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This action is funded by the European Union

**ANNEX 2**

of the Commission Decision on the financing of the Annual Action Programme 2019 – part 1  
in favour of the Republic of Mozambique

**Action Document for Support Measures for Management of EU Resources II**

<b>1. Title/basic act/ CRIS number</b>	Support Measures for Management of EU Resources II CRIS number: MZ/FED/041-641 financed under the 11 <sup>th</sup> European Development Fund (EDF)			
<b>2. Zone benefiting from the action/location</b>	Republic of Mozambique The action shall be carried out at the following location: Republic of Mozambique - whole country			
<b>3. Programming document</b>	National Indicative Programme (NIP) 2014-2020 for Mozambique			
<b>4. Sustainable Development Goals (SDGs)</b>	Main SDG: SDG 17 - Strengthen the means of implementation and revitalise the global partnership for sustainable development. Other significant SDG: SDG 1: End poverty in all its forms everywhere;			
<b>5. Sector of intervention/ thematic area</b>	Cross-cutting: support measures	DEV. Assistance: YES		
<b>6. Amounts concerned</b>	Total estimated cost: EUR 12 500 000 Total amount of EDF contribution: EUR 12 500 000			
<b>7. Aid modality and implementation modality</b>	Project Modality Indirect management with Mozambique			
<b>8 a) DAC codes</b>	150 – Government and Civil Society 15110 - Public sector policy and administrative management			
<b>b) Main Delivery Channel</b>	12000 - Recipient Government			
<b>9. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>10. Global Public Goods and Challenges (GPGC) thematic flagship</b>	Not applicable			

## SUMMARY

This action aims to provide the National Authorising Officer (NAO) and the European Union (EU) with a flexible instrument to support the entire programming cycle identified in the framework of the EU-Mozambique cooperation. The action also aims to support the NAO's office to fully discharge its role in the management of EU resources by providing the right tools for coordination of development aid resources and their visibility. Both components are identified as support measures under the Non-Focal sector of the 11<sup>th</sup> EDF National Indicative Programme (NIP) 2014-2020.

The overall objective is to enhance the effectiveness, efficiency and impact of EU aid/development cooperation in Mozambique. The action is designed to increase ownership by the Government of Mozambique and targeted provinces in the management of cooperation with the EU and to continue to nurture the existing longstanding partnership, by supporting the policy dialogue between the Government and the EU.

**1) The Technical Cooperation Facility** is meant to provide flexibility in responding to different needs related to technical assistance, organisation of seminars/trainings/conferences and facilitation of policy dialogue, including at provincial level, and alignment and harmonisation between the partner country and the EU and other donors. It will cover the identification and formulation of programmes including government policy, post-2020 assessment and programming, to ensure efficient application of development aid resources, and the promotion of policy dialogue on SDGs in view of the ongoing EU joint programming for a more effective and coordinated partnership. In particular, policy dialogue and implementation/monitoring will be supported not only at national level, but also at provincial level, in particular in Zambézia and Nampula provinces, which were targeted by the PROMOVE set of EU rural development programmes (EUR 264 500 000). It will also help to strengthen the Government of Mozambique's involvement vis-à-vis joint actions and results. Finally, it will improve awareness among key actors in Mozambique of issues related to development and the visibility of European Union actions (including trade, development, policy cooperation etc.).

**2) The Support to NAO component** will provide technical support to the NAO in the identification, programming, implementation, communication, monitoring and audit/evaluations of EU programmes including the coordination of development assistance in general. The resources under this component will also cover training on EDF procedures,

seminars and workshops related to implementation of EDF programmes, as well as smooth implementation of Cotonou obligations (e.g. under Article 8 or trade provisions).

## 1 CONTEXT ANALYSIS

### 1.1 Context Description

Mozambique is among the ten poorest countries in the world ranking 180 out of 189 on the Human Development Index (2018 update). The country has a population of approximately 28 800 000 (52 % women)<sup>1</sup>, with 68 % living in rural areas, and more than 46.1 % living below the national poverty line (50.1 % in rural areas)<sup>2</sup>. While 80 % of the Mozambican population depends on the agricultural and fisheries sectors on small-scale production as the main source of food and income, these sectors only contribute to approximately 22 % of the national Gross Domestic Product (GDP). Women are the main labour force in the low paid agricultural sector corresponding to 83 % of the sector's total. Due to a set of complex and inter-related factors, mainly poverty and lack of potential job opportunities associated to role models, these disparities on gender reflect on the illiteracy rates, 30.1 % for men and 57.8 % for women; prevalence rate of HIV/AIDS, 12.3 % for men and 20.5 % for women<sup>3</sup>; and the world's 10<sup>th</sup> highest rate of child marriage, with around 50 % of girls married before the age of 18; high pregnancy rate in adolescents, estimated to be 38 % (2011 Demographic and Health Survey).

Over the past decade Mozambique achieved high annual rates of GDP growth averaging 7 % largely driven by the extractive industry and the discovery of abundant natural resources reserves. This prudent and stable macro-economic environment decelerated drastically since late 2015 to a GDP growth of 3.1 % in 2017 due to external and internal shocks such as commodity prices, droughts, political conflict and the discovery of hidden public debts amounting to over USD 2 billion. The country is facing its most severe fiscal crisis which drove the country to unsustainable debt levels with an estimated debt/GDP ratio of 99 % (end 2017). Despite this environment, the overall economy is expected to be boosted in a medium-long term based on revenues from the extractive industry (mainly natural gas). Considering the expected foreign direct investment inflows following the discovery of large gas deposits and related megaprojects, Mozambique has the potential to become a Middle Income Country in the course of the next 15 years.

On the political side, a mediation process started in 2016 between the Government and the main opposition party (Renamo). In May 2018 the Parliament unanimously adopted the constitutional amendment on decentralisation; in August 2018 President Nyussi announced the signing of a Memorandum of Understanding (MoU) between the Government and Renamo on the demilitarisation and reintegration of Renamo forces, which started on 12 October 2018. Municipal elections were held on 10 October 2018 in 53 municipalities. These elections were considered as a test for the country, ahead of the general elections (presidential, parliamentary, and regional) in 2019. It was the first time that the three political parties sitting in parliament ran for the municipal elections. Ruling party Frelimo won in 44 out of 53 municipalities, Renamo in eight Municipalities and Mozambique Democratic Movement (MDM) in one municipality.

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<sup>1</sup> National Statistical Institute: Statistical Yearbook 2017-Mozambique. 2018.

<sup>2</sup> Ministry of Economy and Finance - Directorate of Economic and Financial Studies: Poverty and Well-being in Mozambique 4<sup>th</sup> National Evaluation. 2016.

<sup>3</sup> Ministério da Saúde: Inquérito de Indicadores de Imunização, Malária e HIV/SIDA em Moçambique (IMASIDA). 2016.

## 1.2 Policy Framework (Global, EU)

The EU intervention in Mozambique is based on the objectives of the **11<sup>th</sup> EDF NIP 2014-2020** for the country: (i) Promote the deepening of the democratic system, transparency, accountability and the rule of law to strengthen the Mozambican State in its core functions; (ii) Support a sustainable and inclusive economic development model based on policies fostering economic stability and job creation, focusing on food and nutrition security, rural competitiveness and access to sustainable energy with an increased involvement of the private sector; (iii) Encourage investment relations with Europe, identifying opportunities under the European Economic Partnership Agreement (EPA), aiming at a level playing field for European businesses and engaging in economic diplomacy. Two focal areas were identified under this context, Good Governance (focal sector 1) and Rural Development (focal sector 2), as well as measures in favour of civil society organisations (CSOs) and support measures for management of EU resources to ensure coherence and complementarity of all EU interventions (this project).

At a global level, the relevant EU policy framework is defined by the following documents:

- Communication on a new Africa – Europe Alliance for Sustainable Investment and Jobs: Taking our partnership for investment and jobs to the next level<sup>4</sup>, which promotes a new strong economic agenda for the EU and its African partners;
- The EU Communication on Increasing the impact of EU Development Policy: an Agenda for Change<sup>5</sup>, to significantly increase the impact and effectiveness of EU development policy, by focusing on: (1) human rights, democracy and other key elements of good governance; (2) inclusive and sustainable growth for human development, including job creation;
- The European Commission Communication on Strengthening European Investments for jobs and growth: Towards a second phase of the European Fund for Strategic Investments and a new European External Investment Plan (EIP)<sup>6</sup> to encourage investment in Africa and the EU Neighbourhood to strengthen current partnerships and contribute to achieving the Sustainable Development Goals;
- The Joint Staff Working Document on Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020<sup>7</sup> (EU-GAP II), to ensure that commitments on gender equality are translated into clear and tangible outcomes and are accompanied by improved coordination, coherence, leadership, gender evidence and analysis, and adequate financial and human resources.

This project is intended to support and accompany all the EU interventions in Mozambique, within the current 11<sup>th</sup> EDF framework but also in view of the upcoming programming exercise for 2020 onwards and the new instruments under the EU Multiannual Financial Framework (MFF) 2021-2027, envisaging a better coherent and coordinated approach to policy dialogue, development cooperation, political cooperation and trade related issues.

## 1.3 Public Policy Analysis of the partner country

The NIP is fully consistent with the three crosscutting pillars supporting the **Five Year Government Plan 2015-2019** (*Plano Quinquenal do Governo, PQG*, the key medium-term

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<sup>4</sup> COM(2018) 643 final of 12.9.2018.

<sup>5</sup> COM(2011) 637 final of 13.10.2011.

<sup>6</sup> COM(2016) 581 final of 14.9.2016.

<sup>7</sup> SWD(2015) 182 final of 21.9.2015.

programming instrument of the Government of Mozambique: 1 - consolidate the democratic rule of law, good governance and decentralization; 2 - promote a balanced and sustainable macroeconomic environment; 3 - reinforce international cooperation<sup>8</sup>.

The Plan identifies as overall objective the improvement of living conditions of Mozambicans, increasing jobs, productivity, competitiveness and creating wealth and inclusive development, in a context of peace and security. The PQG also considers civil society as a key governance actor and defines that new efforts must be made to make the established formal dialogue mechanisms more effective. The plan promotes gender equality in all development, economic, social, and cultural areas, through the coordination of the Ministry of Gender, Children and Social Welfare.

The country has a **national gender strategy**, a specific strategy for prevention of child marriage (2015) and also a gender country profile (supported by the EU) which suggests priorities, coordination and monitoring mechanisms. Under the international and regional context, Mozambique has ratified a number of international and regional instruments aimed at promoting gender equality and women's rights.

With its overall objective, the PQG intends to pursue the progressive achievement of SDG 1: *end poverty in all its forms everywhere*, and SDG 10: *reduce inequality within and among countries*. More specifically, the three pillars of the PQG are relevant for the progressive achievement of the SDG 16: *promote just, peaceful and inclusive societies* (pillar 1); SDG 1: *end poverty in all its forms everywhere* (Pillar 2); and SDG 17: *revitalise the global partnership for sustainable development* (Pillars 2 and 3)<sup>9</sup>. The Plan also targets several other SDGs.

#### 1.4 Stakeholder analysis

The main stakeholders relevant for the action can be grouped as follows:

- The National Authorising Officer's (NAO) office (*Gabinete do Ordenador Nacional (GON)*) is the main interlocutor for the EDF and other EU cooperation instruments, playing a central role in their implementation. It incorporates technical, operational and political functions and responsibilities assigned by the Cotonou Agreement and ensures the required institutional memory. The NAO office also plays a key coordinating role in the ongoing EU-Mozambique political and policy dialogue. Challenges in terms of financial and human resources capacities should be addressed for an effective implementation of EU programmes, accompanied by a fruitful political and policy dialogue;
- Key governmental institutions involved in the formulation and implementation of the EU development cooperation actions and policy dialogue: sector ministries and public institutions<sup>10</sup>, whose activities are supported and impacted by the EU funding instruments. In addition, the provincial and district governments and local authorities of Nampula and Zambézia provinces will be particularly targeted, as they will be called for a more direct involvement and will need to improve their capacity to implement and monitor projects. This is due to the concentration of several rural development EU programmes

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<sup>8</sup> Governo da Republica de Moçambique: Programa Quinquenal do Governo 2015 – 2019. 2015.

<sup>9</sup> Ministry of Finance - National Directorate of Planning and Budget: Transforming Our World - The 2030 Agenda for Sustainable Development. 2016.

<sup>10</sup> Such as: Parliament, the Attorney General's Office and Ministries of: Agriculture and Food Security (MASA), Industry and Trade (MIC), Land Environment and Rural Development (MITADER), Mineral Resources and Energy, Economy and Finances (MEF), Education, Justice, Gender and Social Welfare, National Road Authority (ANE).

("PROMOVE" agriculture, road transport, energy, biodiversity, nutrition and trade), for a total of EUR 264 500 000 in these two provinces. These key actors will contribute significantly to ensure coherence between the EU actions and the country's policies as well as their lead of policy/sector dialogue;

- Other EU's partners such as development agencies (implementing partners of programmes in Delegated Cooperation, UN-agencies or EU member state agencies), and CSOs including foundations, think-tank organisations and private sector are important stakeholders in as far as they will be supported in their participation and contribution to interventions under this action where relevant. Thus, they will also directly benefit and contribute to conferences, seminars, workshops and other visibility actions on key policy/issues related to development, trade and cross-cutting themes, as well as from training on European Union - African, Caribbean and Pacific (EU-ACP) cooperation procedures and principles. This should ensure complementarity between the EU actions in Mozambique and reinforce the demand side for accountability of policies and programmes.

### 1.5 Problem analysis/priority areas for support

The action intends to address the following problems:

- Insufficient human, administrative and financial capacity of the NAO office and key governmental institutions (sector ministries, public institutions, provincial and district governments, particularly in Nampula and Zambézia) to implement the European Development Fund/ Neighbourhood, Development and International Cooperation Instrument (EDF/NDICI) and intervene in other EU funding instruments more strategically and efficiently, preventing them to directly manage certain elements of the project cycle as well to lead policy/sector dialogue and promote EU-Government of Mozambique cooperation visibility;
- Insufficient integration and coordination across EU interventions, where a priority area of support will be to ensure interlinkages among all programmes, and the different rural development programmes (PROMOVES) in particular, which focus mainly on two provinces: Nampula and Zambézia;
- Insufficient accountability of national policies and of EU programmes. The programme intends to increase the demand for accountability by supporting CSOs, foundations, private sector and think-tank entities where relevant, increasing at the same time complementarity between EU actions in Mozambique and the projects implemented directly by these entities.

## 2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Low absorption capacity /NAO fails to commit funds within the planned	M	Effective implementation of the new revised statutes envisaging a more

commitment period		modern, efficient and functional NAO structure <sup>11</sup> .
Programme/projects documents are not produced in time to meet the timelines set	M	Mobilisation of ad-hoc and timely expertise through Technical Assistance – when deemed necessary; intensified sectoral policy dialogue may also mitigate this risk.
EU contractual and financial procedures and rules are not adhered to	M	Training is given to NAO, line ministries, CSOs and other relevant stakeholders personnel assigned to the management of programme estimates, service and supply contacts.
Non-availability of short-term technical assistance	L	Terms of reference will be prepared and assignments will be monitored continuously. Requests for services should be issued early enough to ensure the availability of experts.
Inadequate ownership of the technical assistance provided	L	Regular dialogue with NAO, sector ministries and key agencies in the management and implementation of actions and also in view to enhance demand-driven technical assistance.
Capacity building support undermined due to the departure of trained staff.	M	This risk is to be mitigated by involving concerned bodies at both institution and individual levels.
<b>Assumptions</b>		
The political and economic stability of the country is preserved and the public management of financial resources continues to improve.		
The Government of Mozambique remains committed to reform, to improve governance and economic management and particularly to establishing rigorous management and accountability procedures for the EDF.		
Adequate staff with right skills and competences is assigned to the management of EU programmes.		

### 3 LESSONS LEARNT AND COMPLEMENTARITY

#### 3.1 Lessons learnt

This project is a continuation of the current Support Measures for Management of EU Resources (2015-19) funded under the same 11<sup>th</sup> EDF NIP 2014-2020 for Mozambique. Lessons learnt so far show that both Technical Cooperation Facility (TCF) instrument and institutional support to the NAO are complementary tools that can significantly improve the effectiveness of the EU Development Cooperation in the country and its impact mainly on capacity development of government institutions and other relevant stakeholders.

<sup>11</sup> NAO statutes were revised and approved by the Council of Ministers in January 2019, to adapt the NAO structure to the legal framework provided for in the Cotonou Agreement, as well as to the overall national strategy of public sector reform.

The project has been very valuable for specific needs related to project identification and evaluation; communication, capacity development, policy dialogue and political dialogue through the funding of analytical work, studies, conferences, communication activities, training on EDF procedures and events related to EU-Mozambique cooperation. It also enabled the European Union Delegation and NAO to respond quickly to unforeseen needs in terms of planning and identification.

Previous TCF/Support to GON programmes showed high consumption rate: 91 % of the 2011-2016 Programme (EUR 8 000 000) was contracted, while the current 2015-2019 TCF/GON Support Programme (EUR 7 500 000) is foreseen to be fully contracted by October 2019. While building on these experiences, the proposed programme intends, for the first time, to additionally support technical assistance at provincial level in the two targeted provinces of the EU rural development intervention ("PROMOVE" programmes in agriculture, road transport, energy, biodiversity, nutrition and trade), Nampula and Zambézia, to ensure implementation, coherence and coordination of the PROMOVE package, and support its linkage to policy dialogue<sup>12</sup>.

The institutional support to the NAO has been very useful in improving the role of the NAO in the co-management process and in supervising and monitoring contracts. Its operational and technical capacities have increased and expanded as a result of the last EU support. The NAO has moved from a permanent technical assistant (TA) in 2011-2016 to short local services for specific issues when needed for the period 2015-2019 – this resulted in an immediate increase of the ownership and TCF use by other relevant stakeholders. However, there are still several challenges, the support on operational capacity of the NAO is still pertinent and should continue to allow a consolidation of the results achieved so far. Besides, particularly significant NAO efforts have been put in place in 2018 to have its new revised statutes approved by the Council of Ministers for a more modern, efficient and functional NAO structure<sup>13</sup>, whose effective implementation will demand more in terms of funding in the next five years. In general, the combination of these two support measures (TCF and NAO Support) contributed to a stronger involvement of the Government of Mozambique in the identification and implementation of EU-funded projects, and in the governance and political dialogue, allowing Mozambique to take full advantage of the Cotonou Agreement.

### **3.2 Complementarity, synergy and donor coordination**

The development effectiveness architecture and coordination has recently been restructured, together with the Government, in the following three levels of dialogue:

- Sector/ thematic working groups (quarterly or bi-annual meetings): to discuss sector policy issues and ensure harmonisation and alignment of Development Partner programmes in priority sectors. The EU chairs some of them;
- Development Coordination Platform (DCP, co-chaired by the EU): at Heads of Cooperation level, to discuss country and general donor coordination and aid effectiveness key issues. This forum meets monthly for internal coordination and has quarterly or bi-annual dialogues with the government, led by the co-chairs of the group, currently EU and United States of America (USA);
- High level Forum: Heads of Mission and Ministers, to discuss strategic issues at an annual gathering. Ideally the president would join this high level forum.

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<sup>12</sup> Approximately EUR 1 200 000 per year in technical assistance.

<sup>13</sup> New departments with clear functions and clear profile in terms of positions and staff have been defined.

This new structure is not yet fully implemented, and discussions with the Government are ongoing. Besides the 12 EU Member States with local representation in Mozambique<sup>14</sup>, the main players within the development partners are the EU, United States of America, Canada, China, Norway, Switzerland, Japan, the United Nations (UNICEF, UNDP, FAO, WFP, IFAD, UNFPA, and UNIDO), the Bretton Woods Institutions (BWI), the World Bank (WB) and the African Development Bank (AfDB). The EU has an active role in this framework, by promoting consensus and alignment, having an active participation and chairing role in several technical working groups, and most importantly, the EU played a central role in the establishment of the new coordination mechanism.

It is expected that, in addition to specific EU activities, and considering the EU presence and active participation in the general donor coordination and aid effectiveness structure, the TCF will contribute to supporting policy dialogue, especially on SDGs, donor harmonisation and joined/coordinated donor activities. The TCF and NAO support under this programme will also contribute to increase coherency of EU programmes, particularly those with a relevant capacity development component. As such, the framework for consultation and regular exchanges between key stakeholders (government, donors and CSOs including foundations, think-tank organisations and private sector) will be strengthened for the most effective management and use of the EU development support, as a complement to programmes specifically targeting CSOs and local authorities (LAs) such as PAANE II (Programme in Support to Non State Actors) and the CSO and LA budget lines (country and global level).

#### **4 DESCRIPTION OF THE ACTION**

##### **4.1 Overall objective, specific objective(s), expected outputs and indicative activities**

The overall objective of this action is "to enhance the effectiveness, efficiency and impact of EU aid/development cooperation in Mozambique". To achieve the above objective, this action is strategically split in the following two specific objectives:

*Specific objective 1 - To improve programming and implementation of EU-funded projects under the 11<sup>th</sup> EDF:*

**Result 1.1:** Strengthened skills and capacities of staff from the NAO, relevant line ministries and public institutions on programming, formulation, implementation of national and regional EU resources (including EDF rules and procedures);

**Result 1.2:** Improved capacities of staff from the government, including the NAO, relevant line ministries, public institutions, and implementing partners on Results-oriented monitoring, financial management and control systems on EU funded programmes.

*Main activities under specific objective 1:*

- Mobilisation of technical assistance (TA) to assist with specific tasks related to: project identification, formulation and implementation, including assistance with tender procedures, evaluation and monitoring;
- Mobilisation of TA to support the Government in undertaking feasibility and technical studies, surveys, assessments, analytical and diagnostic studies to assist in the formulation of sector specific government policies and to ensure that aid programmes achieve the desired impact;

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<sup>14</sup> Austria, Belgium, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden and the United Kingdom.

- Mobilisation of TA to effectively support the implementation of Mozambique's national development strategy, EU's current and future national and regional indicative programmes (NIPs/RIPs) as well as the wider political dialogue, human rights, governance and aid effectiveness commitments;
- Audits and evaluations of programmes /projects whenever they cannot be financed out of the project itself or where it is convenient or efficient to combine a number of audit/evaluations of related interventions;
- Activities and field visits aiming at ensuring satisfactory monitoring and evaluation by NAO and line ministries of EU programmes and project. Procurement of resources to facilitate this activity can be carried out if deemed necessary;
- Training of staff from the NAO and other stakeholders where relevant on EU rules and procedures as well as project cycle management;
- Mobilisation of TA to support the monitoring of programmes/projects;
- Implementation of activities devoted to the smooth implementation of Cotonou obligations (including under Article 8).

*Specific objective 2: To improve coherence, integration and coordination across EU interventions with the country's policies:*

**Result 2.1:** The capacity and mechanisms for policy dialogue and programming between the government of Mozambique, the EU and other development partners and actors are improved.

**Result 2.2: Communication and Visibility:** Transparency and publicity of the use of EU resources is ensured through visibility and communication of EU actions.

*Main activities under specific objective 2:*

- Conferences, workshops and seminars organised for Mozambique and ACP countries on EU-Mozambique and EU-ACP development cooperation (or other regional groupings), policy and trade related issues, including platforms for exchange with all stakeholders (central and local Government, CSOs, think-tank organisations, including foundations private sector) on these issues;
- Activities and events to promote dialogue with the targeted provinces/districts and between the Government of Mozambique (central and local levels), EU and other development partners and actors (as specified in 2.1 and 2.2) on issues relevant to the EU in Mozambique and beyond;
- Activities aiming at coordination, increasing awareness, visibility and communication of EU actions to ensure transparency and publicity of the use of EU resources made available to Mozambique (amongst others: project launch ceremonies, promotional materials, press conferences, and publication of advertisements), at national and provincial/district level;
- Participation and organisation of training and capacity development activities on development and trade related issues for the benefit of key stakeholders, particularly NAO, and line ministries;
- Participation by NAO staff, Government officials and other relevant stakeholders (CSOs including foundations, think-tank organisations, private sector) to conferences and seminars on EU-Mozambique and EU-ACP development cooperation (or other relevant groupings), aid effectiveness initiatives and trade priorities.

## 4.2 Intervention Logic

The identified results will be reached through the following four tools:

- **Technical Assistance Facility (TAF) (Result 1.1)** – to assist **policy/advisory, preparatory and implementation of technical cooperation** to strengthen the Government of Mozambique, NAO, relevant line ministers and implementing partners' results oriented monitoring, financial management and control systems on EU funded programmes to improve programming and implementation of EU-funded projects. Particularly, the component will extend technical assistance to the provincial and district authorities of Zambézia and Nampula for the management and monitoring of the PROMOVE package
- **Support to NAO operating costs (Result 1.2)** – to improve the institutional and staff capacities of the NAO, relevant line ministries and public institutions to ensure that the NAO can fully and effectively undertake its role and function in the coordination and management of EU resources and the improving mechanisms for programming and implementation of EU-funded projects and programmes.
- **Capacity Development Facility through Training Support for Projects and Programmes (TSPP) and Conferences and Seminars (CS) (Result 2.1)** – to improve the capacity and mechanisms for policy dialogue of staff from the Government, EU Delegation and other relevant stakeholders (CSOs including foundations, think-tank organisations, private sector) in order to improve coherence and coordination of EU interventions within the country. Capacity Development programmes, training and conferences can be provided by private companies and/or individual experts, international organisations and CSOs in accordance with EU procedures. It covers the participation of Government of Mozambique officials, members of public institutions and CSOs in national, EU or ACP meetings, seminars or training activities organised by the Commission or by entities other than the Commission on topics of interest related to the EU-Mozambique partnership.
- **Communication and visibility (CV) (Result 2.2)** – to ensure the implementation of activities aiming at increasing the visibility, dialogue and awareness of European Commission (EC/EU) political and technical cooperation in Mozambique and support to trade and private sector, regional integration, governance and human rights issues. It will also finance activities and events to promote dialogue between Government of Mozambique, EU and other development partners and relevant actors (including public institutions, CSOs and private sector) on issues relevant to the EU in Mozambique and beyond.

## 4.3 Mainstreaming

The own nature of the action (TCF instrument) provides the means to ensure coherence and complementarity among EU funded programmes mainstreaming cross-cutting issues, e.g. gender, environment, human rights and the participation of disadvantaged groups such as women and children. By supporting the focal sector 1 – Good Governance and Development, this action will primarily ensure equity and reinforce women participation and awareness in the democratic system. As regarding the focal sector 2 – Rural Development, the TCF component will benefit rural women, allowing them to be more productive, better educated and assist their families. The focus on energy and the new sources of renewable energy in this focal area will also contribute to protect the environment and biodiversity, therefore contributing to fight climate change. Specific actions will be implemented in complementarity

with the PAANE II<sup>15</sup> to support European Instrument for Democracy and Human Rights (EIDHR), CSO-LA and other budget line current and future instruments, mainly for dissemination and technical support, meaning support to organisations working specifically with human rights, democracy, climate change and local participatory decision making processes.

Additionally, gender balance will be promoted and maintained in terms of contracted staff recruitment within the NAO component. The action will also ensure that gender balance is observed in terms of participation in all training components and disaggregated list of participants by gender will be maintained for all targeted entities. In general, the programme is designed as to ensure that no one is left behind; Right Based Approach working principles will be included in all the contracts for programme implementation and in all the terms of reference defined for the actions.

#### **4.4 Contribution to SDGs**

This intervention is relevant for the United Nations 2030 Agenda for Sustainable Development. By its own nature, supporting and complementing all the EU intervention in Mozambique, it contributes primarily to the progressive achievement of SDG 17: *to strengthen the means of implementation and to revitalise the global partnership for sustainable development*; while also contributing to the progressive achievement of SDG 1: *to end poverty in all its forms everywhere*, considering the alignment between the 11<sup>th</sup> EDF NIP 2014-2020 for Mozambique and the PQG 2014-2019.

The TCF, by supporting policy dialogue, will also allow the EU, as well as the wider donor community, to engage in meaningful SDG-related policy dialogue(s) with the Government of Mozambique and relevant public institutions, and it will also ensure inclusiveness of this dialogue by enabling participation by CSOs (including foundations, think-tank organisations, and private sector) and decentralised actors such as local authorities. Regarding policy dialogue at provincial level, it will be reinforced and will focus on SDG 2: *end hunger, achieve food security and improved nutrition and promote sustainable agriculture*; SD8: *promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*, SDG 15: *protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss*, and SDG 17: *revitalise the global partnership for sustained development*.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the Republic of Mozambique.

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is **60 months** from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

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<sup>15</sup> 11<sup>th</sup> EDF Support Programme to Non State Actors in Mozambique: participation for inclusive growth (PAANE II), foresees support to civil society as a complement to the NIP focal sectors.

### 5.3 Implementation of the budget support component

n/a

### 5.4 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>16</sup>.

#### 5.4.1 Indirect management with the Government of Republic of Mozambique

This action with the objective of "support the Government's development strategy through the implementation of sound development programmes and policies and to foster a more coherent and informed approach to policy dialogue and to development cooperation, political cooperation and trade related issues" may be implemented in indirect management with the Government of the Republic of Mozambique according to the following modalities:

The partner country will act as the contracting authority for the procurement and grant procedures. The Commission will control ex-ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex-ante control for procurement contracts above EUR 100 000 (or lower, based on a risk assessment) and may apply ex-post control for procurement contracts up to that threshold. The Commission will control ex-ante the grant procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the partner country for ordinary operating costs, direct labour and contracts below EUR 300 000 for procurement and for grants.

The financial contribution partially covers, for an indicative amount of EUR 1 000 000 the ordinary operating costs incurred under the programme estimates.

The partner country shall apply the Commission's rules on procurement and grants. These rules will be laid down in the financing agreement to be concluded with the partner country.

#### (a) Overview of implementation

<b>Activity/objective/output</b>	<b>Type of financing (works, supplies, or service contract, grant, programme estimate)</b>
Technical Assistance Facility (TAF)	Service contracts
Capacity Development Facility - Training Support for Projects and Programmes (TSPP) and Conferences and Seminars (CS)	Service contracts
Support to NAO operating costs	Programme estimates

#### (b) Implementation through programme estimates

The contracting authority for these activities shall be the National Authorising Officer. The project supervisor shall be the Ministry of Foreign Affairs and Cooperation<sup>17</sup>.

<sup>16</sup> www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

An imprest administrator and an imprest accounting officer, and their deputies, shall be appointed for the management and implementation of the programme estimate by the contracting authority, in agreement with the Head of Delegation.

In accordance with the powers delegated to them by the partner country authority that appointed them, the imprest administrator and the imprest accounting officer shall draw up and implement the programme estimate, award contracts and grants, commit expenditure and make the corresponding payments.

The imprest administrator and the imprest accounting officer shall submit their technical and financial reports to the project steering committee, where applicable, and to the National Authorising Officer and a copy to the Head of the EU Delegation.

### **5.5 Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

### **5.6 Indicative budget**

<b>Budget Headings</b>	<b>EU contribution (in EUR)</b>
<b>5.4.1 Indirect management with the Government of Republic of Mozambique</b>	<b>11 550 000</b>
Results 1.1: Technical Assistance Facility – TAF	8 550 000
Result 1.2: Support to NAO operating costs	2 500 000
Result 2.1: Capacity Development Facility - TSPP + CS	500 000
5.9 Evaluation & 5.10 Audit/ Expenditure verification	<b>150 000</b>
5.11 Communication and visibility	<b>500 000</b>
Contingencies	<b>300 000</b>
<b>Totals</b>	<b>12 500 000</b>

### **5.7 Organisational set-up and responsibilities**

The overall responsibility for the implementation of the programme lies with the National Authorising Officer, who may request the Commission to implement technical assistance contracts on his/her behalf under Article 19 (c) 4 of Annex IV to the ACP-EU Partnership Agreement.

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<sup>17</sup> Ministério dos Negócios Estrangeiros e Cooperação de Moçambique – MINEC.

Activities could be implemented through service contracts or Programme Estimates. To ensure the good functioning of this programme, the Government of the Republic of Mozambique will undertake the following:

- Provide, on a permanent basis, a Head of the NAO office and other full time qualified civil service staff for EU/EDF operations at the NAO office as necessary;
- Ensure that all NAO staff duties and objectives, as formalised in the recently approved revised statutes, are fully implemented;
- Provide the necessary physical facilities for the operation of the NAO office;
- Provide operating expenses and salary expenses of officials or agents of the State seconded by the Ministry of Foreign Affairs and Cooperation to exercise functions in the GON.

The National Authorising Officer and the European Commission, represented by the EU Delegation to Mozambique, will meet regularly to ascertain what services and actions need to be contracted and how best to do this to support the objectives of this project.

### **5.8 Performance and Results monitoring and reporting**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the Logframe matrix (for project modality). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

### **5.9 Evaluation**

Having regard to the nature of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision). A mid-term evaluation will be carried out only if deemed necessary.

The Commission shall inform the implementing partner at least 3 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services may be contracted under a framework contract at the end of this project.

### **5.10 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, at least one contract for audit services may be contracted under a framework contract in the second year of implementation of this project, followed by subsequent contracts on a yearly basis.

### **5.11 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Implementation of communication and visibility actions will be done on the basis of procurement contracts (service contracts) under this project.

## APPENDIX - INDICATIVE LOGFRAME MATRIX

	<b>Results chain: Main expected results (maximum 10)</b>	<b>Indicators (at least one indicator per expected result)</b>	<b>Sources of data</b>	<b>Assumptions</b>
<b>Impact (Overall Objective)</b>	To enhance the effectiveness, efficiency and impact of EU aid/development cooperation in Mozambique	Number of projects successfully identified and implemented under the 11 <sup>th</sup> EDF	External Assistance Management Reports (EAMRs), NIP Mid Term Review Report	<i>Not applicable</i>
<b>Outcome(s) (Specific Objectives)</b>	<b>Specific Objective 1:</b> To improve programming and implementation of EU-funded projects under the 11th EDF	<ul style="list-style-type: none"> <li>1.1 programming and implementation of EDF resources according to plans;</li> <li>1.2 % Commitment of 11th EDF resources</li> </ul>	Joint Annual Reports; NAO implementation Reports (including work plans and financial reports); NIP Mid Term Review Report; EAMR (EU Delegation report)	NAO/Gov. Mozambique remain committed to implement EU funded actions and EU aid policy; Macro-economic and political conditions remain stable.
	<b>Specific Objective 2:</b> To improve coherence, integration and coordination across EU interventions with the country's policies	<ul style="list-style-type: none"> <li>2.1 Number of events dedicated to enhancing policy dialogue and communication with relevant stakeholders;</li> <li>2.2 Number of EU-Mozambique cooperation CV plans in place.</li> </ul>	EAMR, NAO implementation reports, Results-Oriented-Monitoring (ROM) reports, C&V plans	
<b>Outputs for SO1</b>	Result 1.1: Strengthened skills and capacities of staff from the NAO, relevant line ministries and public institutions on programming, formulation, implementation of national and regional EU resources (including EDF rules and procedures)	<ul style="list-style-type: none"> <li>1.1.1 % of staff (disaggregated by sex, institution) trained in EU funding (including EDF procedures) at national and regional levels;</li> <li>1.1.2 % of projects and programmes (to be funded by the 11<sup>th</sup> EDF) successfully formulated by NAO, relevant line ministries and public institutions with the support of the Action.</li> </ul>	<p>1.1.1 Training packages modules, list of participants to trainings, evaluation reports of participants</p> <p>1.1.2 List of EU funded projects extracted from EAMR, NAO implementation reports, Joint Annual Review, EAMR, ROM reports, External review reports/evaluations, Budget Support Joint annual review reports, Audit reports.</p>	<p>NAO and line ministries willingness to prioritise staff training;</p> <p>The Government provides the necessary resources (staff, logistical, budget) to carry out the tasks under the responsibility of the NAO.</p>
	Result 1.2: Improved capacities of staff from the government, including the NAO, relevant line ministries, public institutions, and implementing partners on Results-oriented	<ul style="list-style-type: none"> <li>1.2.1 % of staff (disaggregated by sex, institution) trained in monitoring, financial management and control systems of EU funding;</li> <li>1.2.2 Status of and effectiveness of management information systems and</li> </ul>	<p>1.2.1 Training packages modules, list of participants to trainings, evaluation reports of participants;</p> <p>1.2.2, 1.2.3, 1.2.4 Implementation reports containing measurable</p>	The Government provides the necessary resources (staff, logistical, budget) to carry out the tasks under the responsibility of the NAO;

	monitoring, financial management and control systems on EU funded programmes	<p>M&amp;E;</p> <ul style="list-style-type: none"> <li>• 1.2.3 Number of timely quality Mid Term and final evaluations and ROM reports;</li> <li>• 1.2.4 Number of ROM conducted (incl. joint missions National Authorising Officer – European Commission (NAO-EU)-line ministries- implementing partners) and with adequate level of follow-up of programme implementation by NAO/government.</li> </ul>	information on project's results and objective achievements, monitoring reports, programme documents, NAO manuals produced.	NAO and line ministries willingness to prioritise staff training.
<b>Outputs for SO2</b>	Result 2.1: The capacity and mechanisms for policy dialogue and programming between the government of Mozambique, the EU and other development partners and actors are improved	<ul style="list-style-type: none"> <li>• 2.1.1 Status of participation of governmental officials and other development partners to policy dialogue sessions (conferences, seminars, training, etc.) on EU-ACP development cooperation, policy and trade related issues with the support of the Action (disaggregated by sex, institution);</li> <li>• 2.1.2 Number of qualified/trained persons on capacity development activities (disaggregated by sex, institution);</li> <li>• 2.1.3 Status of participant's satisfaction with capacity development events and activities.</li> </ul>	<p>2.1.1 Press Releases, newspapers etc., information material produced, C&amp;V budget fully absorbed, evaluation, minutes of meetings, reports of participants on events;</p> <p>2.1.2, Capacity and training reports; list of participants to events</p> <p>2.1.3 Evaluation questionnaires on capacity development events and activities.</p>	<p>Interest and availability of partners to participate in the project's events;</p> <p>Stakeholders commitment to attend events (conferences, trainings, seminars, etc.) and to provide feedback (evaluation questionnaires).</p>
	Result 2.2: Transparency and publicity of the use of EU resources is ensured through visibility and communication of EU actions.	<ul style="list-style-type: none"> <li>• 2.2.1 Number of EDF projects/ programmes with clear CV plan in accordance with EU visibility guidelines;</li> <li>• 2.2.2 Number of participants to visibility and official events (disaggregated by sex and type, i.e. NAO staff, government officials, other stakeholders)</li> </ul>	<p>2.2.1 EDF projects communication/visibility plans collected;</p> <p>2.2.2 List of participants to events visibility and official events.</p>	<p>Feasible communication/visibility plans are promoted;</p> <p>Interest and availability of partners to participate in the project's events.</p>