas as to overall goals, scope or

feedback beyond getting funds spent on halfway plausible projects to keep donors and Bank happy (or as lags built up, at least to get them off ND/DNP's back).

MOZAMBICAN OWNERSHIP, DIRECTION, RECORDS AND PERSONNEL

SDA was Mozambican owned from the start with the probable exception of SAF and the clear one of the DTZ provided Project Advisor. This became increasingly clear over time. It created little friction - the Bank was not very clear what it wanted done and did value the analytical, conceptual, strategic work, e.g. its Poverty Policy Framework Paper (1992-93) for Mozambique is - except for proposals - largely rehashed from SDA memos and even action proposals include a number of SDA's. The SSPA was determined neither to be, nor to be seen to be, the Bank's or ODA's property. The PA was perfectly prepared to take direction from ND/DNP and while much closer to Bank and to ODA did not take (nor in general receive) orders from them.

The reason some doubts persisted was the absence of Mozambican professionals. Here the SSPA initially sought their recruitment but was told it was not feasible and (perhaps in retrospect too readily) turned to taking direction from ND and Vice Minister (and *de facto* in some respects from Sergio) and slotting output to whichever Mozambican professionals (primarily but not only in NDP) seemed likely to be able to use it in ongoing programmes - e.g. Household Budget Survey, Land Policy, Decentralisation/Regional Planning, GAPVU, Famine Limitation

The direction was somewhat exiguous as neither ND nor VM (nor even Sergio) had time to allow frequent briefings. The pattern was often an initial discussion of desired outputs for a session and a closing report on what had been done (with memos turned in as produced). This was a result of the Mozambicans' time constraints - the SSPA's background was in the Tanzanian Ministry of Finance where as Economic Advisor (full, or later part time) he had reported regularly to Minister, Chief National Director, National Directors and been able to see them within 24-36 hours on a "need to consult" basis.

Virtually all of the memos produced (mimeoed or hand printed) by SSPA were in response to specific requests or endorsements of suggested topics. Topics he suggested which received no (or negative) interest were dropped. Some items may look academic - e.g. the three on land - but were in a very real policy dialogue context (note that one was translated and used at high level national seminar).

Part of the problem is that Project Advisor wrote no reports and SPA rather few beyond trip reports and relatively descriptive activity summaries. However, a major and more general

problem is the near total absence of a DNP filing system. At best, each officer holds materials deemed relevant. With high turnover and low handover briefing, this is highly damaging to creation of a DNP wide data base or an historical memory.

Linked to this - at least until 1994 - was the fact that only SSPA (precisely because he was not present all the time) could devote substantial time to medium term conceptualisation, strategy, policy articulation and structural policy/programme review. On the whole the NDs and VM valued that input and did not seek to involve him in day to day crisis management. The one major exception - the 1991/92 drought, 1992/93 exacerbated food supply crisis was strategic as the 1,000,000 deaths which at one time seemed potentially possible would have had long term economic, social and political structural consequences.

Finally, none of the three expatriates (nor Sergio) appears to have written a final reflection/evaluation/suggestion report. If the SSPA had made the final trip envisaged for mid-1995, he would have done so - on prior visits he saw no priority to interim *apologia pro via sua* papers. This paper may in part fill that gap.

OUTREACH: SOURCES, DISSEMINATION, TRAINING

SDA was in practice relatively enclavised albeit less so than might be supposed from the extant records. It did relate to several major DNP and one DNE programmes and did influence national strategy and programming via ND, VM and until their departure, Minister Osman and Vice Minister Igreja Campos.

It had few close or formal links to donors or foreign NGOs - deliberately to avoid doubts as to ownership. The SSPA saw the World Bank and - especially - UNICEF regularly, UNDP somewhat less so, several donors at unofficial UNICEF hosted issue seminars and one or two more (not including ODA) via personal contacts. The SPA had World Bank, USAID and ODA contacts. The SSPA was always willing to see donors or NGOs if they sought him and did have - somewhat unsystematic - NGO contacts (including ActionAid via its UK office, Oxfam at both ends and SCF in Maputo).

SDA was in part an effort to rebuild Mozambican capacity and viewed a surfeit of external NGOs as part of the problem not part of the answer. Mozambican bodies on the Northern NGO model were few and weak, needing to pay their members if they were to devote time, and of limited experience/professional capacity. The main social sector organisations were some co-ops and women's groups and the main churches. The SPA sought to build up contacts with their former. Until 1993-94 it was not clear there was a government policy of favouring broad basic service (or even poverty alleviation) delivery capacity by the latter. The

SSPA had used his personal capacity as a practising Anglican to build up contact with the street children work at St. Stephen and St. Lawrence Church and - on a broader discussion front - with Bishop Dinis Singulane. Once the policy shift was clear, he advocated SAF's redirection (as one major priority) to co-funding education, health and related social sector work of churches (and if possible mosques). SPA in principle agreed and had some contact with congregational level Catholic work but did not seek to conceptualise or articulate the approach.

Input collection was not very coherent - partly because DNP's lack of files was typical and partly because all government senior personnel were overloaded. There was substantial contact - often informal - in Maputo and, in the case of SPA, on field trips.

Presentation of/to national seminars was weak. There was one early SDA run one - linked to the Poverty Report - but (so far as I know) no more actually happened albeit several were proposed. Presumably either there was no one to take charge of setting up or there were problems in securing Ministry commitments to attend.

Training was never thought through in a systematic way. Initially it was envisaged that new Mozambican professionals after a year in post would go abroad for a year's training. As there were no such persons, the problems of where for what courses never arose. Domestic course training of people in other Ministries (or even DNA) would have required SDA professional time which was simply not available. Training abroad of staff of other Ministries was not self-evidently logically a priority for SDA funding, faced a problem of where/what courses and above all would have pulled out badly needed personnel with nobody to fill the gap. (It is worth noting that DNP over 5 years of invitations was never able to free anyone for IDS (Sussex) three week Structural Adjustment to Transformation Seminars. Granted this was not an SDA component but it was a relevant course - which benefited from SDA experience via SSPA - and would have been - still could be - available at no cost to Mozambique).

Why little was written up and produced in a form for dissemination (and that little almost all by SSPA at IDS and - because of lack of directions - often under the IDS label) is unclear. Word processing and reproduction capacity existed and - presumably - translation could have been bought in. Possibly the ND never had time to reflect on a programme? And/or the SPA was so busy on work within DNP as to have the same crowding out by not considering result?

SAF: THE POOR RELATION

The priority and personnel relationships which militated against SAF effectiveness and for hustling through any halfway sound project to keep donors satisfied have been mentioned. Several other factors made matters even less satisfactory:

- a. of the initial two large - semi pilot - projects (rural medical aids and Maputo canisa standpipes) the first was so much delayed the Swiss financed bilaterally outside SAF while the second was delayed for four years from design by constant rehashing and proposals to double budget to include an extended expatriate consultant on poor water user perceptions, desires and favoured forms of structuring and payment so that Water clearly wished it had never heard of SAF but gone to the Netherlands direct. These two items (up to \$2 to \$2.5 million) would if begun in 1990 as envisaged in 1989 have given SAF a credibility base with donors and provided time to think out what could usefully be done on the pilot/test project front;
- b. DTZ *de facto* ran a separate programme only nominally under SAF and explicitly unconcerned with whether SDA personnel (other than DTZ's Project Advisor) plus ND and donor review committee approved or not. What its criteria were was by no means clear;
- c. guidelines on data needed to provide feedback on how pilots operated and what revisions would strengthen/allow generalisation in future were not set until 1994 at earliest. (SSPA advocated in 1990 and assumed done until 1994.) Instead financial propriety based on receipts was used as report back frame which robbed SAF of learning feedback content;
- d. domestic civil society and small government unit bodies rarely knew of SAF or - *a fortiori* - how to apply. As a result SPA built up an assistance for applications capacity in-house using SDA plus consultants;
- e. external actors pushed one or more appalling projects (e.g. bicycles - rejected with great difficulty as Bank backed it and livelihood - approved and failed) via domestic bodies which took *de facto* sponsors' technical analysis and socio economic data evaluation on faith and in two cases foreign NGOs received SAF grants to supplement their external government funding (apparently to get disbursement rate up - or so Project Advisor, SPA indicated).

In 1993-94 the SSPA (rather late in the day) attempted to reconceptualise SAF:

- a. focus on co-financing Mozambican social sector and local government projects with a view to building a base for their complementing and entering into 'joint ventures' with Ministries;
- b. basing reporting and monitoring on using the projects to evolve ways to operate non-main ministry, innovative, decentralised projects;
- c. making potential bidders aware SAF existed and providing advice (short of ventriloquising submissions) to them;
- d. shifting as much of SAF operations as possible to SEAS with at most a funding, plus a strategic guideline setting and review role left to SDA which was not and should not seek to become a line operational body - i.e. to render SAF a social sector, service provider complementing GAPVU's household role but more focused on design and structure testing with generalised finance to come via sectoral ministry budgets (e.g. Ministries pay citizen personnel salaries in church linked schools, "sanitary" districts [clinics], rural hospitals).

SEAS - which SDA had earlier advised (apparently with limited impact) to focus on assisting/empowering local government and social sector service delivery rather than on 'own operations' - had begun to shift to a similar approach. The citizen professionals in UAP - independent of SSPA - took a very strong position in transferring SAF totally to SEAS and doing no more than strategic monitoring/review (as with GAPVU) and were favourably disposed to focusing on new, small, decentralised priorities.

Monitoring appears to have been very weak. That, perhaps, was inevitable given financial propriety/receipts core of reports required plus limited staff time. What was reviewed was disquieting. Water (perhaps because by time SAF funds came original project designers were gone and no successor was much interested) did not - as provided for in agreement and as it had done on at least some prior canisa projects - set up user committees to discuss location (basically though not entirely public relations as location of main pipelines and of barrio population virtually mandates locations of feeder lines and fontenarias) plus faucet height nor shape and design of concrete base to allow multiple hygienic use (e.g. drinking water supply plus washing plus livestock watering). Nor did the user committees to manage and (with Water supplied training) to do routine maintenance plus reporting breakdowns beyond their capacity to rectify to Water - as well as to collect fees equal to operating costs, maintenance and a portion of overheads negotiated Water/Committee as to how much the latter was to raise and Committee/User on what form the charges would take and who would be exempted on absolute poverty grounds ever come into operation. The failure is now a recorded fact, but the important question remains "Why?" That needs to be answered to reduce risk of repetition.

AREAS OF INFLUENCE/RESULTS

SDA's primary goal - from a GOM perspective - was to create a mainstream GOM ability to analyse poverty with an institutional/personnel capacity to conceptualise from that analysis for incorporation in strategy, policy articulation, programming and monitoring/review.

(Mainstream in the sense that CNP/DNP would include the specialist personnel serving DNP and other Mozambican programme operators by analysis-design-review and that normal operational government and social sector bodies would build poverty reduction into ongoing planning and programming.)

That goal - as the outside evaluation consultant (who quite incisively identifies it) rather bewilderedly agrees - was largely met. As of 1995 GOM strategy and policy was to a substantial degree (much more than in most of SSA) informed by poverty reduction concerns incorporated on the basis of a relatively comprehensive (if none too robust and in some cases extrapolated from too few micro bits and pieces) data base and coherent analysis linking PPP (production by poor people), UABS (universal access toward basic services), SNAP (safety net access provision). Virtually all of the strategic/policy elements were fully incorporated in DNP which had created - and staffed with an initial two second degree Mozambican professionals - a specialist unit (Unidade por Alleviacao Pobreza) to keep data and analysis flowing. All implementation was by line Ministries, local government and - more tentatively - partnerships between government and social sector.

With the exception of South Africa, no SSA country can claim as much explicit attention to poverty reduction (the Mozambican goal - alleviation is the Bank's unfortunate choice of term) via PPP-UABS-SNAP, even if less explicitly and coherently Tanzania (and in a different fiscal and political context Botswana) arguably have a longer history and more programming related to poverty reduction as a socio and politico economic (and in Tanzania as in Mozambique - but not Botswana - macro and fiscal economic as well) priority.

That the articulation and programming are uneven - laterally and vertically - is a valid criticism as is the somewhat heuristic (rather than rigorously analysed) interaction of programme and policy pieces. But this is partly related to the recent start-up (SDA's pre-history begins in 1986 and UAP dates only to 1994) and also to the shortage of Mozambican staff at analytical and review as well as administrative and implementational levels not just within DNP but generally. Further, compared to at least one older, better funded programming approach in a context of readily available high level personnel - that of the Philippines - the Mozambican appears much more rigorous analytically, coherent in relation of parts to the overall strategy and to looking *ex ante* and *ex post* at results/resources ratios. The contrast with PAMSCAD

(and its descendants) in Ghana is also instructive. Precisely because it was encapsulated and parallel, PAMSCAD has not kept poverty reduction squarely in the forefront of the political economic agenda nor (except perhaps in Health and parts of Education) generated a main line Ministry focus on it. Poverty-decentralisation-partnership with the social sector (which is major in the Health Sector) have not been seen as interlocking. No vision of PPP-UABS-SNAP (indeed no real SNAP at all and precious little overt attention to PPP) as a strategic focus triangle has developed even if the second is a *de facto* priority and the first is subliminally present in the President's forward economic vision. Weaknesses elsewhere do not of course constitute justification of weaknesses in SDA (even if balanced by strengths) but they do set in perspective the difficulty of conceptualising, prioritising, articulating and acting on poverty reduction as a goal. Despite the weaknesses, both the Philippines and Ghana are reducing absolute poverty and moving toward UABS and - in the Philippine case - some bits of SNAP. Being in some respects comparable and in some stronger is an achievement. True - as Dr. Schuman stressed in GAPVU reports - the political commitment to poverty reduction was the essential bottom line. Without it SDA would have had no impact whatsoever. But without SDA (or a similar substitute) the data, analysis, strategy and programmatic articulation for making that political commitment operational (and saleable to donors) would almost certainly not have existed in 1995 as it surely did not in 1986.

More specific areas in which SDA (and its pre-history) have been involved and appear to have had an impact are:

SNAP (Safety Net Access Provision)

- **GAPVU** - began as a response to collapse of ration system as a food security device. It was designed by Magid Osman plus UNICEF consultant (later SSPA) and UNICEF paid staff person (now Director). Initial proposal for soup kitchens redesigned as cash income supplement linked to child/pregnant women failure to gain weight and - in principle (not fully implemented) aged, disabled, female-headed with no formal sector job households. Payments almost all made to women partly because interim weight non-gain system (proposed by Igreja Campos) identifies women and (via children) mothers. (These were identified as categories covering 90% of absolutely poor households.) Slow start (first Director very weak). Redesigned and brought into full operation with DTZ technical assistance which was brilliant on institutional structure and operation and good on articulation concept. Continuing SDA monitoring interest.
- **"Supplement"** - parallel to GAPVU for large, low salaries civil service households. Failure because no lead person in Finance to implement (should have been easier to implement than GAPVU). Until higher real public service pay this is a serious gap as up to 30% Maputo public service households in absolute poverty. (It may seem humorous a

police sergeant plus wife and six children live in abandoned lion cage in Beira Zoo but it is a symbol of context eroding public service productivity, morale and morality).

- **Food Security** (drought impact alleviation). The first case was in the pre-history period - Tete 1988. A reconnaissance (for MF) revealed a total grain crop failure plus a total bureaucratic failure to get food in to be sold (aid grain existed, cleared for export at Bulawayo and aid agencies plus Charbomac had lorries) meant up to 20,000 famine deaths plus chaotic civil disorder if 6,000 tonnes of grain did not arrive in 6 weeks (versus 500 over previous 13). Vehement action by MF and UNICEF secured just in time shipments and up to a point better monitoring/more flexibility reducing subsequent "bureaucracy driven" famine risk.

The 1990/91 drought - 1991/92 hunger crisis threatened to be a worse case of 'too late - they died before the food came' response. Unlike Tete '88 it was not merely national but regional. In SADC (then the 10) 3 million were likely to die on 'normal aid management' projections of whom at least 500,000 and potentially up to 1,000,000 in Mozambique. In early 1992 SDA put the case forcefully to ND, JM and (via Sergio) Prime Minister as well as directly to UNICEF and UNDP (which then recalled warnings by SDA in late 1991 it had then viewed as boring tunnel vision). The response -plus parallel action by SADCC Food Security Zimbabwe, WFP, UNICEF and some NGOs - forced the FAO to bring FAO/WFP mission from June to March and to associate UNICEF with it. The earlier mission plus its acceptance of SDA-Emergency-SADCC-UNICEF data allowed a June Regional Conference (the first UN-Recipient Regional Body co-sponsored one) which allowed food aid response to be barely in time to avert "aid administration famine". The death toll (including associated illnesses and stress deaths 'on the move') was perhaps 200,000 with up to 100,000 in Mozambique because of war and war-related logistic defacilitation of emergency food delivery. SDA was - contrary to some donor opinion - central in the Mozambican high level policy and pressure response. What was leaked to donors was in fact SDA memo/minute not the personal views of SSPA and as leak came at higher level in CNP (or PM's office) must in general terms had GOM backing. The "Four Horsemen" monograph which went to a 75 person donor government, regional decision-taker, international organisation and external NGO list was over SSPA's academic title from IDS because there was not time to work through a detailed official GOM proposal, a nominally personal presentation could use harsher words and because of regional frame of drought/needed response a detailed official paper would have required tedious inter-country vetting. This does not detract from the reality of no SDA/no paper/less rapid international response/more deaths. The donor communities' complacency about results (after the event) is disturbing. Countries and their personnel plus SADCC Food Security sounded the alarm and a few people (e.g. Jan Pronk), agencies (WFP-Maputo, UNICEF-

Maputo/Nairobi/New York) heard in time to get the grain moving in time to save lives given that the region had on its own initiative set up transport/logistical plans and monitoring processes regionally and in most countries. Left to donor devices and standard operating procedures the 3,000,000 persons would have died.

In both the Tete and Great Drought cases it is clear early, public alarm raising had two special values: a) deaths after warnings force a quest for a scapegoat and agencies/persons seek to avoid that role; b) the warning triggers a moral response - "We probably cannot succeed but history will not forgive us if we do not try" as one Agency Maputo head wrote in 1992.

Other food security work led, as noted, to GAPVU (a low admin cost, market friendly approach to household food deficits caused by lack of entitlements) and to (not very feasible in the event) proposals for expanded labour intensive public construction works (work per pay to buy food) proposals. Review of the ration system (1988-89) intended to strengthen it led to growing doubts as to administrative feasibility especially in a more market responsive strategic context. Proposals for a **yellow** maize subsidy (a non-preferred but nutritionally acceptable staple food one donor had in unlimited supply) did, in principle, get USAID backing. However, USAID commissioned a Cornell (IFPRI) study not completed until 1994 so that the time for that idea came and went before AID was ready to act. From 1992 SDA warned that Mozambique was moving to a situation in which effective commercial procurement and movement of grain from surplus rural to urban areas (urban physical supply and household producer income entitlements) would be crucial because in normal to good harvest years from - say - 1995 net national maize import requirements would be low or nil. Unfortunately neither government grain procurement nor financial institutions responded to that message - indeed it is unclear CNP channels ever passed it on to them.

UABS (Universal Access to Basic Services)

- **Health** - pre-history work with Saude included resisting further fee experimentation (reduced access, encouraged corruption, ate up nurse/storekeeper time, raised no net revenue), co-ordination of Provincial and Ministry budgets, bringing donor aid in kind into Saude books to increase understanding of what was happening. Subsequent liaison was SSPA-VM partly on GAPVU and partly on overall review of poverty situation as perceived from medical (including nutrition) perspective.
- **Education** - SDA identified problems as, a) untrained teachers; b) 3 shift system; c) near absence of texts and materials (tables, chairs, chalk, pencils); d) rapid decrease in rural enrolment masked at overall level by rapid urban rise; e) lack of Ministry (or at least Planning/Policy Directorate) understanding of provincial-district-school levels; f) two-

thirds fail rate on initial year Portuguese teaching; g) misguided belief large, foreign contractor primary school rehabilitation/building would (indeed was even relevant to) basic problems a-b-c-d-e-f. Unfortunately while VM and ND did not disagree they had no great influence on Educacao and SDA had few direct links. Negatively SDA may have contributed to downgrading by CNP and Bank of primary school building (at one point 5,000 at \$50 million by Soares e Costa seriously proposed!) and positively pointing to reconstruction (and political) need to restore rural primary enrolment and social (and political) non-feasibility of capping (let alone cutting urban) which has led to serious dialogue on cost sharing with social sector (e.g. church) complementary schools and toward raising Educacao's budget. (The old 'Plan' target of a 50% 1990-1995 **fall** in rural primary enrolment is clearly an historical oddity not an example of continuing tunnel vision. That 'Plan' was a computerised, macro, hypothetical number crunching exercise by 'cooperantes' in fact accountable only to themselves. SDA's one clear impact on Educacao was to catalyse discrediting of that approach - and the model builders in question.)

- **Water** - SDA reviewed and underlined importance for rehabilitation. SAF financed one project. The low degree of involvement indicates more that SDA viewed Agua as basically on target as to goals, methods and building up cost sharing and participation than lack of priority. The preliminary monitoring on the Maputo bairro fontenaria project suggests this may have been too optimistic a perception and UAP may wish to check what actual position is.

PPP (PRODUCTION BY POOR PEOPLE)

- **Priority Districts** focusing on small family farming rehabilitation, basic infrastructure reconstruction and basic services revival were the topic of an inter-ministerial committee serviced by the SSPA (before his appointment as such). They did get the PPP - Decentralisation nexus and the need for District level baseline data (and implementation capacity) on the agenda but little more. In retrospect three major weaknesses limited results:
 - a. no Committee member was full time so ideas and inputs were channelled to a near vacuum;
 - b. the Bank (which wanted 3 pilots leading to 10 in year three) made a take-over bid which in fact killed off the Committee and any general sense of Mozambican ownership;

- c. the ex-Physical Planning Centre in search of a new role converted itself into an autonomous (nominally reporting to VM of Planning and coordinating closely with nobody) integrated rural development institute and would-be empire. It used the known weakness of Provincial and - especially - District governance to propose that the Centre head up a constellation of villages with parallel delivery systems. Apart from its technical unsoundness, this approach alienated DNP, line Ministries, local government so there was in practice no political backing to achieve funding.

The coup de grace may have been the World Bank project advisory team led by a syndico anarchist (!) which produced an incompetent and in part fraudulent report, e.g. they visited one District with no notice. All relevant staff and several Provincial Directors were out all day at inauguration of a District-Province-UNICEF project. The team drank beer and rested, flew back to Maputo, wrote a highly detailed highly critical report. (Bank Maputo office, at least in private, accepted mission was a disaster.)

The concept of decentralisation to District level remained alive. The greatest obstacles to success are:

- a. convincing donors to accept a broad enough base and a rapid enough generalisation to meet Mozambican economic and political requirements;
- b. avoiding creation of a 'parallel government', i.e. achieving incorporation of the programme in the Ministry - Provincial - District structures to avoid the diseconomies of parallel governance, avert the creation of a unified Ministerial-Provincial-District antipathy to the 'pampered', foreign financed, 'externally owned' (as perceived by them and quite probably really so in actual content relevance to Mozambique terms) intruder and to create a lasting support base for generalisation/incorporation;
- c. involving Ministries and Provinces from the start because sectoral guidelines are a Ministerial responsibility and because (even with training programmes) Mozambican Districts have next to no technical capacity and must use Ministerial and - especially - Provincial or depend on an isolated, ephemeral, largely expatriate project cadre.

These factors suggest an initial Province (all Districts) with the second and third in subsequent years (e.g. Maputo, Tete, Nyasa) would have a better chance of success than more dispersed single Districts and that the Rural Development Institute should not have a central design or management role. A Provincial (all Districts) approach should be complementary to the Provincial Planning exercise. Another area needing to be coordinated with both is the economic corridor approach: Beira Corridor Authority plus

South African/Mozambique Mpulunga-Resano Garcia - Maputo economic corridor (on which South Africa clearly means business).

- **Reconstrucao** - see detailed SDA paper thereon - was/is the most elaborate micro to macro sectoral planning proposal Mozambique has done to date. It links decentralisation - small farming family livelihood - rural commerce and transport - basic services recovery - basic infrastructure rebuilding (by labour intensive means) with tentative costs, outputs, GDP, food security, external balance, fiscal and aid requirement projections. Except for the return of refugees component (now overtaken by donor lag and events - i.e. return on their own) it remain relevant if donors can be convinced small rural livelihood rehabilitation is - directly and by multiplier effects - the most cost efficient (as well as most absolute poverty reducing, food security enhancing, socio-politically stabilising/strengthening) strategy for macro economic rehabilitation in Mozambique. The paper is a SDA product, but DNP and CNP concurred with it (and in a broad sense asked for a systematic conceptualisation on these lines and also for revisions at various stages). The problem is donor (by no means only World Bank) inability to see production by poor people as of macro economic strategic importance. (It is in Mozambique, Tanzania, Ethiopia, Eritrea, Somaliland, Liberia, Sierra Leone with Nigeria, Zaire, Angola mixed cases and is not very GDP growth relevant in Namibia and Botswana. The macro overlooking of PPP in Uganda explains the superficially odd interaction of high GDP growth, fiscal rectitude, a hard currency with increased immiserisation plus rising social and political tensions in Uganda, which is a mixed case in which either PPP or a large unit focused macro strategy - or a blend - could yield good GDP results.)
- **Land** has been an SDA topic directly linked to an ongoing debate. The SDA themes have been:
 - a. no land should be alienated to ex-freehold (ex-colon) sector if it is historic traditional tenure land (i.e. Portuguese never stole it) or has a small farming household population in place as a result of war or abandoning empressas' to employers (60,000 of whom were promised land of closed down empresses by Magid Osman as their termination payment partly since there was no other means to offer anything at all and partly because what they new how to do was to form). To a large extent (all but the abandoned empressas - e.g. in Angonia - resettled by returning refugees this SDA stance is in fact the legal and constitutional position with the title issuance often patently unlawful;
 - b. because the Portuguese never had a central register of historic (traditional) tenure lands, because of empressa and village creation/abandonment and because of war/returns implementing "a" requires ground level data collection - specifically so

case by case before any alienation and, over 1997-2000, to build up the first national land register;

- c. for the small farming household sector the basic allocation should be at District level - perhaps by an elders' committee subject to District government supervision and Provincial guidelines;
- d. however, one break with historic pattern is needed (where it has not already occurred). All households - i.e. including female headed ones - should have equal right to secure, inheritable land use rights. Traditionally titles were household (not personal) and female-headed households did not exist. Now 20% to 40% are female-headed in many rural areas. In some of these, female-headed households do have access but probably not in all. Further, in some Districts the operation of the allocation process has become a corrupt regulo enriching exercise bearing no relation either to equity or to tradition.

The debate continues but the wholesale Lands Commission handing out of title to largely occupied and certainly never checked lands appears to have been averted (or at least radically reduced), process in which Provincial Governors (facing the risk of riot) and Parliament (furious at 'recolonisation') have doubtless provided all of the political muscle (i.e. not SDA which may have had a techno intellectual influence).

What has not happened is the scrapping of the Alfonso d'Albuquerque pattern concession system. That gives an initial marketing monopoly (now on some, not all, crops) to the concessionaire and the right to take a share (often a third) of monopoly marketing area for plantations. The first is bad market economics (and alienates rural households, stifles rural commerce) while the second is patently unconstitutional by seizure without consultation or compensation of traditional tenure rights. The SDA challenge to the "heirs of Alfonso d'Albuquerque" in the Lands Commission should be continued. It is politically dangerous, economically unsound and morally obscene that this ultra colonial way of stealing poor people's lands and livelihood lives on two decades after independence. (The World Bank - largely on economic but also on poverty, social, Anglo-American practice grounds - concurs.) In Africa only Mozambique, Angola and Guinea Bissau continue this system. Tanzania does expropriate land for large enterprise users, but is legally required to consult, to pay and to resettle and (albeit imperfectly) does so.

The above is not a case against selective involvement of enterprises - including foreign - in agriculture. With consultation, compensation, 'outgrower' and support for small farming family supplier (on short, e.g. 1 to 3 year contracts not perpetuities) they may be useful for some crops (e.g. sugar) and in some zones (e.g. areas with no surface water but tappable

aquifers, which may include parts of Nyasa north of Lichinga and parts of interior Gaza, Maputo and Inhambane plus - less probably - coastal Nampula). However, the impact (on experience elsewhere) is likely to be marginal, enclavised and in at most 10% of all Districts.

- **Hire Purchase** has been an SDA proposal directly related to rural commerce/transport (the enterprises normally do both) and to urban small enterprise. Bank credit is not available and nor BCM, BPD or even Standard - Totta has the capability to run extensive hire purchase schemes. Sweden (and potentially EU and USAID) are interested (each has at least one study the EU one with an indirect SDA input). The poverty relevance is that rural commerce/transport and urban small scale manufacturing, transport and construction are vital to enhancing poor peoples livelihood opportunities. The borrowers are not poor now and if they succeed will be rich so no subsidy is appropriate - effective access to credit is. To date (unless SIDA has set up proposed enterprise) no action, apparently as a result of this specialised proposal dropping out of political decision taker sight range because of larger and higher profile issue overload. (VM, PM approved in principle.) UAP may wish to follow up.
- **Urban small enterprise** work by SDA has been limited. The Hire Purchase proposals could relate (albeit initiated in rural context) and link to making Emprego (now in Labour under Urban Rehabilitation rubric) permanent for promotion, counselling training and - perhaps - fund channelling to a commercial hire purchase enterprise capable of handling the commercial side (as BPD assuredly is not and will not be any time soon). Other SDA suggestions were to merge the three competing Small Enterprise programmes/institutes which institutional self defence prevented largely because each has a different parent ministry and a different external funding partner who are jealous of 'their' turf and view that as a more central priority than SDA (or DNP) did forcing through unification.

INCORPORATING POVERTY IMPACT IN PROJECT ANALYSIS

This goal - which was prioritised by both Mozambique and the Bank - was SDA's one area of total failure. A technically competent Project Advisor was hired funded by DTZ and the capital (project) planning team was willing to have poverty impact assessment included. Therefore, the reason is not self evident but seems to have turned on a non-fit at personal style level between that advisor and Mozambican (and other SDA advisor) personnel.

There was - and is - a practical problem. DNP does not normally collect data on its own but reviews projects as submitted by Ministries and other government bodies. These rarely

include any poverty impact content and almost never - with the partial exceptions of Saude and Agua - any detailed data providing a base for such analysis.

It was suggested to PA that he should establish direct links with Planning Units in health and either Works and Water or Transport to sensitise these units to the need for poverty impact analysis and train them in doing it. On that base a more generalised seminar and training programme could have been mounted. Although the PA agreed verbally with this 1992 proposal (from the SSPA) he did not in fact act on it. The ND either had inadequate time to pursue the matter or - given the relationship problem - believed doing so to be inexpedient. The same route of close liaison on one sectoral Ministry Planning Unit to build up a poverty impact assessment procedure would still appear to be the most practicable entry point for UAP. To generalise will still require a senior level workshop plus a three week training course for Ministerial and Provincial project preparation/evaluation officers.

WAGES - POVERTY AND DEMAND ASPECTS

SDA (from its prehistory) advised on wages especially in the public sector. The thrust was to avert further erosion of real wages because:

- a. most wages were very far below the household absolute poverty line;
- b. formal sector wages formed the largest component of demand for both formal and informal sector production;
- c. even above the absolute poverty line salaries were so low as to provide negative incentives to staying in the public service (or indeed Mozambique) and maximum ones to running other earning activities (from consultancy services through vehicle repairs to petty theft and - not always petty - corruption) on government time, thereby contributing to professional personnel shortages and erosion of public servant productivity/public service quality.

This was not an area of great objective success measured by results. SDA's failure, however, was not primarily either in inability to keep the issue on the policy agenda or to convince Mozambican decision takers. Rather it was unable to provide arguments for them to deploy capable of fully convincing World Bank PER (Public Expenditure Review) hit teams let alone the IMF.

Later SDA narrowed its focus to the government service because:

- a. of necessity the government set their wages;

- b. these had declined to ranges of \$25-200, the former about one third a Maputo household absolute poverty line. For primary teachers, nurses, constables \$35 was an average or above salary;
- c. the poverty of public servants automatically led to poverty of public services - "coping" (earning) took time away from these services with low morale further eroding them;
- d. at the upper end of the range, \$200 was under one half a South African lower middle class budget (\$500) and led directly to a loss of citizen professionals equal to new graduate hiring (about 200 a year out of 2,000 total) requiring 2,000 to 2,500 TA personnel to plug the gap with the latter costing \$300 million a year versus a 1995 citizen non-military payroll (for 110,000) of under \$50 million;
- e. which was absurd in terms of human investment, public service delivery, public service productivity, 'ownership' and cost of combined citizen and TA personnel.

The World Bank in general terms came to agree. Bilaterals were less convinced. In particular only the Bank and UNDP tentatively agreed that a direct shift from technical assistance to budget support to allow funding a \$50-500 public service salary range was theoretically economically prudent and some shift to raise professional salaries was urgent. The Bank's own 1993-94 initiative was, however, limited to graduates (excluding the basic service deliverers - teachers, nurses, constables, water technicians, road foremen, tax officers etc.), under financed and too intrusive into/disruptive of Mozambican public service salary management to prove viable.

UNICEF/UNDP in 1995 financed a study on Public Service Pay, Productivity and Professionalism based on Mali, Ethiopia, Rwanda, Tanzania and Mozambique, led by Professor Adebayo Adedeji (and including the SSPA in his personal capacity). In origin it flowed from Magid Osman's presentation to the founding Maastricht Conference of the Global Coalition for Africa. That presentation was a spin off of the initial SDA design process.

The Adedeji Report (main text/Mozambique Annex available from sometime SSPA) endorses - perhaps not surprisingly - the SDA position. It has UNDP (E. Sirleef-Johnson Head of Africa Section and A. R. Jolly of Human Development unit), residual UNICEF (Dpty. Director S. Lewis, R. Morgan of ESARO) support and substantial Bank approval if financeable (but doubts were expressed by Vice President Jaycox donors will shift TA to budget support however desirable). In principle UNDP and UNICEF will finance/assist follow-up studies/private consultants (including ex-Adedeji Team members) to interested countries and especially the ones studied. The Bank probably, would like to see one or more of the five put up a 'pilot' proposal and might back it. However, it apparently would favour

phasing in over 3 to 5 years sector by sector (e.g. with Tax Collection, Finance and Planning, Health, Water, Works, perhaps Police in year one in Mozambique).

SDA might usefully consider taking up this option and (presumably via ND/DNP) discuss with UNICEF and/or UNDP initially at Maputo Office level but perhaps with parallel contact with more senior backers noted above.

The issue is important both for direct poverty level implications and (more saleable to Bank and, perhaps, bilaterals) because immiserising public servants destroys both market enabling policy and human investment plus infrastructure service delivery capacity and therefore impoverishes the entire economy statically and dynamically. In addition because the low pay drives Mozambican graduates abroad (probably 3,500 of 6,000 at present) it increases turnover - with consequential loss of historic memory and continuity - and 'requires' bringing in TA personnel and foreign NGOs (decapitating the state and eroding Mozambican 'ownership'). This analysis is forceful but it is a line with which - at least in small group discussions - Vice President Jaycox broadly concurs as long as the "be fair to civil servants" theme is peripheral and the governance and production efficiency ones are central.

DECENTRALISATION - PROVINCIAL PLANNING

SDA has been involved in decentralisation issues - mechanisms - from its prehistory days. The Priority District Programme was *inter alia* about decentralisation as was the (to date non-functional) user committee element in the SAF financed fontenario project. SAF - implicitly and perhaps now more explicitly - is about basic services, small projects, local government and social sector (decentralised from Maputo government core) provision.

The SDA approach to decentralisation and participation (the former not necessarily including the latter but essential for user participation to have a direct impact on operations) was relatively pragmatic and perhaps inadequately conceptualised/articulated:

- a. small scale contextual PPP-UABS-SNAP projects to give flesh to macro, sectoral and provincial guidelines require user and local official data input and operational involvement/commitment to be efficient or effective;
- b. given communication and data processing problems most of this data cannot (and probably in any case need not) go beyond Provincial level to a DNP (or other) data bank;
- c. ordinary households - especially poor ones - have micro understandings of their own needs and capacities officials/other experts (and especially those at substantial physical,

educational and status distances) frequently do not have, just as the latter have - or can have - more macro and conceptual insights;

- d. transparency and accountability to users (at all levels) improve governance and reduce risks of corruption and/or inefficiency;
- e. most people do put a value on being able to influence governance to provide user desired, user friendly services;
- f. social sector bodies - with the partial exception of churches and trade unions - are most effective at local level and can only relate effectively in detail at that level even if guidelines for cooperation - dialogue - partnership can and should be nationally and provincially designed;
- g. substantial decentralisation at micro and middle level design and in operations requires clear central strategic guidelines and policies to avert not merely chaotic non coordination but also conflict;
- h. Mozambican Provinces have - in practice - substantial recurrent budget programme powers - even if most do not use them - with some potential gains as to efficiency and ownership. These are largely vitiated by unclarity of Ministerial/Provincial responsibilities and because Capital Budgets plus initial Recurrent Budget project funding from donors are handled by Ministries. The subsequent handover to Provinces as external funding runs out is frequently a disaster because the Province has never 'owned' the projects and is given a new cost with no offsetting revenue gains. SDA has argued that all capital budget items corresponding to recurrent activities which are Provincial responsibilities should be in the Provincial Budgets (and officer work schedules) from day 1. Inertia (by parent ministries, donors and the Ministry of Finance) has to date stalled action.

Whether this list is an adequate conceptualisation, as opposed to a functional checkpoint list is problematic. In general it reflects SSPA's and SPA's work (not PA's which was implicitly centralisation oriented) but neither reflected on decentralisation and (more seriously) participation as ends in themselves even in the former's papers for Local Government.

The so-called Provincial/District debate is ultimately a capacity issue. User committees (and District Assemblies) can propose, take part in design, participate in operations (not limited to funding), help with monitoring down to delivery unit (Posto, Centro, Primary School) level. District staff can implement basic projects designed for labour intensive foreman/artisan led teams. But Districts have no engineers (road or water or building) to draw up plans and engineering designs; unqualified bookkeepers (typical District Finance officers cadre) cannot do financial planning, etc. Therefore, the medium term technical planning, design, supervision

capacity can only be Provincial. (Tanzania can and does decentralise to District level. But it has over 2,500 graduates in District level posts - more than the total Mozambican degree holders in the public service. A strong Tanzanian District has staffing comparable to half of Mozambique's Provinces.

SDA's arrival point in this area is the **Provincial Planing Process** (including its attempt to revive the role of the Provincial Planning Directors which by 1993 was vestigial since there had been no real Provincial planning for more than a decade). This draws on lessons of PDP and is a substantially stronger - and (unevenly) more Provincially based exercise. SDA was heavily involved in design (SSPA, SPA), field data collection/dialogue (SPA, PA) and macro/sectoral analysis and write-up (SSPA). The first round produced - as SDA expected - a relatively weak plan but - as SDA hoped - a foundation on which to build. If PP is to be the base for decentralisation, UAP will need to take a continuing interest.

REFLECTIONS - BACKWARD AND FORWARD

SDA in terms of its strategic aim of creating poverty reduction analytical and formulation capacity in the Government of Mozambique has been a success. The numerous problems and limitations cited do not alter the basic reality of substantial achievement:

- a. poverty reduction is a strategic theme in government (both political and senior public servant discourse);
- b. a growing data base and a habit of analysing it in poverty terms has been created in UAP/DNP/DNE;
- c. a Mozambican unit for handling data coordination (and advising on collection) plus analysis and relating result to ongoing strategic and policy issues exists (UAP) and is now staffed by professionally qualified Mozambicans;
- d. the output of UAP (as of SDA) are used by DNP and - up to a point - by DPPs and by NDs in other Ministries and Institutos (e.g. Saude, SEAS, GAPVU);
- e. the international co-operating community is aware that Mozambique places strategic ideas about poverty reduction and has articulated, argued positions on how, where, when (albeit its degree of willingness to focus poverty reduction dialogue on the Mozambican agenda is limited);

- f. after a difficult start-up GAPVU is clearly useful (indeed the target of over ambitious generalisers, e.g. toward a rural GAPVU) and the reformed/spun-off SAF can prove to be so;
- g. a significant volume of data, analyses and studies exist (assuming all or most can be located and filed) to provide a baseline and guide further work;
- h. the need to hire additional Mozambican professionals for UAP and to provide poverty reduction oriented training (either by UAP or outside Mozambique) to senior professionals (national and regional director and senior analyst level) is recognised, albeit how to move ahead is less than clearly articulated;
- i. as is the need for wider dissemination of studies and more frequent workshops or seminars with senior personnel of ministries/institutes, provinces and social sector organisations albeit to do so may be impracticable until the personnel bottleneck is deconstructed;
- j. UAP - in common with DNP - has focused on influence and contribution not operation and dominance, i.e. acting at first instance via DNP and more generally via main operating government and (to date peripherally) social sector groups **not** running programmes on its own nor having institutos (e.g. GAPVU) reporting to it even if it plays a special analytical supporting and monitoring role. This is a clear determination for "mainstreaming" and rejection of the 'poor enclavised parallel programmes by weak units for poor excluded people with weak organisational capacity' approach which - in practice - is the result of trying to operationalise poverty reduction in special programmes under a Poverty Ministry or Department which usually comes to be at macro level the mirror of poor households at community level.

The danger which should be flagged is that this record was achieved via two (the third not having been effective) expatriates who perceived themselves as "owned by" Mozambique - both now moved on, and two citizens, who may not still be with UAP in two years time. A stable base for progress cannot be secure unless and until the core citizen professional cadre is at least four and turnover has been reduced (primarily by rendering GOM remuneration less stupendously unattractive - e.g. by raising National Director pay to \$500-750 a month and other senior professionals to \$400-600 a month).

A full time expatriate would no longer be as opposed to useful as a small cluster of semi-specialised ones experienced in SSA (and preferably Mozambique) who would make regular visits of up to four weeks to observe, monitor, consult with Mozambicans, advise. It is not now possible to revert to a fully expatriate staffed or led unit without grave loss of momentum and influence. The historic context which made that possible over 1988-93 has passed and

new expatriates would not have the initial non-SDA history of involvement which made the SSPA acceptable in a post which was among those in which citizenship was logically a particularly important qualification.

Reviewing limitations has been attempted earlier. What may be more useful in a forward looking envoi is drawing guide posts for strengthening. Some of these are by no means unique to UAP but pertain to Mozambican governmental structures and work procedures generally:

1. Develop an effective filing system based on Anglophone African topical files including an index sheet, minutes, short memoranda and references to relevant longer studies. Ideally there should be at least one file on each major topical area and one for every institution with which UAP is in regular conduct. Quantitative data needed for analysis should be held on computer (floppy disc) in a manipulative form but - given the exigencies of power and machine handling - always with a backup printout as well as a backup disc. Until a DNP filing system exists these files (and related studies) should be held - and checked out by - the UAP Admin officer.
2. Build up an historical memory based on the files with pre hand over briefing from outgoing to incoming officers, a "familiarisation tour d' horizon" of the files by new arrivals and regular reference to past data-analysis-proposals-monitoring-results as part of all major exercises.
3. Seek to enlarge UAP to four Mozambican professionals (plus a data analysis specialist) and to reduce turnover so that at any time at least half will have two or more years of experience. That relates to a substantial degree to overall pay of Mozambican public servants which is a substantive issue referred to above, i.e. UAP cannot be enclavised - better pay leading to lower turnover is a systemic problem to which a systemic solution is needed.
4. Develop a systematic set of contact points/persons in units (public service and social sector) directly relevant in respect to data supply, analytical or programme inputs, dialogue on strategy and policy, programme development and implementation. This is needed to have data, realise opportunities, broaden dissemination, build up 'alliances' on issues on which different views exist in public service (e.g. UAP-Local Government-Provincial Governors-National Women's Organisation, are logical allies against random alienation of small farming household land and for radical reform of Lands Commissions context-data base-objectives).

5. Collaborate with DNE to achieve a coordinated review of all major public sector data collection and analysis exercises - especially those carried out by technical assistance consultants provided by donors:
 - a. to know what data will be available when;
 - b. to limit overlap and to increase comparability among studies;
 - c. to establish DNE as the central data coordinator (not necessarily collector/analyst for specialised studies Ministries can and wish to do); and
 - d. to establish UAP stake in being able to ensure data collection-analysis are designed to provide data on aspects of poverty in health, education, water agriculture, transport access as much as in Household Income or Food Security.

Whether the UAP/DNE relationship needs to be formalised (beyond a note of understanding on file so personnel turnover does not lead to its being forgotten) is not self-evident. Guidelines for Ministries, Provinces and Institutos (copied to 'donors') should be issued by the Planning Commission for DNE. This is not a purely technical/administrative issue - some donors, e.g. USAID have clear political agendas behind their topic-procedure-consultant selection which if uncontrolled, especially if not recognised, will deprive Mozambique of ownership of the way its data base evolves. The UNDP or World Bank operator for household survey and the DNE/UNDP or Cornell/USAID poverty base dialogues were ultimately about control of data and - because DNP and especially DNE and SDA saw them as such - were largely 'won' by Mozambique;

6. Use that collaboration to build a systematic quantitative data base using five basic censi/broad sample surveys:
 - a. household - urban
 - b. household - rural
 - c. small farming household (with income and expenditure, land access, basic service access, nutrition and food security, health states covered as well as more narrowly agricultural aspects;
 - d. employment/economic activity survey covering non-agricultural large, medium, micro and household enterprise and corporate-partnership-large household farming;
 - e. census.

In theory, a-b-c-d could be folded into e, but the resultant questionnaire would in fact be too long for effective administration and because Censi are complete enumerations the processing capacity problems would be exacerbated. In principle b and c could be combined - an area worth exploring with DNE and Agricultura. Each of these surveys should have adequate samples to yield Provincial (as well as National) and ultimately District results. District results would probably require a national sample of at least 15,000 so may need to await second or third rounds. The Surveys are needed at five year intervals (one per year not all five in one) until smaller annual update surveys can be developed and tested at which point the main Surveys could be at ten year intervals.

7. Supplemented by "Sentinel Surveys" in the areas of Health, Food Security and any others sectoral or social sector bodies do - can be encouraged to - operate them. It is pointless to argue these (ideally for 30 odd representative barrios and 30 odd representative Districts) have limitations in terms of statistical validity. They are basically early alerting mechanisms providing information more rapidly than surveys can to allow policy and programme amendment. (The Provincial/National emergencia data system to identify food needs is basically of this type.) Here two institutional steps are needed:

- a. all sentinel survey operators or would-be operators should be urged (required for government bodies) to liaise and discuss with DNP (especially but not only UAP) and
- b. all sentinel survey operators should be required by law to copy results promptly to relevant sectoral Ministry (plus Provincial and District analogues) and to DNP.

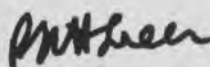
"b" is not bureaucratic formalism. World Vision and SCF operate a large, well designed Health Sentinel System (apparently USAID funded). It uses inputs only from non-government sources and informs only sources/external NGOs/some donors - not Saude at any level except by chance or personal relationship - of results. That is quite literally subversive of health, of orderly governance and of Mozambican ownership and to it an end should be put. (Not an end to the system but to the non-disclosure and - ideally - from its separation from a less formal and probably less sophisticated Saude parallel.)

8. And also by systematic collection of micro information from observations and interviews, from the press and from micro studies (e.g. MSUs in two districts). These are not a substitute for Surveys and Sentinels (unless those do not exist) but do provide supplementary data and valuable quantitative insights. Of necessity much of SDA's (especially the SSPA's) work was based on these.
9. An annual poverty report (especially on trends, shocks, policy and programmes instituted-continued-monitored (with results) is desirable for, a) Ministries, b) Local Government

units, c) Members of Parliament, d) Social Sector Organisations, e) donors/international agencies. (UNICEF now has a somewhat similar quarterly publication and could/would probably assist if UAP wanted to set one up.) Parallel - every five years perhaps - should be a Poverty Reduction Strategy Paper (like the one UAP produced in 1995).

10. Revive work toward poverty impact assessment of programmes projects - initially by proposing Ministry, Province with review by UAP/DNP. A first step is to consult to draw up guidelines by sector of poverty impacts (positive and negative) to look for including indirect impact (e.g. hire-purchase to rural transporters/crop buyers as means to raise small farming household market access and incomes). Specific verbal and at least order of magnitude quantitative estimates are needed. As a first step doing the exercise for Health plus Water and Works at Ministerial and Provincial level might be a way forward. Generalisation to other Ministries/Provincial Directorates could be launched by a "Poverty Impact Assessment Guidelines" manual and a 3 to 5 day workshop for Ministry and Provincial Planning/Project officers.
11. Maintain SDA's/UAP's reputation for being hard-headed (analysing carefully and knowing economics) as well as soft-hearted (genuinely wanting to reduce poverty/help poor people claw out of it). Maintaining analytical credibility and a reputation for knowing economics is necessary to get and hold external financial source (and Mozambican Treasury) attention. In that respect SDA was at an advantage because SSPA was a senior applied macro economist and known to be relatively tough on evaluating benefit/cost and fiscal consequences. His use of - stress on - title SSPA was to underline interaction of social with economic. Economic analysis needs rigour (logical, reasoned presentation), orders of magnitude and approximate numbers where possible not elaborate technical models which Mozambique data won't support and aid administrators do not, in practice, understand or use.

The points made are processual more than topical or content oriented because the substantive topic areas were covered in the previous section. Process does matter because ideas unrelated to processes backed by procedures, personnel, publicity and resources are ultimately sterile. SDA/UAP have not been sterile but the degree of tentativeness of *ad hoc* lash-up job administration and process utilised and especially of total dependence on a handful of temporary or potentially temporary senior personnel was risky (even if largely unavoidable at least to 1993). Reducing risk to poverty reduction programming - because to do so reduces risk to poor people - should now be an UAP/DNP managerial Priority.

 - R. H. Green
Falmer
February 1996

A RURAL GAPVU? (NOTES BY R. H. GREEN)

1. This is not a new proposal - see Schuman's annex to his final GAPVU report (done in consultation with SSPA).
2. It poses problems:
 - a. in so far as GAPVU meets **transitional** poverty needs, a post Emergencia Provincial Calamities Commission drought relief programme is more appropriate in rural areas. The transitional component in rural absolute poverty is much higher than in urban. A "**work for cash for food**" (or soap or cloth) approach via labour intensive road-school-clinic-teach/nurse house construction and maintenance would be preferable to 'free food' especially if (as in Botswana) women heads of household had priority for work (and churches/mosques/women's organisation were encouraged and assisted by SEAS in setting up village child care centres on the Tanzanian "Iringa" model on which studies are available from UNICEF).
 - b. for **structural rural poverty** (probably concentrated in female-headed households with too high a mouths to hands ratio) work programmes are less helpful because the household heads are working, do have some income, have no 'spare' time but income cannot meet needs. **But** a GAPVU - aged, disabled, low income female-headed model is likely to be **administratively non-feasible**. There is no analogue to Quarteiro level data/personnel base in villages or at least none with systematic upward data flows and the greater geographic areas involved militate against a direct application of GAPVU referral, approval, monitoring procedures while the absence of banks means payment through them is not feasible.
3. Frankly until Provincial Calamities Commissions and coordinating unit at centre are on top of drought-flood response (including tying it to work for cash for food public works) I am not sure launching additional rural safety nets is unproblematic. However, if it is viewed as either appropriate (if only to gain experience) or socio-politically necessary, some pilots could be started.
4. A possible **safety net pattern** would be:
 - a. **calamity alleviation/infrastructure enhancement via works;**

- b. **"Iringa" style child nutrition/child care centre/women's initiative** programme coordinated by SEAS supported by UNICEF and operated by village level women's committees assisted by local level health, water and agriculture personnel. (Desirable in its own right not just as a safety net extension. Perhaps a pilot **Province**, e.g. Nyasa or Tete, all Districts, could be launched in 1997;
- c. encourage **local women's groups-churches-mosques** to identify "structurally absolutely poor" member households and design low cost/local safety nets to be run by them with SEAS-UAP technical advice and SEAS (SAF-2) co-finance;
- d. use the Centro de Saude system to identify women, children at risk (as for GAPVU) **and** - subject to some check (by whom? no *chef de carteiro* and inherent problems with regulos in many districts. GAPVU many kilometres away in provincial capital -) - to pay a cash amount for 18 months (**not** necessarily at urban rate) via the posto or centro. This is not ideal because: a) Saude not paying agency of choice; b) nowhere near 100% ante natal and well child clinic coverage in most rural areas (albeit chance of cash would incentivate use especially by poor mothers with malnourished children); c) the ability to verify will be low (but as few Saude referrals are rejected this may matter less). A Pilot District approach with one District in each province set up/monitored by Provincial GAPVU/Saude/SEAS could be tried in 1997.

The risk of trying a-b-c and also d at once is overload in respect to personnel and also finance. It is essential that "a" be continued/improved and highly desirable "b" begin on a pilot basis in 1997 while "c" is logical part of cooperation with social sector/decentralisation themes in post 1993 state strategy. "d" is the most problematic even if at first glance more appealing from a Maputo decision taker (or National Assembly?) perspective.



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Sometime SSPA
Falmer, February 1996

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FOOD SECURITY AND THE MUEDA PLATEAU: URBAN PHYSICAL SUPPLY - RURAL INCOME ENTITLEMENTS

(NOTES BY R. H. GREEN)

1. There are prior references to this issue in SSPA minutes. The main substance follows: It raises a number of more general issues.
2. The Mueda Plateau is relatively fertile land with relatively assured rainfall. Therefore, like Angonia, it is a national breadbasket. It has been a grain exporting area since the 1950's and probably the 1930's. Pre independence production for sale was mixed - colon, African predominately the latter in 1960's-1970's. Grain purchase and return sale of merchandise was by itinerantes - colon traders with a lorry who travelled out from warehouse/shop in Mueda, Moicimba or smaller towns to buy produce/sell goods. The main markets were Beira (and sometimes Maputo) by sea and Pemba (earlier by sea, later by road).
3. Moicimba was (is) the nearest port to the Plateau and was (is) connected to it by a good road. It has a fair harbour. The quay, however, is only able to handle 500 tonne (?) vessels. It is now used by the log trade. Grain (plus cement, fertiliser, general cargo) was lightered (flat bottom self propelled, snub nosed, shallow draught, open vessels like small barges) out to 1,000 to 1,500 tonne cabotage vessels.
4. The system was weakened before independence (the plateau was a war zone) and more so at independence (the itinerantes literally drove off into the sunset in their lorries leaving a very limited number of, largely Indian ancestry, merchants. Some of cabotage vessels sailed off to the south, port maintenance declined). But the full breakdown comes at some time in 1983-1985 period:
 - a. lighters went out of operation - engines worn out;
 - b. Navique's cabotage service became increasingly unreliable;
 - c. Road to Pemba was cut (near Pemba) isolating Plateau from bank credit (only branches able to authorise loans are in Pemba) and from government/empresa agents who sat in offices (or on beaches) in Pemba which over 1985-1991 was virtually an enclave accessible only by sea (or light plane which Provincial administration, let alone banks, did not use to maintain contact with Mueda).
5. Since 1989 I have tried to reinterest Ministries in Mueda. (Saude an honourable exception together with Agua - they kept postos/centros, some rural water projects going.) In one sense an 'easy' rural area once there - Renamo never had much of a presence on plateau

and never cut off link to Moicimba.) This had some impact e.g. first Agricultura national director visit in 4 years and came back enthusiastic, renewed EU visits. **But** transport problems because clear especially for commerce/small farming household market access.

6. There are three basic problems:

- a. **working capital** (logically bank credit) to crop buyers (especially merchant transporters). At least at farm or village collection levels, Agricon cannot compete with goods out/produce back operators who are full both out and in and have two set of business to earn margins whereas Agricon goes out empty and has only grain buying margins. Snags here are: a) Mueda, Moicimba have bank branches but so poorly staffed they are not allowed to make loans; b) BCM and BPD are so scared of more bad debts they are very hesitant about lending (no S-T branch even in Pemba);
- b. **limited lorries** on Plateau or in Moicimba. Public and private sector fleets in Pemba but concentrate on Pemba/Plateau and Pemba/Nacala, Pemba/Nampula highways not Mueda/Moicimba let alone small road retail business. Merchants need to be able to get back out to villages. They physically lack lorries and, in most cases, cash or access to term credit to buy them. (The road is open and usable - not ideal condition.)
- c. **no functioning port** at Moicimba. The lighters remain (at least until 1995) defunct. The quay is too shallow for economic size vessels for grain. The cabotage service of 1,000-1,500 class is also an historic memory (nearly inevitably with no lighters albeit whole coastal fleet is now too few).

7. As a result potential 50,000-75,000 tonne Plateau maize surplus rots in fields, moulds or feeds borer beetles in warehouses or is not planted while we beg for food aid for cities. And small farming family sector (outside cashew areas) is deeply impoverished because it has no buyers for its potential maize surplus. And commercial sector not very dynamic (or large - new people don't come in) because low crop sales by households mean low sales to them by merchants and combined low turnover limits profits.

8. **What is to be done?** This case is one in which historic memory and analysis really do give a first draft for a prioritised action agenda which is - at the very least - a print out for articulating a coordinated action programme.

- a. **reactivate Moicimba.** The key to that is **lighters**. If they are 10 tonne ones, for 100,000 to 150,000 tonnes cargo a year and 4 round trips a lighter a day need 13 to 15 (4 x 10 tonnes x 300 days = 12,000 tonnes a year per lighter). Those numbers need to be checked but there is a Small Ports Authority with a Portmaster on spot who can do it (should have done so long ago.) Similarly design and size need to be thought out

(what Portuguese used in 1950's-1970's may or may not be suitable vintage now).

With a clear set of specifications some donor (Nordic? Canada? Netherlands?) should be convincible. Including some light cranes, warehouse repair, etc. the order to magnitude of cost may be \$2 million (could be less). If cargo 100,000 tonnes could be port revenue on it of \$1 million plus a year.

9. Ensure **cabotage service** exists once port is able to handle it. From Berbera/Aden through Mtwara and from Durban through Walvis Bay there are viable cabotage operations which do serve minor ports. These range from modest size companies with 10 or so fairly modern 1,000 to 2,500 tonne vessels to old 500 to 1,000 tonne one vessel family enterprises. Basic cargoes - grain, charcoal, cement, drums of fuel, roofing sheet, fertiliser, general consumer goods. All private (expect perhaps Safmarine in South Africa and a fairly small passenger oriented line Dar-Mafia-Kilwa-Lindi-Mtwara and a Zanzibar-Dar one). There was a Mozambique parallel. Today there is much less service and largely Maputo-Inhambane-Beira-Quelimane-Nacala-Pemba which are main and middle ports.

Ending Navique monopoly hasn't brought a wave of new entrants - in many cases (e.g. Moicimba) because port facilities are inadequate and/or slow rehabilitation suggests there is little demand. However, also **no hire purchase - term credit - "leasing" facilities** accessible to entrants. A small used but serviceable cabotage ship might cost \$250,000 and a larger new one \$2.5 million. (I believe good condition used would be best entry route for small/medium enterprise. Source for Mombassa and Dar seems to be Europe. North Sea and Baltic coasters are designed for shallow water and bad weather so probably technically suitable and can sail out via Mediterranean.)

10. The next step - if this checklist proves broadly correct - is to see why no action (or not effective) to date and who needs to act, how. ((I've written above in varying degrees of completeness in Minutes/Memos since 1990. Probably has bogged down - until end of war for more urgent concerns and even now Mueda is a small and faraway place viewed from Maputo or even from Pemba and inertia is a terrible foe. For example, Agricon worries about how **it** could buy grain and cost of road transport via Pemba from monopoly buying and emergency inward shipment days. Tunnel vision and an historic memory tied to a brief atypical period can be very debilitating!
11. Who can do what - and **might wish to do so?**
 - a. **merchants/transporters** have interest in buying - moving grain if i) economic/dependable transport; ii) business to be done; iii) hire purchase facilities to finance transport equipment and overdraft for purchasing/selling operations.

- b. **Small Ports Authority** (unlike predecessor monolithic Railways and Harbours or even its Harbours Division which lived and died politically and economically on Maputo-Beira, could be helped or hurt by Nacala-Inhambane-Quelimane-Pemba and found minor ports an unrewarding headache) has good reason to wish to see Moicimba (and others, e.g. Xai Xai, Inharrime) thrive. They are its only business so it lives (or dies) on their success (or failure).
- c. **Provincial and District Administrations** (Pemba-Mueda-Moicimba) want prosperous (or at least less poor) people - genuine concern for people, ease of administration, tax revenue, successes for their records to win promotion, etc. For the too Muedas matters.
- d. **Members of Parliament** from Mueda-Moicimba (and probably all from Cabo Delgado) care. Public service, helping own home village - extended family, winning next election, getting a fair share for their people (Cabo Delgado feels it led liberation from Massacre of Mueda on but has been marginalised in gains since independence which explains, otherwise surprisingly high, Renamo vote there). Their personal or party political concerns are not CNP's or UAP's business - their interest in making marketed output on plateau rise is very much UAP business because it makes them allies in struggle to reduce poverty. (Nobody involved in setting up GAPVU was thinking of elections. But with 70,000 households benefiting by then it probably was worth a seat or three! And why not - a government that serves its people better should earn reward of more support. There is nothing wrong in pointing out to a Minister how a good programme will also be good for him politically! Or of warning of political risks of not acting or acting in an unsound way, e.g. at time of 100% minibus fare increase I advised govt. under no circumstances to put itself in position of being responsible for fares or anger would turn on it then or later and also that costs of fuel and spares had risen massively over 18 months so rollback order would mean no vehicles on road. Also advised bottom line problem was wages. On the whole govt. response - a) halting violence; b) moral suasion for agreed partial, fare rollback; c) some minimum wages rises and a Christmas bonus was relevant and about the best: for poor people, for keeping urban passenger transport going, and for its own political future that was possible in a tightly constrained context.)
- e. **Provincial Planning in DNP and DPlanning in Cabo Delgado** - PP needs more concrete projects with high visibility if successful to build up visibility and influence.
- f. Those **donors** interested in **leasing** (USAID), financial sector diversification (EU), hire purchase (SIDA) who have studies to hand and are presumably interested in proposals on "how to" acceptable to govt. USAID seems to want a US leasing company with

little southern experience, unclear what EU has done with its study (a Mike Faber-Jeanne Stephens-RHG product which did advocate hp to vehicles, plant and machinery and - I think - ships). SIDA has a Swedish company present in Mozambique as base with a Swedish financial firm as partner concept. What is needed is:

- a. a **commercial enterprise**. Free standing or - perhaps - linked to a commercial enterprise selling vehicles, ships, plant and equipment;
- b. **private sector and probably 100% foreign at start** - commitment to sell 49% to domestic buyers between 5th and 10th year;
- c. a **finance house** owned or partner to put in professional/hp experienced manager and to train (in Mozambique and at overseas headquarters) Mozambicans for most professional posts by year 5;
- d. **ideally a Southern African financial enterprise** with hp experience as partner (Standard Bank of SA via Standard - Totta would be obvious candidate but S-T has been interviewed - e.g. by ADB - and were uninterested).
- g. **non-donor development finance bodies** - ADB has a mission on HP (wanted to use BPD but advised against by SSPA and the Emprego) and it is in CDC (Commonwealth Development Corporation) field. CDC could find the commercial operators and put up some equity plus some loan finance. ADB not optimal for finding operator - presumably would channel ADF (when it has some funds) credit to GOM to relend to enterprise.
- h. **Agricon** (or successor) wants to be able to buy and ship grain and to make a profit on it or (I hope!) to see private sector doing so. In fact many merchants appear to prefer to buy retail locally and sell wholesale to Agricon at Mueda-Moicimba-Pemba. That is fine (or should be) with Agricon which has comparative advantage in knowing/linking to Nacala or Beira or Inhambane or Maputo market (Pemba and Quelimane could under all normal conditions be served from adjacent Districts) and no disadvantage in hiring cabotage space or chartering coaster to move wholesale shipment. More retailers to feed into it at wholesale is fine - for Agricon retail buying always likely to be a tin of scorpions.
- i. **World Bank** if only because it feels it is godfather and protector to UAP and really does believe in PPP and has some desire to see growth - private sector- pure households livelihood links build up. Can be enemy if not in picture and useful pusher of bilaterals if brought on board.

12. **UAP** - since there is a poor Mueda Plateau household and a food security basis - has *locus standi* to be a catalyst. Next step is for UAP to plan what to do (including seeing everybody noted in 11 and seeking to get them on board) after securing approval at ND - and probably VM, perhaps M - level. Then organise coalition and get agreement who coordinates/pushes ahead. Or who on what - Small Ports could lead on harbour but somebody in finance or DNP (including UAP) has to hunt down issues on ships-lorries-hp.
13. Good luck!



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Sometime SSPA
Falmer March 1996

P.S. It may be worth checking whether any other surplus/potential surplus district have similar problems. Likely ones are upcountry district in Zambesia (e.g. Macuba) Northeast Tete (e.g. Angonia), perhaps lakeside Nyasa (e.g. Lichinga). These are all basically road haul areas so private sector may be able to act on own (Quelimane Harbour functions) but **credit for buyers** and **hp for lorries** may be relevant for some of them too. A fax backed by phone call to Provincial Planning Directors and District Governors would seem easiest way to get an initial local input and a look at Agricon's and Commerce's purchase figures (estimates) by District a potentially revealing desk check start in Maputo.