

Mid-Term Evaluation of the EFA Fast Track Initiative

Country Case Study: Mozambique

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Summary information for Mozambique

- Currency = meticals (MZM)
- Exchange Rate (31 December 2008) USD 1 = MZM 25.1
- Fiscal Year = January – December
- School year = January – December
- Structure of education system: 7 years primary and 5 years secondary
- Languages of instruction: Portuguese is the medium of instruction with bilingual education in the first three grades of lower primary
- Population: 21 million (2003)
- Population growth rate: 2.4% (2003)

There was a change in the structure of the Ministry of Education (MINED) in Mozambique when the last government took office in 2005. The former Ministry of Culture was abolished and incorporated into the Ministry of Education, which thus became the Ministry of Education and Culture (MEC). This is a model similar to that of the first post-independence government. To avoid confusion the acronym MEC is used throughout the report.

Acknowledgements

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Findings and opinions in this report are those of the evaluation team and should not be ascribed to any of the agencies that sponsored the study.

Preface

The Fast Track Initiative (FTI) is linked both to the Education for All (EFA) goals and to the Millennium Development Goals (MDGs). The FTI was launched in 2002, and by 2009 had been running for half its expected lifetime. The FTI partnership recognised the need to evaluate whether it is achieving the goals it has set itself. The evaluation was intended to provide an opportunity for reform and change where necessary.

As stated in the Terms of Reference:

The main purpose of the evaluation is to assess the effectiveness of FTI to date in accelerating progress towards achievement of EFA goals in participating countries, with particular attention to country movement towards universal primary completion (UPC). The evaluation will also assess FTI's contributions to improving aid effectiveness at both the country and global levels.

The evaluation was required to draw lessons learned from the FTI's strengths and weaknesses and to make recommendations to further improve future partnership programming and effectiveness.

The evaluation took place between November 2008 and February 2010. It was independent but jointly supported by a consortium of donors. An Evaluation Oversight Committee (EOC) was made up of representatives from the donor community, partner countries and civil society.

The evaluation team was a consortium of three companies Cambridge Education, Mokoro and Oxford Policy Management (OPM). The methodology and process for the evaluation are described in Appendix V (Volume 4) of the final synthesis report.

The main outputs of the evaluation, which included nine country case studies and eight desk studies, are listed overleaf.

Main Outputs of the Evaluation

All the following reports can be downloaded from www.camb-ed.com/fasttrackinitiative/.

EVALUATION FRAMEWORK

The Evaluation Framework: Evaluation Team Guidelines on Process and Methodology. Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM, 2009.

PRELIMINARY REPORT

Preliminary Report. Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM, 25 May 2009.

FINAL SYNTHESIS REPORT

Final Synthesis Report: Volumes 1–5. Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM, February 2010.

FULL COUNTRY STUDIES

Burkina Faso	<i>Burkina Faso Country Case Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and, OPM. Mailan Chiche, Elsa Duret, Clare O'Brien, and Serge Bayala, February 2010.
Cambodia	<i>Cambodia Country Case Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ray Purcell, Abby Riddell, George Taylor and Khieu Vicheanon, February 2010.
Ghana	<i>Ghana Country Case Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative: Cambridge Education, Mokoro and OPM. Terry Allsop, Ramlatu Attah, Tim Cammack and Eric Woods, February 2010
Kenya	<i>Kenya Country Case Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Anne Thomson; Eric Woods, Clare O'Brien and Eldah. Onsomu, February 2010.
Mozambique	<i>Mozambique Country Case Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ann Bartholomew, Tuomas Takala, and Zuber Ahmed, February 2010.
Nicaragua	<i>Nicaragua Country Case Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Muriel Visser-Valfrey, Elisabet Jané, Daniel Wilde, and Marina Escobar, February 2010.
Nigeria	<i>Nigeria Country Case Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Nick Santcross; Keith Hinchliffe, Anthea Sims Williams; Sulliemman Adediran and Felicia Onibon. February 2010.
Pakistan	<i>Pakistan Country Case Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Stephen Lister, Masooda Bano, Roy Carr-Hill and Ian MacAuslan. February 2010.
Yemen	<i>Yemen Country Case Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, OPM and Mokoro. Elsa Duret, Hassan Abdulmalik, and Stephen Jones, February 2010.

COUNTRY DESK STUDIES

Ethiopia	<i>Ethiopia Country Desk Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Catherine Dom, February 2010.
Malawi	<i>Malawi Country Desk Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Georgina Rawle, February 2010
Mali	<i>Mali Country Desk Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Mailan Chiche, February 2010.
Moldova	<i>Moldova Country Desk Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Clare O'Brien, February 2010.
Rwanda	<i>Rwanda Country Desk Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Mailan Chiche, February 2010.
Uganda	<i>Uganda Country Desk Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ray Purcell, February 2010
Vietnam	<i>Vietnam Country Desk Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ann Bartholomew, February 2010.
Zambia	<i>Zambia Country Desk Study.</i> Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ann Bartholomew, February 2010.

Abbreviations and Acronyms

ACCP	Accelerated Classroom Construction Programme
AfDB	African Development Bank
ADE	<i>Apoio Directo às Escolas</i> (Direct Support to Schools)
APB	Action Plan and Budget
BdM	<i>Banco de Moçambique</i> (Central Bank of Mozambique)
CAS	Country Assistance Strategy
CEF	Commonwealth Education Fund
CD	Capacity Development
CF	Catalytic Fund
CFMP	<i>Centário Fiscal de Médio Prazo</i> (Medium-Term Fiscal Framework)
CIDA	Canadian International Development Agency
COPA	Joint Steering Committee
DFID	Department for International Development
DICECE	District Centre for Early Childhood Education
DPL	Development Policy Loan
EC	European Commission
ECD	Early Childhood Development
ECDE	Early Childhood Development and Education
EFA	Education for All
EMIS	Education Management Information System
EP1	Primary education level 1
EP2	Primary education level 2
EOC	Evaluation Oversight Committee
EPDF	Education Programme Development Fund
e-SISTAFE	<i>e-Sistema de Administração Financeira do Estado</i> (Online/electronic State Financial Administration System)
ESSP	Education Sector Strategic Plan
FASE	<i>Fundo de Apoio Sectorial à Educação</i> (Education Sector Support Fund)
FRELIMO	<i>Frente de Libertação de Moçambique</i> (Mozambique Liberation Front)
FMR	Financial Monitoring Report
FTI	Fast Track Initiative
G-19	Group of 19 (group of general budget support donors)
GBS	General Budget Support
GOM	<i>Governo de Moçambique</i> (Government of Mozambique)
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GIR	Gross Intake Rate
GMR	Global Monitoring Reports
GNI	Gross National Income
GNP	Gross National Product
HAC	Harmonisation Alignment and Coordination
HDI	Human Development Index
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome
ICB	International Competitive Bidding
IDA	International Development Association
IF	Indicative Framework
IFC	International Finance Corporation
IMF	International Monetary Fund
INDE	National Institute for Educational Development
MDG	Millennium Development Goal
MdF	<i>Ministério das Finanças</i> (Ministry of Finance)
M&E	Monitoring and Evaluation
MEC	Ministry of Education
MEPT	<i>Movimento de Educação Para Todos</i> (Movement for Education for All)

MINEC	<i>Ministério de Negocios Estrangeiros e Cooperação</i> (Ministry of Foreign Affairs and Cooperation)
MINED	Ministry of Education and Culture
MOEST	Ministry of Education, Science and Technology
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MPD	Ministry of Planning and Development
MTEF	Medium-Term Expenditure Framework
MZM	Mozambican Metical
NEP	National Education Policy
NER	Net Enrolment Rate
NETF	Norwegian Education Trust Fund
NGO	Non Governmental Organisation
ODA	Official Development Assistance
OE	State Budget
OECD DAC	Organisation for Economic Cooperation and Development
OECD DAC	OECD Development Assistance Committee
PAF	Performance Assessment Framework
PAP	Programme Aid Partner
PAPs PAF	Programme Aid Partners Performance Assessment Framework
PARPA	<i>Plano de Acção para a Redução da Pobreza Absoluta</i> (Action Plan for the Reduction for Absolute Poverty)
PCR	Primary school Completion Rate
PDA	Annual Activity Plans
PEEC	<i>Plano Estratégico de Educação e Cultura</i> (Strategic Plan for Education and Culture)
PEFA	Public Expenditure and Financial Accountability
PES	<i>Plano Económico e Social</i> (Economic and Social Plan)
PER	Public Expenditure Review
PETS	Public Expenditure Tracking Survey
PFM	Public Financial Management
PIU	Project Implementation Unit
PQG	Five-year government plan
PRSP	Poverty Reduction Strategy Paper
PTR	Pupil-Teacher Ratio
RAR	Annual Review Meeting
RENAMO	<i>Resistência Nacional Moçambicana</i> (Mozambican National Resistance)
Sida	Swedish International Development Cooperation Agency
SIL	Specific Investment Loan
SNE	National Education System
SWAp	Sector Wide Approach
TA	Technical Assistance
TVET	Technical, vocational and entrepreneurship training
TOR	Terms of Reference
UK	United Kingdom
UN	United Nations
Unicef	United Nations Children's Fund
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UPC	Universal Primary School Completion
UPE	Universal Primary Education
US	United States
USAID	United States Agency for International Development
USD	United States Dollar
WB	World Bank
WG	Working Group
ZIP	School-cluster level

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EXECUTIVE SUMMARY

Introduction

S1 This is one of nine country studies being carried out as part of the mid-term evaluation of the Education for All (EFA) Fast Track Initiative (FTI). The FTI was launched in 2002 by a partnership of donors and recipient countries to "*accelerate progress towards the core EFA goal of universal primary school completion (UPC), for boys and girls alike, by 2015*". The FTI has now been running for half its expected lifetime. The FTI partnership has commissioned an independent evaluation to see whether it is achieving the goals it has set itself.

S2 The evaluation is taking place between November 2008 and December 2009. A Preliminary Report was made available for the FTI Partnership Meetings in Copenhagen in April 2009, and the full draft report will be submitted in October 2009. A full explanation of the evaluation, its methodology and its timetable is provided in the *Evaluation Framework*, available from the study website at www.camb-ed.com/fasttrackinitiative.

The Context for FTI in Mozambique

S3 Since independence in 1975, Mozambique has faced various challenges in education. The initial challenges of an increasing demand for education, without the necessary capacity to respond to these demands, gave way to the need to continuously provide education during 16 years of war. Today, the challenges are of a different nature, particularly regarding quality of primary education and provision of education at secondary level.

S4 A series of education plans have been developed, the first Education Sector Strategic Plan (ESSP) covered the period 1999–2005, while the second Strategic Plan for Education and Culture (PEEC) is from 2006–2010/11. The first plan focused on three key strategic areas which were a) access; b) quality; and c) capacity building. The second plan was more comprehensive, covering the entire education sector, although it prioritised primary education for all. It sought to address a) extending access to all school age children; b) providing educational opportunities for out of school youth and adults; and c) improving quality and relevance to ensure that increasing numbers of children have access to post-primary levels. Higher education and culture were also included in the second strategic plan as result of their merging with the Ministry of Education.

S5 Between 1999 and 2005, the period of implementation of ESSP I, the primary gross school enrolment ratio has increased from 70% to 105%, with the primary grade one intake ratio increasing by 17% in 2005. This was due to the growing demand for education and was supported by the abolition of school fees by the government in 2005 and the introduction of a new curriculum with free textbooks and school supplies. Gender disparities have also fallen with girls' access to the first grade of primary school increasing in relation to boys.

S6 More children are also completing primary school and repetition rates are falling. There was a primary completion rate of 42% in 2006 which is a significant improvement over 1999 when it was 14%. Until 2004 the number of repeaters at primary level was 25%, which fell to 10% and 5% in 2005 and 2006 respectively. This was the result of a semi-automatic promotion policy in basic education which was introduced in 2004, within the framework of a new curriculum for primary education.

The FTI in Mozambique

S7 Mozambique was invited to join FTI in 2002 and the country was endorsed for inclusion in FTI in March 2003, making Mozambique one of the first countries included. Mozambique's engagement with the FTI partnership has had two phases. The first relates to

the period during 2002 and 2003 when the FTI proposal was prepared and gained endorsement. The second started in 2007 when Mozambique applied for additional Catalytic Funds (CFs), after which there were lengthy negotiations in country concerning the funding channel.

S8 The FTI preparation process in 2002–2003 coincided with the beginning of the preparation of a new five year strategic plan in education (the Plano Estratégico de Educação E Cultura (PEEC)), that included major reforms to the education sector. FTI contributed by adding to the policy discussions and simulations of different policy scenarios. In April 2007 the Education Partnership Group applied for FTI CF funds to fill the financing gap of United States Dollars (USD) 34m in 2008 and USD 45m in 2009 that had been identified in the PEEC. Mozambique was then allocated USD 79m in May 2007 from the CF which was to be disbursed in three tranches from 2008–2010.

S9 The Ministry of Education and Culture (MEC) and donors requested that the funds be channelled through the education sector fund (FASE) in order to use the most aligned form of support within the education sector. FASE had been established in 2002 and was a pooled fund designed to support the implementation of the PEEC. A problem arose as the World Bank as the Supervising Entity for the CFs was not able to disburse the funds through FASE unless additional procedures, particularly for procurement would have had to have been introduced. After a long period of negotiation it was agreed that the World Bank (WB) would disburse FTI funds through FASE but significant derogations from Government of Mozambique (GOM) systems had to be agreed upon.

FTI and Education Policy and Planning

S10 FTI in 2002/2003 came into an environment in Mozambique where policy discussions were already under way in the areas that were highlighted by FTI and its Indicative Framework (IF). In this way, FTI was relevant, as it supported these discussions and provided strategies for reaching key objectives. FTI was particularly effective in influencing policy decisions in two areas: teacher training and low cost classroom construction. The decision to shorten and implement a single model of training primary school teachers was particularly effective, as previously the MEC had to contract 40% of teachers annually without any training. Now 95% of new teachers have a minimum level of pedagogical training. The policy of community-based, low cost school construction was less effective, as to date only a small number of classrooms have been completed. The programme has been constrained by a lack of construction capacity in the country, a lack of capacity at provincial level to manage the works and the difficulty of building schools within the budget of USD 10,000 as designated by the IF.

FTI and Education Financing

S11 External funding to basic education was already increasing prior to FTI and continued to do so as a result of the development of a good sector plan and the desire to support this through FASE. GOM domestic funding was also increasing as education was a priority area. Therefore, FTI did not result in a leveraging of additional resources from development partners in-country or the GOM. The financing from the CFs has helped to fund activities that were planned under the PEEC and it has allowed for an expansion of activities, through the funding it has brought. From this point of view the FTI CF has been relevant, although the picture from Education Programme Development Fund (EPDF) funds is more mixed, as although the EPDF funding has been relevant, although it has not always been used in line with the MEC's priorities. Nevertheless, although the CF funds have filled the financing gap identified in the PEEC for 2008–2009, this will not be sustainable as there will be a funding gap in 2010 and 2011 when CF funds have finished and the EU Code of Conduct – which foresees a reduction of the number of sectors supported by Development Partners – results in donors leaving the sector. In this sense the CF has not managed to be

catalytic by bringing about increased bilateral funding, as was expected when the funds were applied for.

FTI and Data Gaps

S12 There was a well established statistical system in the education sector in Mozambique, which means that the assumption of a data gap was less relevant for Mozambique. Various weaknesses remain in statistical systems however. There are questions regarding the accuracy of enrolment and population data, as there are not systems in place to ensure the validity of these data. There is also no systematic monitoring of quality or changes in quality over time. Statistics are also divided into Primary education level 1 (EP1 (grades 1 through 5)) and Primary education level 2 (EP2 (grade 6 and 7)) whereas the focus on the whole primary cycle suggests that these statistics should be combined. Despite the problems that still exist in statistical systems, there has been no influence of FTI on statistical systems or initiatives to strengthen data collection and monitoring.

FTI and Capacity Building

S13 Capacity development has been one of the main objectives of the two education sector programmes over the past ten years, with much attention devoted to capacity building issues. There has not been much direct influence of FTI on capacity building initiatives and it can be argued that this neglect of capacity building by FTI has had a negative impact in some instances. A capacity development strategy was not included within the accelerated classroom construction programme and due to this the programme has run into difficulties. EPDF funds have been used for a variety of ad-hoc activities, complemented by funds available for capacity building from FASE and other bilateral sources, with varying degrees of success.

FTI and Aid Effectiveness

S14 The aid effectiveness agenda in Mozambique began prior to FTI and is strongly linked to the architecture for general budget support (GBS). In education it was undertaken through the Education Partnership Group and the common sector fund FASE, which began in 2002. The education partnership group works well and is focused on facilitating dialogue and joint ways of working between the MEC and donors, although with marginal CSO engagement.

S15 FTI has also been a retrograde step in terms of the aid effectiveness agenda and has had a negative impact on the efficiency and effectiveness of aid due to this. The reasons for this have been two fold. First, donor harmonisation has suffered due to the protracted negotiations over the disbursement channel for CFs and there is a perception that donors no longer speak with one voice or provide consistent message. Second, the FASE MOU was renegotiated in 2006 to better align the common fund with GOM procedures and to speed up disbursement. The exceptions to GOM procedures as a result of the requirements of the WB modality for CFs, particularly in procurement and reporting have reversed the steps made towards aid effectiveness and alignment outlined in the 2006 MOU.

Cross-Cutting Issues

S16 Gender, HIV/AIDS and regional equity issues were already incorporated within the education sector dialogue before the advent of FTI and became an integral part of the PEEC. On the other hand, in the assessment of the FTI plan proposal in-country by donors it was pointed out that more emphasis should be given to issues of gender equality and HIV/AIDS, so in this way FTI played a relevant role in highlighting that policies needed to be strengthened in these two areas.

S17 Gender indicators have also improved considerably in recent years, implying that policies related to gender equity in education have been successful. Policy towards HIV/AIDS has been less effective and it continues to be an important issue, particularly in the retention of qualified teachers and administrative staff.

Overall Conclusions

S18 **Relevance.** The evaluation concludes that FTI support has been relevant as it has supported existing government education policies and had a catalytic effect on policy discussions. This meant that FTI assisted in strengthening education policies, particular in the areas of teacher training and classroom construction and in the introduction of the concept of Universal Primary Completion (UPC), while the IF was used to develop strategies and promote a more effective use of funds. Funding from FTI will also play an important role through the CFs that are assisting in filling the funding gap identified in the PEEC. EPDF funds have been mixed in their usefulness. Similarly the FTI CFs are channelled through the FASE pooled funds in support of the PEEC and as such are completely aligned with government policy.

S19 **Accelerating progress on EFA.** FTI has been assisting Mozambique in progressing towards EFA, but there is little evidence that it is accelerating the process. The three policy decisions that have had a major bearing on the PCR are the provision of free school books, the introduction of semi-automatic promotion at primary level and the focus on getting children to school at primary level. These are not related to FTI, FTI's role being to support the existing government approach and influence policy in some areas. CFs have been allocated to non-salary recurrent costs and activities such as low cost school construction, school textbooks distribution, teacher training and direct support to schools. In this way, FTI through providing funding is helping to increase the scope of educational activities in conjunction with other FASE donors. Although, additional procurement procedures needed by the World Bank due to CFs being channelled through FASE, have slowed down the implementation of some activities in the past six months, particularly procurement of textbooks.

S20 **Resource mobilisation and aid effectiveness.** Additional international resources were mobilised in response to what was perceived as a good sector plan by donors and this would probably have occurred regardless of FTI endorsement. CFs have clearly played a role in increasing funds to the education sector and have helped in increasing the funds available for financing the sector plan from 2008–2010. FTI has resulted in a negative impact on alignment in the sector and a step backwards from Paris Declaration ideals. Although CFs are channelled through FASE which is the most aligned form of funding in the education sector, FASE in 2009 is now less aligned with government systems than it was in 2006. This is due to the need to adopt additional procedures to accommodate the World Bank's regulations to enable them to use FASE for FTI funds. In addition, although CSOs' participation in the RAR and other consultations has increased in recent years, they were not involved in discussions on the CF supervising entity and FTI has not had any influence in terms of bringing about greater inclusiveness in the education sector.

Recommendations and Reflections

S21 Mozambique was in one of the first group of countries to be invited to join the FTI and experienced problems as a result of the general lack of clarity about the aims and objectives of the process. There was a strong feeling in-country that the FTI Partnership should have been clearer in their communications with the education sector in Mozambique. During both the endorsement process, where an expectation was created of additional financing and in terms of the disbursement channel for FTI funds, where the expectation in-country was that funds would be received through FASE without additional procedures.

S22 Additional lessons from the experience of Mozambique relate to the nature of the current aid architecture, in that it does not make sense to focus solely on education sector processes when these are intrinsically tied into macro processes at the country level. Similarly, attempts to leverage additional funds for primary education will not be successful when other initiatives in education are being undertaken in an uncoordinated way. The introduction of the European Code of Conduct in Mozambique is likely to result in donors exiting the education sector at the same time as CFs are ending.

S23 An issue that was exposed by the argument in Mozambique over CFs was that the same bilaterals who had funded FTI at the global level had little influence on FTI processes at the country level. This may well undermine the willingness of bilaterals to contribute to FTI and it had led to the perception from quite a few CPs, that CFs were not relevant given that this was a vertical form of funding. They felt that the aid effectiveness agenda would be better served if those funds were channelled through bilaterals in-country either through sector support or GBS, rather than adding an additional level of complication by having global funds. Overall the Mozambique case demonstrated a lack of guidance by the FTI Secretariat and lack of understanding of dynamics on the ground despite that fact that all FTI contributors had a presence on the ground.

S24 Another anomaly that was brought about by the dispute over the funding channel for CFs in Mozambique, was that the World Bank despite being a major GBS donor could not provide support to a sector fund without using their own procurement procedures. This appears to be a contradiction: procurement will be undertaken by the GOM using both GBS and sector pooled funds, but procurement is not an issue with GBS which is funded by World Bank development policy loans are used (DPLs), but it becomes an issue for Specific Investment Loans (SILs) from the same agency.

S25 It was also noted by some donors that the World Bank's actions, particularly highlighting weaknesses in procurement procedures sent mixed messages to CPs' headquarters. This was unhelpful for those donors who had spent significant time convincing their HQ that they should fund through FASE. This questioning of PFM systems by the World Bank undermined the position of these donors by eroding their support at HQ level.

PART A: APPROACH

1 Introduction

The Fast Track Initiative¹

1.1 The Education for All – Fast Track Initiative (EFA-FTI) is an evolving partnership of developing countries and donor agencies. Its main objective is "*accelerating progress towards the core EFA goal of universal primary school completion (UPC), for boys and girls alike, by 2015*" (FTI 2004a, p3). It was established in 2002 by 22 bilateral donors, development banks and international agencies, prompted by the 2000 Dakar World Forum on Education, which yielded both the current EFA goals and a commitment to increased financial support for basic education.² Also, as an outgrowth of the 2002 Monterrey Consensus, FTI was designed as a compact that "*explicitly links increased donor support for primary education to recipient countries' improvements in policy performance and accountability for results*" (FTI 2004a p3).

1.2 According to its *Framework* document (2004), the FTI's major contributions to accelerated UPC would be by supporting:

- Sound sector policies in education
- More efficient aid for primary education
- Sustained increases in aid for primary education
- Adequate and sustainable domestic financing for education
- Increased accountability for sector results

1.3 Through such contributions to country progress on EFA goals, the FTI aspired to help countries close four gaps: financial, policy, capacity and data.

1.4 The 2004 *FTI Framework* set out the following guiding principles:

- **Country-ownership:** the FTI is a country-driven process, with the primary locus of activity and decision-making at the country level;
- **Benchmarking:** the FTI encourages the use of indicative benchmarks (the FTI Indicative Framework), locally adapted, to stimulate and enlighten debate over policies, to facilitate reporting of progress on both policies and performance, and to enhance mutual learning among countries on what works to improve primary education outcomes;
- **Support linked to performance:** The FTI is intended to provide more sustained, predictable and flexible support to countries that have demonstrated commitment to the goal of UPC, adopted policies in full consideration of a locally adapted FTI Indicative Framework, and have a need for, and the capacity to use effectively, incremental external resources;
- **Lower transaction costs:** The FTI encourages donor actions to provide resources to developing countries in a manner which minimises transaction costs for recipient countries (and for the agencies themselves);
- **Transparency:** The FTI encourages the open sharing of information on the policies and practices of participating countries and donors alike (FTI 2004a).

¹ This description draws on the Terms of Reference for the evaluation (see Cambridge Education, Mokoro & OPM 2009a, *Annex A*).

² The Dakar Forum communiqué stated that "No countries seriously committed to Education for All will be thwarted in their achievement of this goal by lack of resources."

1.5 In line with these principles, support for participating countries is based on the endorsement of a national education sector plan (over 30 countries have now been endorsed). Endorsement is intended to facilitate coordinated support from donors engaged in the education sector. There are also two FTI-specific instruments which can provide support at country level:

- The **Catalytic Fund**, set up to provide grant financing for eligible countries. The Fund had disbursed United States Dollars (USD) 396m to 20 countries as of November 2008.
- The **Education Program Development Fund** (EPDF) set up to provide eligible countries access to grant financing for capacity building (e.g., analytic work for planning and budgeting or training) and to support cross-country learning experiences. The EPDF had disbursed USD 28.8m (of USD 58.5m committed) to over 60 countries as of December 2008.

The World Bank is the trustee for both these funds, and also hosts the FTI Secretariat in Washington DC.

1.6 The FTI's management arrangements and operating procedures have evolved considerably, and are still being refined. (The timeline at Annex B of this report includes a summary of the main changes in FTI, as well as its involvement with Mozambique.)

Purpose and outputs of the evaluation

1.7 The FTI partnership has commissioned an independent mid-term evaluation. This takes place at the mid-point between the FTI's establishment and the Millennium Development Goal (MDG) target date of 2015. It is therefore designed both to assess progress so far and to offer guidance for the FTI's future work. According to the Terms of Reference (TOR):

The main purpose of the evaluation is to assess the effectiveness of FTI to date in accelerating progress towards achievement of EFA goals in participating countries, with particular attention to country movement towards universal primary completion (UPC). The evaluation will also assess FTI's contributions to improving aid effectiveness at both the country and global levels. The evaluation will assess the Initiative's added value, identify lessons learned from its strengths and weaknesses, and formulate recommendations for improved partnership programming and effectiveness. (TOR, ¶12)

1.8 The evaluation is being managed by an independent Evaluation Oversight Committee (EOC), and the evaluation process is meant to take account of the viewpoints of all stakeholders and encourage their involvement in debating the issues it raises. The main outputs are shown on page iv above.

Evaluation methodology

1.9 The biggest challenge in evaluating the FTI is to disentangle the activities and effects of FTI itself from those that would have occurred anyway. The approach adopted is *contribution analysis*. This involves a thorough review of the context and of overall results in the education sector, linked to a good understanding of what the FTI's inputs and activities were, and of the effects that they were intended to have. Available qualitative and quantitative evidence is then used to assess what contribution (positive or negative) FTI may have made to the overall results observed.

The role of country studies

1.10 The work programme for the evaluation envisaged nine full country case studies. According to the TOR:

Case studies are expected to be used in this evaluation as a means of developing greater insight into country-level processes, accomplishments, and problems, all in the context of each country, thus making a contribution to the lessons-learned part of the evaluation. (TOR ¶21)

1.11 The selected countries represent a range of country contexts and a range of different experiences with FTI.³ Each country study is a contribution to the overall evaluation. It is not a full evaluation of the education sector, nor is it linked the FTI's processes for country endorsement and allocation of funding. However, the case studies have been conducted in close collaboration with the country stakeholders in FTI, and it is expected that their reports will be of value to the countries concerned.

1.12 The country studies take account of the different perspectives of different stakeholders and consider the different streams of effects (education policy and planning, education finance, capacity, data and monitoring and evaluation (M&E), aid effectiveness) which FTI is intended to have. They aim to establish outcomes ("results on the ground") and to assess whether and how FTI inputs may have contributed to those results. (See Annex A for more details on the methodology and the approach to country studies.)

The study process for Mozambique

1.13 The country case studies are based on substantial preliminary research, followed by a country visit, then the drafting of a country case study report.

1.14 The visit to Mozambique took place between 1st and 12th June 2009. The Country Study team consisted of Ann Bartholomew (Country Study Team Leader), Tuomas Takala and Zuber Ahmed.

1.15 The team met a range of stakeholders from the government, donor and non-governmental organisations (NGOs). The team also visited the Teacher Training Institute at Matola. The team's programme, including a list of persons met, is at Annex C. A Country Visit Note summarised the team's preliminary findings and was circulated to in-country stakeholders on 13 June (Bartholomew et al 2009).

Outline of this report

1.16 In keeping with the evaluation methodology (¶1.9 above), this report first reviews Mozambique's overall progress towards EFA objectives (Part B), then systematically considers the parts played by the FTI (Part C). Conclusions and recommendations are in Part D.

1.17 Part C is structured according to the six workstreams within the overall evaluation: policy and planning, finance, data and M&E, capacity development, aid effectiveness and cross-cutting issues. Each subsection addresses the context, inputs and activities of the FTI, and the relevance, effectiveness, efficiency and sustainability (where possible) within these workstream areas. There is also a chapter on cross-cutting issues.

³ See the Cambridge Education, Mokoro & OPM 2009a (Annex H) for a full explanation of the choice of country cases.

1.18 This country case study aims to generate discussion and debate amongst four principal audiences:

- all stakeholders in Mozambique with an interest in the education sector;
- the FTI evaluation team as they draw together findings and recommendations for the mid-term evaluation's final report;
- the EOC, who will quality-check the report on behalf of the FTI's Board of Directors (Steering Committee);
- any other interested parties.

1.19 This is the final version of the report and takes account of comments received from the EOC, the Government of Mozambique and donors. A number of factual errors have been corrected. The main area where comments were received but could not be addressed in the report related to the EOC request to explore in more detail trends in funding pre and post FTI endorsement. This was not possible as no reliable data exist on education financing until 2005 for the reasons explained in ¶3.45 and footnote 8 below.

PART B: EDUCATION FOR ALL IN MOZAMBIQUE

2 Mozambique Background

Mozambique in brief

2.1 Mozambique is a low income country with a population of around 20.1m and a gross national income (GNI) of USD 320 per capita in 2007. Since the emergence from three decades of conflict and the peace accords in 1992, significant progress has been made in achieving economic growth and reducing poverty. Poverty decreased from 69% in 1996/97 to an estimated 51.4% in 2004, with growth of around 8% per annum achieved over the last decade.

2.2 Despite this, the country still ranks 172 out of 177 on the United Nations (UN) Human Development Index, but is on track to achieve the majority of its MDGs. However, improving the quality of service delivery is a key challenge particularly in health and education, as is reducing the prevalence of HIV/AIDS (Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome). Recent reports indicate an average adult prevalence rate of 16%. The southern region of country is the most affected, with rates of 20% on average, including as much as 27% in Gaza Province, and 26% in Maputo Province.

2.3 A competitive political system has been adopted, but despite holding three rounds of democratic elections it continues to fall short of fully democratic and liberal norms. The Mozambique Liberation Front (FRELIMO) have in each election won presidential and parliamentary majorities, with the Mozambican National Resistance (RENAMO) leading a coalition of opposition parties. Accountability mechanisms between the state and citizens are also weak.

2.4 A process of local government reform has been undertaken through decentralisation of urban areas, granting municipalities some political, administrative and fiscal autonomy. Administrative deconcentration has occurred in rural areas, with the central government delegating some responsibilities while retaining fiscal control.

National development strategy and performance

2.5 The main planning and budget documents in Mozambique are outlined in Box 2.1. The Five-Year Programme is the main planning document of the government and by law must be produced by each incoming government. A series of annual plans are also produced which are drawn from the five year plan and are called the Economic and Social Plans (PES). There are also medium term strategic plans produced by each line ministry and province which outline sector and provincial priorities. A Medium Term Expenditure Framework (CFMP by its Portuguese acronym) is prepared on a three year basis and updated annually on a rolling basis. This provides the financial framework for the strategic plans of each ministry.

2.6 A Poverty Reduction Strategy Paper was first developed in 2000 (PARPA I) which ran from 2000 to 2005, with a second PARPA produced covering 2006–2009. The five year plan establishes government key priorities and strategies, while PARPA operationalises the five year plan, focusing on key sectors. The PARPA is also linked with the overall national vision document Agenda 2025.

PARPA I (2001–2005) and PARPA II (2006–2009)

2.7 The first Poverty Reduction Strategy (PARPA) was implemented between 2001 and 2005, with the second PARPA covering 2006–2009. The latest PARPA aims at poverty reduction through an integrated approach to meet social and economic growth, as well as equity and governance objectives.

Box 2.1: Planning and Budget Documents in Mozambique

2025 Vision: The reflects the long-term vision of the country

Five-year Government Plan (PQG): This outlines governments key objectives and priorities during the government term (five years) and lists priority actions for each sector

National Poverty Strategy (PARPA): A medium-term plan which sets out activities with their costs that need to be undertaken to reduce the poverty rate.

Medium-term Fiscal Framework (CFMP): This guides the planning and budgeting process and defines budget ceilings. It is updated on an annual rolling basis for a three year cycle.

Sector and Provincial Plans: These are medium-term strategic plans for each ministry or province which contain priorities for a five year period.

Economic and Social Plan: (PES) This is produced on an annual basis and is included within the state budget each year. It translates governments overall development plans (PGQ and PARPA) into annual activities linked to its sectoral plans.

State Budget: Outlines the funding sources and costings of activities to achieve PES targets.

Source: IMF 2008, Republic of Mozambique: Report on the Observance of Standards and Codes – Fiscal Transparency Model.

2.8 PARPA II is divided into five pillars which cover the macro-economy and poverty, governance, economic development, human capital and cross-cutting issues. The fourth pillar includes education while the fifth pillar cross-cutting issues such as gender, HIV/AIDS, environment, food and nutritional security and disasters are mainstreamed throughout the document. Although PARPA II finishes at the end of 2009, it is not yet clear what will replace this document, therefore it has been extended until 2011.

The Performance Assessment Framework (PAF)

2.9 The PARPA is monitored through a monitoring and evaluation (M&E) framework called the Strategic Matrix which is a logical framework based on 140 indicators. This is the main mechanism for joint monitoring and review of performance between government and donors and guides assessment of the budget support process. The monitoring of PARPA is also open to NGOs and the public through a system of Development Observatories⁴ run by civil society with the aim of increasing public participation in the debate on poverty and government policy.

2.10 There is a mixture of objectives, outcome indicators and output/process indicators in the strategic matrix. Process indicators are measured on an annual basis whereas the outcome indicators will be measured at the end of 2009. From this matrix a sub-set of 40 indicators is then used as a basis for the Performance Assessment Framework (PAF) which guides annual agenda setting and is the main M&E instrument used between the Government of Mozambique (GOM) and the Group of 19 (G19) budget support donors or Programme Aid Partners (PAPs), as well as other bilateral and multilateral organisations that participate as observers.

⁴ Formerly known as Poverty Observatories.

2.11 The PARPA is monitored on a bi-annual basis through mid-year and end-year aide memoires which assess the extent to which indicators are being achieved and raise key issues which may prevent sectors from reaching their targets. There is also a Programme Aid Partners Performance Assessment Framework (PAPs PAF) which scores donors against their progress towards the Paris Declaration, which was introduced in 2004.

Quality of public financial management (PFM)

2.12 Mozambique has had two Public Expenditure and Financial Accountability (PEFA) assessments. The first published in 2006 indicated that there had been many improvements in the PFM system in Mozambique, as a result of the ongoing PFM reform programme. (Lawson et al 2006).

2.13 In response to the recommendations of the 2006 PEFA assessment the GOM prepared a medium-term "Public Financial Management Action Plan and Budget" (PFM-APB) for 2006–2009. This was financed through a multi-donor common fund and designed to address the key weaknesses highlighted by the PEFA. The new 2008 PEFA assessment stressed that significant improvements have been made in the quality of PFM since 2006, in particular with the implementation of the integrated electronic financial management system (e-SISTAFE).

2.14 SISTAFE (*System ad Administração Financeira do Estado*) was approved by the Mozambican parliament in 2002 and is a body of legislation, which establishes the principles and regulations for the integrated public financial administration system in Mozambique. The SISTAFE framework is composed of five main subsystems covering the full budget cycle and public financial management processes. The introduction of SISTAFE has led to strengthened systems of expenditure control, accounting and reporting, while a number of legislative revisions have also taken place.

2.15 E-SISTAFE was also developed as part of this process and is an integrated software system designed to automate financial transactions, improve the disbursement of financial flows throughout government and improve the transparency of PFM processes. E-SISTAFE allows all levels of the government to directly execute their budget lines, instead of having to follow the advance payment system that was formerly used. This is reported to have speeded up budget execution throughout the government system and has considerably improved the level of disbursement in the education sector common pooled fund (FASE).

2.16 A process of financial decentralisation and deconcentration has also been undertaken. The 33 urban municipalities now have full financial and political autonomy and they receive two annual transfers from central government, one to cover recurrent expenditure and the other to cover investment expenditure. The 11 provinces and 128 districts operate as agencies of the central government on a deconcentrated basis and have the responsibility of managing their own budgets.

2.17 SISTAFE laws and regulations are generally adhered to, while there is a well established process of legislative scrutiny of the budget. The main challenges in PFM relate to weaknesses in internal control systems and procurement processes. Procurement is highlighted in the 2006 PEFA as a particular concern, as less than 50% of contracts above the national threshold for small purchases were awarded on a competitive basis.

2.18 On the other hand, the 2008 PEFA noted the specific areas that showed the most significant progress as payroll, procurement and internal controls, cash management, revenue collection and management and donor practices. There was less progress on indicators relating to the credibility of the budget and external oversight. There was a slight deterioration on reporting, due to the Public Expenditure Tracking Survey (PETS) in

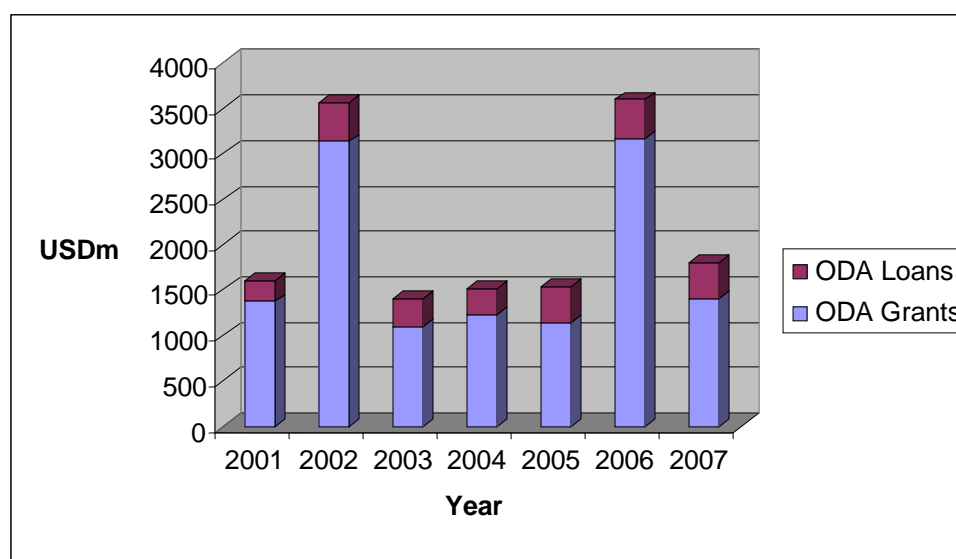
education being delayed. Areas highlighted for improvement included the oversight of aggregate fiscal risk in the public sector, the effectiveness of tax collection, the availability of information on resources received by service delivery units, and the scope, nature and follow-up of external audit.

Aid relationships

2.19 Mozambique is extremely aid dependent with over 50% of the government budget funded by external resources and Official Development Assistance (ODA) representing 29% of GNI in terms of total aid commitments in 2007. The five main donors to Mozambique between 1999 and 2007 were the World Bank (through its International Development Association (IDA) arm), the European Commission (EC), the United Kingdom (UK), United States (US) and France (OECD DAC, 2009).

2.20 As Figure 2.1 illustrates, most ODA is in the form of grants and there has been considerable volatility in levels of ODA on annual basis between 2001 and 2007.

Figure 2.1: ODA Disbursements to Mozambique 2001–2007 Loans and Grants (USDm constant 2007 prices)



Source: OECD. Stats Extracts <http://stats.oecd.org>

2.21 General budget support (GBS) plays an important role in Mozambique as a substantial share of ODA is channelled through GBS and the main aid architecture has developed around GBS. In 2007 36% of ODA was through GBS, 61% through programme aid (which includes programme based sector support, pooled technical assistance and GBS), while 36% of ODA was in the form of projects (Handley 2008).

2.22 There are 19 GBS donors.⁵ There are four donors which also have observer status which are the International Monetary Fund (IMF), Japan, the United States, and the United Nations Development Programme (UNDP). Roles and responsibilities for GBS are outlined in a Memorandum of Understanding (MOU) which covered April 2004 to April 2009 and a

⁵ The 19 PAPs are: the African Development Bank (AfDB), Austria, Belgium, Canada, Denmark, the European Commission, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom (UK) and the World Bank. The World Bank provides Balance of Payments Support rather than Budget Support.

subsequent MOU has just been finalised. Coordination of GBS is through a Troika of three donors, with the chair rotating on an annual basis.

2.23 As a result of GBS, Mozambique has an elaborate and well articulated aid architecture, including processes for mutual accountability, although government leadership is not strong. The main forum for dialogue takes place through the Joint Steering Committee between the PAP troika and high level officials from the relevant Ministries, while there is a mid-year and annual review of progress towards achieving GBS PAF objectives, which is undertaken jointly between donors and government (see ¶2.9 and ¶2.10).

2.24 There are twenty-nine working groups involved in the review distributed over the five thematic pillars. The working groups are composed of government representatives, the PAPs, other donors and civil society. An aide memoire for each annual review captures overall assessment of GOM and PAPs' performance and outlines issues that need special attention. At sectoral level there are sector partnership groups and thematic working groups. Indicators from sector plans and policy processes are included within the GBS PAF, while the joint review aide memoire is used to raise sector issues at the higher policy level.

2.25 This system works well with the PARPA working groups playing an important role, while there are strong links between these groups and the sector partnership groups.

2.26 Civil society has been involved in the PARPA process through participation in sector working groups (including education) and the Development Observatory (previously the Poverty Observatory), which involves around 20 organisations including NGOs, trade unions, religious groups and private and financial sector groups. Previously the group produced an annual participatory review of progress on poverty reduction. Currently commentaries on the Government Review of the Economic and Social Plan (BdPES) are produced.

2.27 The Development Observatory is also part of the annual and mid-year joint review processes and the annual Development Observatory plenary sessions included as an annex to the joint review aide-memoire. However, the participation of civil society is still constrained by a lack of capacity to contribute effectively, the fact that the Observatory is not fully representative of civil society and because the donor-GOM relationship tends to take precedence over domestic accountability processes (Handley 2008).

3 Basic Education in Mozambique

Education system

Formal public schools

3.1 The Mozambique education system is organised on the basis of 7 + 3 + 2 years: seven years of primary, followed by three years of lower secondary and then by two more years of upper secondary education, with a total of 12 years. Early childhood education (ECDE) is optional and provided through private operators and some institutions under the Ministry of Women and Social Welfare. Portuguese is the official medium of instruction with some bilingual education in the first three grades of lower primary.

3.2 In the early years of independence widespread community involvement was stimulated by government to provide education opportunities for children, particularly in rural areas. The construction of make-shift classrooms, or provision of classes under trees, was the norm. The government launched a teacher recruitment campaign, in which 4th graders were recruited to teach in the first grades. This situation was a result of the poor education service provided by the Portuguese colonial regime to the Mozambican population leaving a large percentage of the population illiterate at the time of independence. During these initial years the Portuguese system was maintained with a curricular and textbook adaptation.

3.3 In 1983 a new education system was introduced with a new structure, new curricula, and new textbooks. The introduction of this new system was gradual and phased. The New Education System was revised in 1992 and includes General Education, Adult Education, Teacher Training and Technical and Vocational Education.

3.4 Responsibility for public education was mainly with the Ministry of Education (MEC), whilst ECDE was the responsibility of Ministry of Health. The later responsibility was transferred to the Ministry of Social Welfare when this Ministry was created. The Ministry of Higher Education and Science and Technology was responsible for higher education for some time. At present, the MEC is responsible for all levels of education, including higher education, with the exception of ECDE.

3.5 In 1992, to ensure increasing access to education, the Government of Mozambique approved a policy regarding the establishment and operation of private schools, for the first time in the post-independence period. This resulted in some reduction in the pressure on public schools, at the time of its introduction, although private school coverage in EP1 represents only about 1.6% of the total. The majority of private schools operate in Maputo City and in some provincial capitals, and to a lesser extent in rural areas.

3.6 In 2004 a new curriculum for basic education was introduced, which reformed some critical dimensions of education provision. The new curriculum introduced seven years of complete and integrated primary schooling (previously primary was separated into two levels, lower primary 1–5 and upper primary 6–7), bilingual education, and semi-automatic promotion.

3.7 A series of education plans have been developed, the first Education Sector Strategic Plan (ESSP) covered the period 1999–2005, while the second Strategic Plan for Education and Culture (PEEC) is from 2006–2010/11. The first plan focused on three key strategic areas which were a) access; b) quality; and c) capacity building. The second plan was more comprehensive covering the whole education sector and sought to address a) ensuring universal primary education for all b) providing educational opportunities for out of

school youth and adults; and c) improving quality and relevance to ensure that increasing numbers of children have access to post-primary levels.

Special education

3.8 The PEEC establishes as a goal the mainstreaming of special education, through inclusive education, particularly through teacher training. Until now, special education had been provided in special schools, which are managed by the Ministry of Women and Social Welfare. These few special schools only cater for small numbers of children with special needs in the areas of hearing, visual, mental or physical disability, and are located in the two main cities of the country, Maputo and Beira.

3.9 Although some efforts have been made, the mainstreaming of special education is difficult, due to inadequate capacity. Considering that normal education by itself faces significant challenges to improve quality, mainstreaming special education will face even more challenges. The lack of clarity over responsibility for special education makes this situation worse.

Early Childhood Development and Education (ECDE)

3.10 ECDE is not part of the educational system and is under the responsibility of the Ministry of Women and Social Welfare. Provision of ECDE is mainly undertaken through private operators and some public institutions with a very small coverage.

Non formal education

3.11 Over many years various attempts to establish a network of community schools were undertaken, particularly through support from national and international NGOs. A number of community schools operated particularly in rural areas and areas more affected by the war. With the expansion of the public school network these schools were either closed or integrated into the public network.

Adult Education

3.12 Adult Education is essential to contribute to the reduction of the illiteracy rate which remains very high – 53.6% in 2005 (PEEC 2006, p36). During the early years of independence adult literacy programmes made a major contribution to the reduction of the extremely high illiteracy rate of 93% in 1975, dropping to 72% in 1980. As a result of the war, adult education stopped almost completely. In recent years a new impetus was given and new programmes are being implemented, including the use of multi-media approaches (radio and television) for provision of basic education to adults, particularly women in rural areas.

3.13 However, Adult Education programmes suffer from poor capacity and resources, resulting in low levels of access and participation. Motivational factors related to the relevance of the programmes for adults in rural areas, particularly for women and young girls are also factors that contribute to this. The PEEC indicates a continuous commitment to improve Adult Education services.

National Education Strategy

3.14 Since independence in 1975, Mozambique has faced various challenges in education. The initial challenges of an increasing demand for education without the necessary capacity to respond to these demands gave way to a need to continuously provide education during 16 years of war. Today, the challenges are of a different nature, particularly regarding the quality of primary education and the provision of education in secondary education.

3.15 Various approaches and strategies were adopted throughout the years. The initial ones were a response to the massive mobilization of poorly educated and untrained teachers, with an adapted curriculum and textbooks, and the introduction of the New Education System in 1983, revised in 1992.

3.16 Mozambique's constitution states that education is a right, as well as a duty, for every citizen. As such, the education strategy is now based on the National Education Policy (1995), which states the goal of providing basic education for all children.

3.17 In 1999 the first Strategic Plan for Education was approved for implementation in the period of 1999–2005. ESSP I emphasised the central role of basic education in guiding the priorities and commitments of the Government of Mozambique through three key objectives: i) the expansion of access to basic education; ii) the improvement of the quality of education services; and, iii) the strengthening of the institutions and the administrative framework for effective and sustainable delivery of education. ESSP I reaffirms education as a basic human right and a key instrument to improving living conditions and reducing poverty

3.18 Education goals and objectives were also translated into the two PARPAs and the government's Five Year Plan encompasses these goals and objectives, reflecting the GOM's commitment to education, and particularly to basic education.

The Mozambique Education and Culture Strategic Plan II (PEEC)

3.19 The PEEC reflects the government's commitment to Education for All (EFA) and the Millennium Development Goals (MDGs) endorsed by the international community. It therefore explicitly aims to ensure completion of seven years of primary education by every Mozambican child by 2015. The five years (2006 – 2010/11) covered by the PEEC, will produce substantial progress towards this goal.

3.20 The PEEC puts improving quality and equity at the centre of basic education goals. This is a result of significant improvements in access achieved during the implementation of ESSP I, between 1999 and 2005. Improving the curriculum, the facilities and the capacity of teachers are the pillars of the strategy.

3.21 Improved quality is also expected to contribute to the efficiency of education, as it is expected to reduce drop-out and repetition rates. Equity is expected to be achieved through a reduction of gaps in terms of gender and regional disparities.

3.22 Another area of focus of the PEEC is post-primary education, as better performance at primary level will lead to increased demand for post-primary education. It also states that the aspirations of national development will need increased capacity. The present capacity of post-primary education is still small and unable to cope with the demands.

3.23 To respond to these demands, the PEEC envisages an expanded access to secondary education implementation of a reformed curriculum in secondary schools, improved Technical and Vocation Education and Training (TVET) responding to labour market demands and leading to employment opportunities, and development of computer skills for secondary school students.

3.24 Additionally, PEEC establishes strategies for Adult and Non-Formal Education, for Distance Learning as a way to provide post-primary education opportunities, as well as for Special Education.

3.25 Despite the achievements in primary education with respect to gender parity, this continues to be a concern also addressed in the PEEC. A number of strategies to reduce gender disparities are outlined, including the increase of female teachers, reduction of the distance to school and the provision of safer schools, among others.

3.26 Another area which has strategies defined is HIV/AIDS, which is seen as one of major threats to achieving the goals of universal primary education and completion. An estimate of need to train an additional 25% of teachers is indicated, but this is seen as "almost impossible" given the present constraints and resource limitations. The PEEC also includes strategies to mitigate and reduce the impact of HIV/AIDS in the sector, through increased information and communication on HIV/AIDS; employing substitute teachers for those teachers with high absenteeism and strategies to ensure that orphans receive an education, amongst others.

Progress towards EFA

3.27 From independence in 1975 onwards, education in Mozambique has made significant achievements. In 1982 Mozambique was well on target to achieve the goal of universal primary education. However, the war stopped this effort and during the decade between 1982 and 1992, many of the earlier gains were reversed.

3.28 However, the commitment to achieve universal primary education was reinstated once peace was established in 1992 and efforts to re-establish coverage and rebuild infrastructure started. In a few years, the primary school infrastructure, which had been almost halved during the war, was rebuilt and was functioning. However, the situation was still a challenging one, with a Gross Enrolment Rate (GER) of 62.2% and Net Enrolment Rate (NER) of 47% in 1999.

3.29 A continuous effort and a more strategic approach during the implementation of the first ESSP resulted in significant achievements, given the social and economic conditions and the efforts of post-war reconstruction. By 2006, the GER increased from 70% to 105%, with the primary grade one intake ratio increased by 17% in 2005. This was due to the increasing post-war demand for education, supported by the abolition of school fees by the government in 2005 and the introduction of a new curriculum with free textbooks and school supplies. Gender disparities have also fallen with girls' access to the first grade of primary school increasing in relation to boys.

3.30 More children are also completing primary school and repetition rates are falling. There was a primary completion rate (PCR) of 42% in 2006 and 46% in 2007, which is a significant improvement over 1999 when it was 14%. Until 2004 the number of repeaters at primary level was 25%, which fell to 10% in 2005 and 6.7% in 2007. This was the result of a semi-automatic promotion policy in basic education which was introduced in 2004.

3.31 In Mozambique, PCR has risen from 16% in 2000 to 46% in 2007. Two policy decisions implemented after the endorsement of the FTI proposal in 2003 have a major bearing on primary school completion: abolition of school fees and introduction of semi-automatic promotion at primary level (pupils can only be made to repeat if they fail in tests/examinations at grades 2, 5 or 7). The policy of semi-automatic promotion was explicitly devised as part of the comprehensive reform of the primary school curriculum.

3.32 In 2008, it was estimated that over 3.8 million of school age children were enrolled in primary schools out of a total of 4.9 million children enrolled. This represents a NER of

99.2% and a GER of 126.9%.⁶ It is estimated that in 2008 over 30,000 school-age children were out of school. However these numbers need to be adjusted to new data on population to be published soon resulting from the 2007 Population Census, as the calculations presented are estimates based on data from the 1997 Census.

3.33 The Net Intake Rate at grade 1 has also improved significantly, from 24.3% to 72.4% in 2008. For girls this increase was from 23.5% in 1999 to 72.4% in 2008.

3.34 Significant progress has been achieved in girls' education. Gender parity has increased from 0.75 in 1997 to 0.94 in 2008 in EP1. More girls are in schools and more girls are completing primary education.

3.35 Some other challenges remain as these results were achieved with a pupil:teacher ratio in lower primary education (grades 1–5) of 62 in 1999, which increased to as high as 76 in 2006 and with slight drop to 73 in 2008 and estimated to be 68 in 2009. For the upper primary education (grades 6–7) the ratio varied slightly from 38 in 1999 to 41 in 2008.

3.36 Thus, in terms of progress towards EFA, Mozambique has demonstrated significant achievements, although the challenges are still huge.

The Education Sector Support Fund (FASE)

3.37 In 2002 the education sector support fund (FASE) was established to support the implementation of the PEEC. This is a pooled fund in which funds from FASE donors are deposited into a single foreign exchange account at the Bank of Mozambique. On request from the Ministry of Education and Culture (MEC) to the National Treasury Directorate, these funds are then transferred into a Single Government Account in meticaís (MZM) and into the MEC dollar account in the Bank of Mozambique. Unused funds are not automatically rolled over into the following year and donors have the right if unused funds are above 15% a year to reduce their disbursements the following year accordingly (see Box 3.1 for details).

3.38 Initially FASE got off to a slow start with only 5% of CP funds to the sector being channelled this way. In 2009 it comprised around 24% of the total education budget and is channelling around 60–70% of all direct external education funding to the sector. Currently FASE is the main source of financing non-salary recurrent costs. The remainder of FASE funding goes to school construction.

3.39 There are now 10 donors and the FTI Catalytic Fund which are channelled through FASE. In 2009 the largest contributors to FASE were the CF, the Netherlands, Germany and Canada. Commitments to FASE totalled USD 123m in 2009⁷, although this is expected to fall to around USD 70m in 2012 due to the withdrawal of the Netherlands from the education sector and the ending of CFs.

⁶ These figures might be slightly adjusted as the denominator (population estimates) is based on projections over population figures of a Census done in 1997. The results of the Census 2007 are expected to be released later this year.

⁷ The original commitment for 2009 in the 2009 budget was USD135 million, but due to exchange rate movements and the reduction in commitment by one donor as a result of the economic crisis, disbursement is now expected to be USD123 million.

Box 3.1: What is the FASE?

FASE is a pooled funding mechanism that supports the education support programme (PEEC). An annual programme of activities is developed for FASE based on annual priorities and resources available, so specific activities differ from year to year, but overall it focuses on primary and secondary education and capacity building activities in the MEC and the Ministry's provincial and district departments. The main activities funded through FASE can be categorised as follows:

Primary Education: Improvements in access and quality are supported through the Accelerated Classroom Construction Programme which builds additional classrooms in rural areas; providing textbooks and grants to schools, and in-service and pre-service teacher training

Non-formal Adult Literacy Program: Supports adult literacy for adult learners by subsidising trainer fees, developing and distributing teaching and learning materials and training provincial and district education officers.

Secondary Education: Development of the secondary education strategy and funding of secondary school construction, purchase of textbooks and grants to schools.

Teacher Training and Support: Supports in-service teacher training.

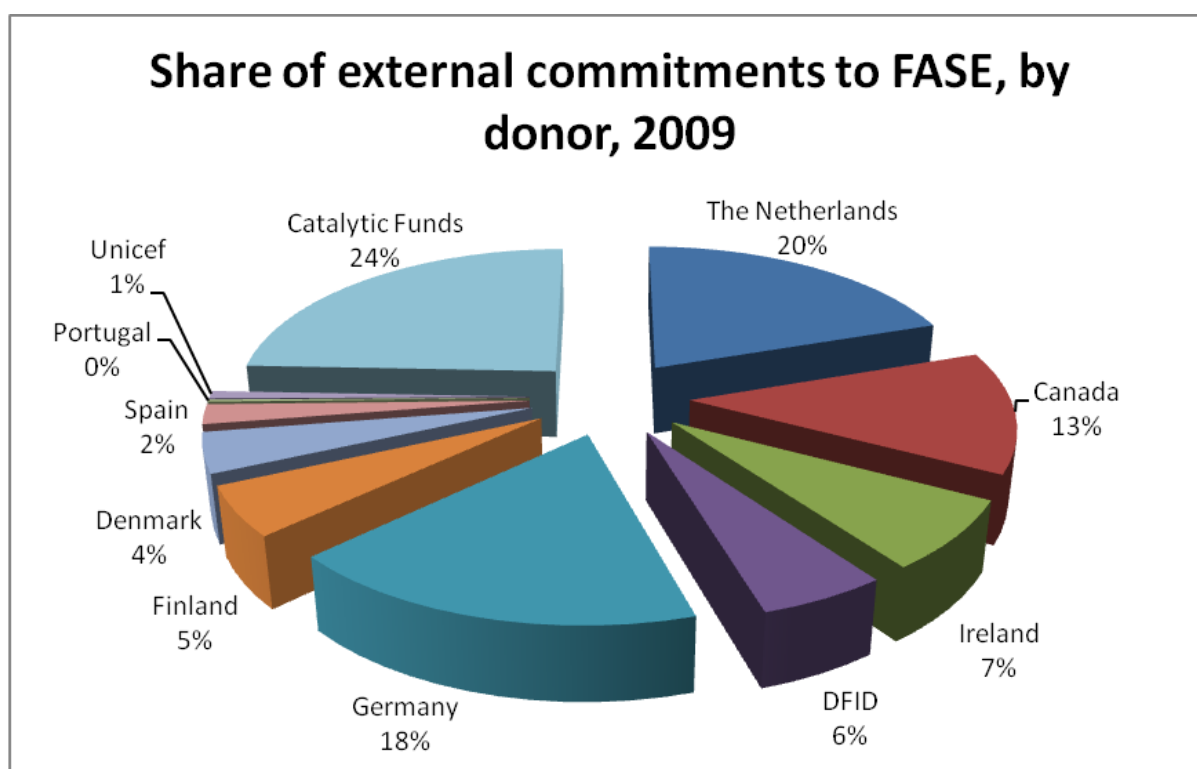
Special programmes in distance education, special education, ICT, gender and HIV/AIDS. Funding for special education centres, ICT software and applications, purchase of sensitisation material on gender and HIV/AIDS.

Institutional Development: Strengthens the institutional capacity of the Ministry at central, provincial and district level.

Source: FASE MOU (2006) and annual Activity Reports (PDAs) 2003–2009)

3.40 FASE funds are used to cover expenditures that are consistent with the PEEC implementation and are listed in the annual activity plan. Each year the MEC provides the following reports to contributing donors:

- i) The sector Economic and Social Plan (PES) and the semi-annual and annual follow-ups of the sector PES;
- ii) Preliminary and final versions of the Annual Activity Plans (PDA), including proposed financing;
- iii) Annual progress reports' measures against the E-PAF and the PDA;
- iv) Annual external audit reports over the year with regard to FASE funding;
- v) Annual audits of financial records of donors' contributions/disbursements to the Bank of Mozambique forex account and use of FASE funds.

Figure 3.1: Share of external commitments to FASE, by donor, 2009

Source: Annex E Table E5

3.41 The original FASE MOU of 2002 was renegotiated with another MOU signed in 2006 to make the fund better aligned with GOM systems and to increase the execution of funds. FASE, as designed in the 2006 MOU, was very well aligned as it used GOM financial management systems, including Mozambican procurement laws. Progress on these issues was monitored through the annual education sector review process, with specific indicators and targets included within the education performance assessment matrix (E-PAF). A Joint Financial Management Working Group was established by the MEC to assist in enhancing financial and institutional management capacity, with a specific focus on new procurement rules, decentralisation and the introduction of SISTAFE (MOU 2006).

Finance for education

3.42 The financing system for the education system in Mozambique has been decentralised with budgets being divided into central, provincial and district level. The recurrent budget for education was USD 349m in 2009, of which most was allocated to provincial level covering the salary bill (Mozambique MEC 2009a).

3.43 Provincial recurrent budgets contain resources for all salaries and operational expenditure of schools, with 89% of recurrent spending in provinces on salaries. Provincial budgets contain 97% of all personnel costs, but only 70% of spending on goods and services is allocated to provinces. Education is responsible for between 49% and 65% of provincial recurrent spending.

3.44 Most EP2, EPC and secondary schools have financial autonomy and a bank account, but EP1 schools do not have their own budgets. The Direct Support to Schools (ADE) channels funds to schools with grades 1 to 7 and is a rule-based budget allocation scheme which was initially designed to mitigate the effect of the abolition of tuition fees and

other fees imposed on parents for financing schools. Payments are considered as advances, and have to be cleared against invoices.

Public expenditure on education

3.45 The Government of Mozambique has made education one of the priority areas under the PARPA. As such the sector has seen an increase in nominal funds allocated to education and the share of education, which reached 20.4 % of the total budget in 2005 and 21.6% in 2007 from 15.2% in 1998.⁸ However, in the 2008 budget the budget for education was projected to fall to 18.5% and 19.7% in 2009 (see Annex E). The share of general education is lower at a figure of 17.8% of the total budget in 2005, and is projected to fall further to 16.1% in 2009. This means that the recurrent expenditure on education is now below the 20% target outlined in the indicative framework.

Ministry of Education budget and expenditure

3.46 The MEC budget funds mainly recurrent costs with 94% of the budget in 2008 used for recurrent expenditure and only 6% for capital expenditure.⁹ The majority of recurrent cost expenditure is for salaries. General education comprised the vast majority of the education budget while, higher education comprises around 15–18% of the overall education budget.¹⁰

3.47 The execution rate of the recurrent budget is consistently high and has generally exceeded 96% of the total budget. This is in contrast to the execution rate of the government budget which was 72% in 2008. The main reason for this is this is the introduction of SISTAFE and the fact that it primarily concerns salaries.

⁸ As the MEC points out, "any information on education spending should be treated with extreme caution". There are a number of problems that complicate the use and comparison of budget information which can distort the figures; i) budget figures are for the overall budget including the state budget and development partners contributions, as well as the recurrent and investment budget; ii) there has not been consistency in collecting information per level of education over time and with the integration of the Ministry of Culture, as well as integrated services at decentralised levels has made it more difficult to clarify budgets and expenditure by the level of education; iii) historically budget allocation is below execution rates that often reflect an education share of over 20% of the total budget; iv) external funds are often oversubscribed in the budget and undersubscribed in reporting; and vi) since 2006 external funding to the budget is included in the budget whereas this is not the case in most other sectors.

⁹ This includes general budget support.

¹⁰ The current budget and reporting structure does not allow for accurate information per level of education, as it only separates out higher and general education.

PART C: THE FTI IN MOZAMBIQUE

4 Overview of the FTI in Mozambique

FTI endorsement process

4.1 Mozambique was one of the first group of 18 countries to be invited to join FTI in 2002 and the country was endorsed in 2003. This was despite the fact that due to the number of donors supporting the education sector the country was not yet eligible for CF under FTI criteria at the time. This was because it was not a donor orphan. This meant that to have access to CF funding a country had to have fewer than four donors disbursing more than USD 1m annually, which was not the case in Mozambique.

4.2 Mozambique's engagement with the FTI partnership has had two phases. The first relates to the period during 2002 and 2003 when the FTI proposal was prepared and gained endorsement. The second started in 2007 when Mozambique applied for additional CFs, after which there were lengthy negotiations in country concerning the funding channel.

4.3 The FTI preparation process coincided with the preparation of a new five year strategic plan in education (the PEEC) that included major reforms to the education sector. These were:

- Merging of EP1 and EP2 in EPC (moving from five year to seven year basic education).
- Introduction of a new model for teacher training which reduced the training time from two years to one year.
- Scaling up of classroom construction through a decentralised approach with community involvement.
- Abolition of school fees.

4.4 A primary education component was developed that was guided by FTI and the Indicative Framework (IF), although the FTI proposal was then integrated into the sector plan that was being developed. The FTI proposal was endorsed by the local education partner group in March 2003, although it took time to finalise the PEEC due to an institutional reorganization of the Ministry after national elections and the contentious nature of some policy changes. The PEEC was finally approved in June 2006.

4.5 The endorsement by donors noted that three triggers that had been highlighted previously by donors had now been met. These were: i) elaboration of a draft teacher education strategy; ii) an action plan for addressing regional gender disparities; and iii) an action plan for addressing school construction and capacity building in this area. The fourth trigger which was to develop an action plan for the prevention and mitigation of HIV/AIDS was about to be undertaken by the MEC (FTI 2003b).

4.6 FTI endorsement led to the expectation in-country that there would be additional funds as a result, although it was not clear to either the MEC or the education partnership group how these funds would be channelled. Communications from FTI were vague and there was uncertainty regarding whether FTI would be an additional donor. It was reported in some interviews that there was pressure in-country to receive endorsement in order to ensure more external funds for the sector plan. When funds did not materialise until four years later, there was disappointment as it was perceived that expectations had been raised and not met. Mozambique had become eligible for CFs as funding rules has changed in 2007 and all countries with FTI endorsement were then allowed to apply to the FTI CF.

Catalytic fund grants

4.7 In April 2007 the education partnership group in partnership with the MEC applied for FTI CF funds to fill the financing gap of USD 34m in 2008 and USD 45m in 2009 that had been identified in the PEEC. Mozambique was then allocated USD 79m dollars in May 2007 from the CF. The MEC and donors requested that the funds be channelled through FASE the education sector fund in order to use the most aligned form of support within the education sector.

4.8 In their capacity as trustee of the FTI CF, the World Bank had to undertake a financial management and procurement assessment to assess fiduciary risk. The conclusion of the assessment was that financial management systems were satisfactory and there was no reason from this perspective for the World Bank not to use FASE to disburse FTI funds. There was however a problem with Mozambique's procurement law and the World Bank objected in particular to the national bidding preferences. This meant that the World Bank as supervising agent for the FTI was not able to channel CF funds through the FASE as World Bank regulations on Special Investment Loans prevented this, unless changes were made to FASE procedures, particularly those relating to procurement.

4.9 The World Bank then offered two solutions which were either to amend the FASE 2006 MOU in order for World Bank procurement rules to be used or to channel FTI funds through a project. The donor group and the MEC objected to both of these proposed solutions. They were surprised that the FASE 2006 MOU needed to be changed given that the World Bank had supported the drafting of the National Procurement Law and at the time had not mentioned that the law did not adhere to their procedures or standards. Also as the World Bank was the major GBS donor, it seemed anomalous that the World Bank could give general budget support which used the national procurement law, but not provide similar support for a sector fund.

4.10 The World Bank office in Mozambique had originally been keen to channel FTI funds through FASE but found that institutional rules and procedures did not allow for this. They had little room to manoeuvre as general budget support was classified as a development policy loan (DPL), but lending through FASE had to be through a Specific Investment Loan (SIL). Due to this they had no choice but to apply World Bank International Competitive Bidding (ICB) procurement procedures to FTI funds disbursed into FASE.

4.11 There was little appetite among the FASE donors and the MEC for changing the 2006 MOU, as it had taken a long time to negotiate and had been specifically designed to be more aligned with government procedures, in order to speed up disbursement and be in line with Paris Principles. There was also already work being undertaken both at central, sector and provincial level to strengthen procurement standards, so the donors felt that this approach should proceed and provide the way to address weaknesses in procurement. Few FASE expenditures fell under ICB conditions anyway, so it seemed draconian to try to apply them to all FASE funds.

4.12 For these reasons channelling FTI through a project was not acceptable to the MEC or donors as this was felt to be against the spirit of FTI and of the Paris Declaration. Also the World Bank was not active in the primary education sector, so in this respect the institution appeared to be an odd choice for the FTI supervising entity. As an alternative the Netherlands who were one of the lead donors in the sector offered to manage the funds and disburse them through FASE on behalf of FTI. This proposal was rejected by the World Bank and the Ministry of Planning and Development (MPD), as the MPD was keen for the World Bank to be the supervising entity and given this the World Bank was comfortable remaining in this role.

4.13 The World Bank then proposed an amendment to the FASE MOU with regard to the procurement paragraph that substantially changed the MOU and was therefore unacceptable to both the Ministry and FASE donors. The disagreement became drawn out and the Netherlands and German Heads of Cooperation in Mozambique wrote to the Chair, of the Strategic Committee FTI Catalytic Fund, as the lead donors in the education sector, to request support in clarifying FTI guidelines and assistance in resolving the matter on behalf of the FASE donors. (Oppewal and Heinbuch 2007, 7 December 2007).

4.14 The issue was tabled in the CF committee meeting in mid-December 2007, where representatives of the Ministry, the local donor group and the World Bank task team leader requested the FTI partners to provide guidance to resolve the problem. The meeting insisted that the issue needed to be solved at country level, but reluctantly indicated that they, including the World Bank would accept a country decision even if it meant transferring the responsibility for management of the funds to another supervising agency.

4.15 The World Bank responded with a revised technical annex. Attempting to reach a consensus the Ministry and donors accepted a technical annex to the FASE MOU which was agreed upon in principle by mid-April 2008.

4.16 The time consuming negotiations on the technical annex were followed by lengthy negotiations on a general agreement that brought out additional issues that needed to be resolved as they were not in line with the existing MOU and were not brought into the previous discussion by the World Bank. Again letters were sent to the FTI Partnership through its Chair the Minister of Education and Culture, requesting her assistance in concluding the matter. The Netherlands Ambassador as Chair of the Education Partner Group stressed the importance of aligning the Grant Agreement with the MOU, also requesting a draft transfer agreement in order to if needed, channel the funds through one of the existing FASE signatories. In response the World Bank sent a team to resolve the disagreements.

4.17 Finally the issue was resolved through negotiations that were undertaken with the World Bank and the MPD. This involved the MPD's Directorate of Investment and Cooperation, as they were the government focal point for the World Bank in Mozambique and representatives from the World Bank in-country as well as from Washington. The MEC had little role in the process by this stage as it was argued by the MPD that they were the focal point for the World Bank. An agreement was reached in August 2008 that led to World Bank procurement procedures being used for all FASE funds above a certain threshold which was:

- Goods – USD 250,000
- Services – USD 200,000
- Infrastructure – USD 2m.

4.18 The agreement also resulted in the following additional requirements:

- A technical annex on procurement to the 2006 FASE MOU.
- The development of annual procurement plans and the updating of procurement manuals.
- Financial reporting that has to occur on an annual basis for FTI disbursement.
- Virtual earmarking of FTI funds. This was introduced to get round the problem of ensuring that there was procurement compliance for contracts already on-going. FTI funds for 2008 were retrospectively earmarked to activities that did not have a procurement component.

4.19 During the negotiations the request made by donors supported by the MEC to consider transferring the supervisory responsibility to a bilateral donor, was taken off the table as the World Bank felt that there was not sufficient consensus on this matter within the FTI Partnership and the World Bank.

4.20 In their letter accepting the decision taken by the GOM to channel the funds through the World Bank, the FASE bilateral donors wrote again to the Chair of the Strategic Committee for FTI Catalytic Funds to bring three concerns to their attention now that the CF funds would be managed by the World Bank would use the FASE (FASE Bilateral Donors 2008). These were:

- i) That this represented a backward step in their agencies' Paris Declaration compliance performance and also a step back in Mozambique's compliance.
- ii) That there had been a lack of clear guidance, rules and regulations regarding the application of CF FTI funds and final decision-making power which had led to the delay in agreement on the supervising entity for the funds.
- iii) That the FTI Secretariat had supported the option of a bilateral donor as supervising entity for FTI CF funds and the Bank legal department had prepared a draft legal agreement to allow a bilateral to act as paying agent. However the World Bank management had not been prepared to accept the bilateral route as an alternative. This demonstrated confusion between FTI and Bank corporate governance and the hierarchy of decision making between the FTI and Bank management.

4.21 Some donors did comment that although they did not think it at the time, the use of World Bank procurement procedures may be positive as it will help build MEC capacity in this area. Also, those donors who have traditionally used less aligned aid modalities were more in favour of additional procurement procedures than those who did not (e.g. Spain, Unicef and Germany).

4.22 The MEC felt that they were caught in the middle of the disagreement pushed into a corner and forced to "choose" between the World Bank and bilateral partners, while they saw the problem as an inconsistency in donor practices. At the same time they were not sure if donors would back them up if they refused the amendments to the FASE MOU, as there were contradicting messages coming from some donors. The final decision had been taken out of their hands with the MPD hosting the negotiations with the World Bank where an agreement was reached.

4.23 Most of the discussion surrounding the CFs took place within the education partnership group, on several occasions Heads of Cooperation and Ambassadors became involved. Some donors did report that they had made representations through their links with FTI or through their representatives at the World Bank. They had also sought advice at headquarters level and received varying degrees of support. In some instances headquarters were fully supportive of their stance, in others less so, particularly if there was not a significant level of understanding regarding budget support.

4.24 The first tranche of the CF funds were disbursed in November 2008 and despite the long time spent resolving the disbursement issue, they were still received as scheduled with a payment of USD 28m. The second tranche of USD 30m will be paid in the first half of 2009 and the third and final tranche in the first half of 2010.

4.25 EPDF funds of around USD 150,000 have been spent by the World Bank on Mozambique's behalf. These have been used to provide technical assistance (TA) to undertake the assessments that the World Bank needed to channel FTI funds through FASE, and by the MEC to prepare the secondary education strategy, a study on school management and training of MEC personnel in World Bank procurement procedures.

4.26 Mozambique was also a partner country member of the FTI Steering Committee from May 2007 for a two year period. The case of Mozambique and the protracted dispute about the CF funds made Mozambique a *cause celebre* within FTI and a special session of the September 2008 FTI meeting was devoted to establishing what went wrong and what needed to be done to ensure that a similar situation did not arise again.

4.27 To conclude, the main cause of the lengthy discussions over the CF's was due to a lack of clear guidance from the Strategic Committee for FTI Catalytic Funds caused difficulties, as there had never been clear guidelines or rules on disbursement channels for FTI. Although the education partnership understood that they were supposed to be channelled through the most aligned aid modality, the FTI then seemed to backtrack from this. There was an overwhelming view at country level that the FTI Partnership should have intervened early on, as clearly this was an issue that could not be solved in-country. The World Bank had no flexibility to change rules and procedures to adapt to the situation in Mozambique and given the position that the World Bank holds, bilateral agencies and the GOM were at a disadvantage in negotiations and had little ability to change the situation.

4.28 There was a lot of dissatisfaction among education sector stakeholders regarding the outcome which caused considerable disharmony within the partnership group. Views were not necessarily homogenous though. At the time the donors and the MEC represented a united front on the issue of FTI disbursement. For the reasons mentioned, many donors felt that the addition of the technical annex was a step back in terms of alignment. There was also considerable frustration among donors who financed FTI at a global level that they had little influence on how FTI operated at country level and it was felt by many donors that the World Bank had put undue pressure on the GOM as they were a significant GBS partner.

5 FTI and Education Policy and Planning

Context

5.1 Before FTI, the focus of EFA policy in Mozambique was on expanding enrolment and getting all children to complete at least lower primary school. As a result of the war, in 1993–94, the lower primary (grades 1–5) level GER had reached a low point of 54% and the respective figure for upper primary (grades 6–7) was only 13–14%. The national education policy document *Política Nacional de Educaçao e Estrategias de Implementacao* (1995) also set the broad objective of progressively introducing compulsory education of seven years. Political pressure to proceed towards this goal in response to the growing demand for education had been building already prior to the FTI. By 1998, when the ESSP became operational, GER had recovered to 70% at EP1 and 17% at EP2. The international target setting at Dakar and the primary education MDG fixed the target year of UPC at 2015.

5.2 FTI came into an environment in Mozambique where policy discussions were already under way in the areas that were highlighted by FTI. These discussions were reflected in the first education sector plan (ESSP) and were carried further in the periodic reviews of ESSP implementation. Similarly the planning function within the MEC was already reasonably well developed as evidenced by the series of strategies and sector plans that had been developed by the Ministry in the post-war period (see ¶3.14 and ¶3.18).

5.3 Civil society has not played a strong role in influencing education policy, due to weaknesses in capacity in research, policy analysis and advocacy (CEF, 2008). However, the strengthening of the national coalition, Movimento de Educaçao para Todos (Movement for Education For All - MEPT), is aiming to change this through improving policy advocacy in the education sector exploring ways to improve dialogue with MEC.

5.4 This means that most NGOs have undertaken service delivery and have had a complementary role in assisting in implementation of education policies at district and community level.¹¹ They have for example helped to expand access to education in the rural areas through construction and rehabilitation of schools, through the mobilization of local communities to education for girls and the establishment of non-formal adult education and vocational training programmes. More recently NGOs have moved out of delivery of education and are now concentrating on supporting school level interventions such as in-service teacher training, capacity building of school councils and support to bilingual education.

FTI inputs and activities

Simulation model and FTI plan

5.5 Immediately after the invitation from the FTI in 2002, a task force was established by the MEC to work with experts from the World Bank and other donors, in order to review the objectives and parameters of the ESSP against the goal of UPC by 2015 and the FTI indicative framework. The invitation letter from FTI expected this work to be completed in a period of a few months, so that policy options could be presented to the MEC, decisions could then be made and subsequently incorporated in the plan submitted to FTI. This timetable proved to be unrealistic.

5.6 Prior to FTI, UNESCO had provided technical assistance to Mozambique to introduce its generic EFA simulation model. The FTI simulation model is different in that it also

¹¹ It is estimated that there are around 100 NGOs involved in the education sector in Mozambique.

includes effectiveness parameters (the Indicative Framework). Utilizing these two models, the Planning Directorate of the MEC then created a combined model suited for its needs.

5.7 The report of the ESSP Annual Review Meeting, September 2002, referred to the FTI and its indicative framework. It noted that joining the initiative would entail policy changes (reduction of repetition, decreasing construction costs and teachers' salary bill), on the one hand, and the prospect for incremental external funding, on the other. The need for additional studies on these policy issues was also noted.

5.8 The two consecutive versions of the FTI proposals of Mozambique, in 2002 and 2003, were prepared with the participation of relevant National Directorates of the MEC, in consultation with the Ministry of Planning and Finance and Ministry of State Administration. The final submission was also approved by the MEC Consultative Council.

Preparation of the second education sector programme (PEEC)

5.9 FTI supported existing government education policies and had a catalytic effect on policy discussions. Coincidentally the preparation of FTI plans and their endorsement occurred at the same time as the development of the second education sector plan was beginning. This provided opportunities for the donor agencies to call attention to issues that they perceived as not having received sufficient attention within the ESSP. In the appraisals of the FTI plans, the local education sector donors and the FTI Secretariat communicated in clear terms the need for new, more sustainable policies in teacher education and school construction.

5.10 The preparation of the successor to the ESSP was a protracted process, from 2002 to 2005. This was partly because of changes in the MEC due to the merging of three ministries and a change in Minister, as well as the extensive process of consensus building around the proposed reforms.

5.11 The first iterations of the new sector plan were strongly driven by the FTI proposal. Parallel to the FTI process, MEC was engaged in preparing strategies for sub-sectors other than primary education, and for cross-cutting issues (gender, HIV/AIDS). The pre-appraisal of a draft version of the second sector plan, in September 2004, provided significant guidance for the next stage of revising the plan document into a more coherent form that included different sub-sector strategies developed over time.

Teacher education policy

5.12 The most obvious influence of FTI on policy decisions is in teacher education policy. Before FTI, the MEC had the intention of replacing the 7 + 3 model of training primary level teachers with a 10 + 2 model. This would have significantly increased the total salary bill of teachers and did not produce the annually required number of new teachers to bring down the pupil-teacher ratio.

5.13 The option of revising teacher recruitment and remuneration policies, in order to contain the cost increase resulting from expansion of the system, was politically contentious, as the MEC was faced with pressure to improve teachers' remuneration.

5.14 The FTI Proposal of March 2003 (FTI 2003a, p26) stated that *"Over the next six months the MEC intends to discuss with the Ministry of Planning and Finance and with the Ministry of State Administration the implications of the current salary scale and possible options to achieve expansion while ensuring sustainability. Various options to ensure sustainability will be presented to the donor community by June 2003, and it is expected that a final agreement will be reached by September 2003"*.

5.15 The in-country donors' assessment of the second FTI proposal (FTI 2003a) stated that there was a need to *"revisit the projections of EP1 and EP2 and reconsider the number of teachers needed. These in turn will clearly have implications for teacher qualifications and training and the resulting salary options and financial scenarios. We also appreciate that MEC will continue discussions with MDF and MAE over teacher salary scale options to achieve expansion while ensuring sustainability and look forward to discuss these in due course"*.

5.16 The wording of the statements quoted in the two previous paragraphs highlights the role of the local education sector donors in this area of policy discussion. The decision eventually made by MEC was to shorten the duration of the principal future model of teacher education from two years to one.

5.17 The PEEC document (MEC 2006, p33) makes implicit reference to the FTI IF benchmark on teacher's salary in relation to gross national product (GNP) per capita, noting that *"the expected growth of enrolments in the next five years is such that the government will not be able to afford the staffing of primary schools with IMAP graduates (= 10 + 2 model of teacher training) who currently have a salary level of 10.7 times GNP per capita"*. On the same issue, the FTI Progress Report (FTI 2004b p22) gives explicit credit to FTI by stating that in Mozambique *"Government has negotiated a more sustainable salary policy for hiring large numbers of additional teachers to meet EFA goals, with analytic support from FTI"*.

5.18 Although the implications of the salary bill were important they were not the main motivator for changes in this approach. Due to the limited output of teacher training colleges, the Ministry annually contracted around 35%–40% of teachers without pedagogical training. The implementation of teacher training reform started in 2007 and as from 2008 the Ministry managed to ensure that 95% of new teachers contracted had a minimal level of training.

5.19 In practice this is likely to be short-term measure to address the pressing need for an increase in teachers with a minimum level of training. In the medium-term in order to address quality issues in the education system, a minimum of two years teacher training after completion of secondary level education is likely to be needed.

Primary school construction

5.20 Another area of policy where an influence from the FTI is clearly discernible is school construction. The issue of construction costs of primary schools had been discussed between MEC and donors already since the preparation of the first sector programme, ESSP. The policy of relying on a large scale on low-cost, community-based construction was affirmed in the ESSP document. However, progress in promoting such a model remained modest during the lifetime of the ESSP.

5.21 An input in the discussion on construction costs was the World Bank study on Cost and Financing of Education in Mozambique, which was completed in 2000, but a quotable version was published only in 2003. The study (World Bank 2003, p40–42) compared the unit cost of primary level classroom construction with Madagascar and Senegal and concluded that the cost was very high in Mozambique, thus both limiting the potential rate of quantitative expansion of primary schooling and consuming a high share of the funds that alternatively would be available for the development of other areas of primary education.

5.22 The policy of community-based, low-cost school construction was reiterated in the FTI plans, which made reference to the FTI benchmark for construction costs of USD 10,000 per classroom. After the endorsement of the FTI plan this policy was to be implemented through the Accelerated Classroom Construction Programme (ACCP), which was designed within the framework of PEEC.

Other policies to accelerate progress towards UPC

5.23 Other policy issues which have a bearing on progress towards the UPC target, but concerning which decisions were made either before the FTI or otherwise independently of it are the abolition of school fees, provision of free textbooks, introduction of the local component of the curriculum, and semi-automatic promotion.

5.24 The existence of school fees (both official and unofficial) was debated as a constraint to growth of enrolment. Analysis of survey data conducted in the Poverty and Social Impact Analysis - Primary School Costs and Outcomes (2004) showed that this decision could be expected to have only a marginal effect on enrolment nationwide, although considerable differences in fee levels was found between regions and districts. In any case, the abolition of fees was a political decision and took effect from 2004 (the year of elections) onwards. It was not influenced by the FTI. The issue of school fees is notably absent from education policy documents of GOM and from the ESSP, and neither is it referred to in the FTI proposals of Mozambique. In the PEEC abolition of fees is mentioned *ex post facto*.

5.25 The policy of semi-automatic promotion was explicitly devised as part of the comprehensive reform of the primary school curriculum, a process which was initiated already in 1997. It was not influenced by the FTI, and was implemented from 2004 onwards. The curriculum reform also provided for 20% of total teaching time to be allocated to a "local component" (e.g. local languages, agriculture, crafts). As part of the introduction of the new curriculum, textbooks were also provided to pupils free of charge.

Policy bias towards UPC?

5.26 The FTI has been criticized for its focus on UPC and, as a result, for resulting in possible distortions of education policy and allocation of resources, to the neglect of the wider concept of EFA (including ECD and non-formal basic education) and of post-basic education and training.

5.27 In Mozambique there is no evidence of a post-FTI policy bias towards UPC in comparison with the earlier period. Prior to the FTI-era non-formal education was not a priority area in the ESSP and received only very minor budget allocations. At the time of the preparation of the FTI plans, MEC insisted on a sector-wide perspective instead of focusing on primary schooling. In 2005, MEC used FASE funds to commission a consultancy mission to help in redrafting the sector plan. This led to widening of the scope of the PEEC to genuinely sector-wide coverage.

5.28 FASE is a pool fund for the entire sector, although it has mainly been used for basic education expenditure. Among the items funded by FASE has been remuneration of trainers and provision of learning materials for adult literacy classes. During the implementation of PEEC, participation in adult literacy programmes has increased (albeit significantly below the PEEC targets). General secondary, vocational and higher education have received project support (for construction and reforms at post-primary level) from the World Bank and other multilateral and bilateral donors. Part of this support (from Kuwait, the Islamic Development Bank) is not recorded in the OECD DAC and GMR statistics.

Cross-cutting policy issues

5.29 The assessment of the FTI plans by in-country donors also pointed out that more emphasis should be given to issues of gender equality and HIV/AIDS. Both of these were already part of the ongoing discussions between MEC and the donor agencies before the FTI, and subsequently actions to address these issues were incorporated in the PEEC. The evaluation team has not found evidence of an independent FTI influence on developments in these areas (for more information on these cross-cutting issues, see section 10).

The relevance of FTI's contribution to education policy and planning

5.30 The FTI contributed to analysis of the financial implications of different policy options, particularly in teacher education and school construction, which are politically contentious issues, and hence facilitated rational discussion at central level on the effective use of resources. This directly benefited the preparation of the second education sector programme PEEC for the period 2006–2011.

The effectiveness of FTI's contribution to education policy and planning

5.31 The policies of the MEC designed to contribute to UPC have led to significant increases in both primary school enrolment and completion rates. The FTI-influenced changes in teacher education and school construction policies have made progress towards UPC more affordable.

5.32 Concurrently, concerns over the quality of primary education have been voiced, but hard evidence on changes in quality over time is not available. In hindsight, the FTI process could have given more attention to the need for safeguarding quality in conditions of rapid quantitative expansion.

5.33 In particular, the policy of semi-automatic promotion has had a dramatic impact on reducing repetition rates and will also contribute to progress towards UPC. However, in the view of many parents and teachers, semi-automatic promotion is a poorly understood reform and has had a negative effect on the quality of primary education (PSIA Study, 2007). The possible negative effect of semi-automatic promotion would be seen as a drop in the percentage of Grade 5 pupils who pass in the Grade 5 leaving examination. At the time when semi-automatic promotion was introduced in 2004, this pass rate was 70% and in the subsequent years has been roughly at the same level (68% in 2008). In the same period the pass rate at Grade 7 has risen from 58% to 71%, but at this level it is too early to make a conclusion on any possible effect of semi-automatic promotion. Although some of those pupils who failed in the examinations will pass it after repeating the respective grade, these figures together clearly demonstrate the ambition of the UPC target.

5.34 In spite of the increased output of teacher training institutions, the primary level pupil-teacher ratio (PTR) is high: 71 in 2008, down from the high figure of 74 for 2006 but above the figure of 65 for 2004. As almost half of all primary school teachers teach more than one shift per day, PTR is not the figure for "average class size" - the latter would be in the region of 50 and still considerably above the FTI benchmark for PTR, which is 40.

5.35 Perceived negative effects of the teacher education reform are that the attractiveness of the teaching profession has declined, the quality of entrants to teacher education has suffered and outflow from teaching to other jobs or to higher education studies has become a growing problem.

Efficiency

School construction

5.36 The 2004 FTI Progress Report highlights what was apparently intended to represent a successful experience, in the following words: *"The FTI has helped the government (of Mozambique) develop high-quality standards for construction that shift from centrally managed to community-managed implementation, increasing ownership and reducing costs from USD 20 000 per classroom on average to USD10 000 or less per classroom for all donor – and Government – supported construction"* (FTI 2004b, p22).

5.37 If the picture given in the above quotation corresponded with reality in Mozambique, it would be straightforward to conclude that the FTI has accelerated classroom construction by increasing cost-efficiency; however, the real picture is much more complicated. .

5.38 The ACCP was begun by building on existing models for low-cost, community-based construction, implemented with support from Danida and NGOs with relevant experience. At ground level the pilot for the national programme ACCP was launched only in 2005. The PEEC document gives credit to the FTI by stating that *"Accelerating progress in low-cost construction of new classrooms with community involvement is essential...these issues are addressed in the EFA/FTI and incorporated into PEEC"* (MEC, 2005, p6–7). The same document also notes that *"efforts to speed up the pace of school construction have intensified considerably, through a combination of interventions that include...mobilizing the community to contribute local resources. However, in practice classroom construction is still very expensive, and often poorly monitored, with resulting quality constraints"* (Mozambique MEC 2005, p17–18).

5.39 ACCP initially had a target of 6000 classrooms per year. In its first year of operation, 2005, the programme built only 700 schools. The programme experienced a lot of problems with getting started and subsequently the target has been reduced and the programme is currently aiming to construct 1,400–1,600 classrooms annually. In 2008, 2008 only 443 classrooms had been built.

5.40 There is wide variation between provinces, with Nampula and Gaza having the best performance in school construction. The price was initially fixed at USD 10,000 per classroom, corresponding to the respective FTI IF benchmark, which proved to be too low for local companies to be interested. Reflecting transport costs, raw material prices vary considerably around the country, and overall these prices were pushed up by external conditions (oil prices and big construction projects).

5.41 Decentralised school construction is a big concern shared by all the education sector donors, who in 2007 demanded that a technical-financial audit of this part of FASE be conducted. The MEC and its partners agreed in 2007 to proceed with the audit, but it is only now being completed. Part of the reason for this delay was the difficulty in finalising the TOR and contracting a suitable company to undertake this. This delay was however a concern for donors and school construction was also taken up as a concern both at the 2009 Annual Review Meeting of PEEC and in the GBS Review Meeting.

Teacher education policy

5.42 The FTI also made it possible to analyse the financial consequences of different options of teacher education and to answer the question, what kind of teacher education policy can meet the projected need of 10,000 additional primary school teachers per year. The change of teacher education policy from the 10 + 2 to the 10 + 1 model was an affordable way of both meeting the huge need for additional trained teachers in the rapidly expanding primary sub-sector and containing the salary bill.

5.43 The teacher education reform has made it possible to increase the annual output of graduates from teacher training institutes from less than 5,000 to 7,000, and an output of nearly 10,000 is foreseen for 2009. The effect of this change is seen in that before 2007 the recruitment of grade 10 completers as untrained primary school teachers was a necessary measure to respond to rapidly growing enrolments and to the loss of teachers due to HIV/AIDS, and the untrained teachers represented around 40% of the total annual recruitment. By contrast, in the present situation approximately 95% of the new teachers entering the profession are qualified.

5.44 The new teacher education policy is accompanied by expanded in-service training of teachers. Progress has been made in this area but it does not seem to be adequate to meet the growing needs.

Sustainability

5.45 The influence that the FTI has had on analysis and consideration of policy options and trade-offs from the perspective of effective use of resources is likely to lead to more sustainable delivery of basic education.

5.46 MEC sees the 10 + 1 model of teacher education as a temporary measure and will consider lengthening the duration of pre-service training after the short-term needs for additional trained teachers have been met. This issue will need careful analysis, as the model chosen has significant weight in the future salary bill of teachers.

5.47 It is not clear, what the cost implications of an adequate system of in-service training of teachers would be. These would to some extent offset the cost savings achieved through the shortening of the pre-service training programme.

5.48 The sustainability of the policy of low-cost, community-based school construction as the principal model of constructing primary schools is questionable on the basis of experience gained to date. The audit of the ACCP will provide more evidence for a judgment on this issue. Sustainability is also crucially dependent on further development of the capacities needed in school construction, which are analyzed in Section 9.

6. FTI and the Financing of Education

Context for FTI financing

Funding requirements for EFA

6.1 The education sector receives funding from the GOM budget and from external sources, both in the form of FASE funds and those from donors who are funding through projects. In 2009 approximately 70% of external funding was from FASE and 30% through projects. The share of projects is expected to fall in the future with more funding through FASE. Some of the project funders include non-OECD donors who are not included in OECD DAC statistics such as Kuwait and the Islamic Development Bank, while other donors fund FASE as well as providing project aid (Table E8 and E10.)

6.2 Domestic funding (including GBS) to the education sector has increased in recent years due to the GOM commitment to education as a priority sector (see¶ 3.45). The GOM has made a commitment to ensure that 65% of the total budget expenditure is on priority areas, which is monitored through the GBS PAF. There has also been an increase in total GBS funding which has increased significantly from USD 29.5m disbursed in 2000 to USD 485.2m committed in 2008. Some of this funding would de facto as a result have been used to increase domestic funding to the education sector.

6.3 On the other hand Mozambique has had difficulty increasing the tax base due to the high level of tax exemptions. Although tax structures and regulatory systems have been modernised, there has not been a significant improvement in the efficiency of tax collections. In 2002 GOM Revenue was 14.2% of GDP, this has only increased to 16% in 2007 (IMF 2008).

6.4 The financing gaps referred to in the Dakar Declaration and in the Global Monitoring Reports (GMRs) are broadly, the difference between current levels of expenditure on (basic) education and the levels of expenditure that would be necessary to sustain achievement of (some or all) of the EFA goals. The PEEC is driven by the need to reach MDG targets by 2015, while at the same time preparing for a sustainable expansion of post-primary education. The financial gap defined in the PEEC is based on the simulations of the costing of different strategies aimed at addressing major inefficiencies in the systems, taking into account what would be expected to be achieved from the GOM budget and the development partners. The difference between the two was presented to the FTI partnership as the financing gap and was undertaken in this way both at the time of endorsement and on application of CF's.

6.5 The MEC stressed the importance of not taking calculations of financing gaps as absolutes but rather as estimations. They felt that the simulation tools has been useful in weighing different policy options, taking into consideration resources and implementation capacity. This forces the MEC to prioritise activities and avoid activities that might remain unfinanced or it is unrealistic to implement (such as the original target of 6000 classrooms constructed per year). Therefore, although a financing gap existed at the time of endorsement, the MEC did not plan on the basis that this would be completely filled.

6.6 The MEC also commented that they felt that examining financing scenarios in education in isolation from the rest of GOM budget did not make sense, as the MEC did not determine their own budget. Given the Ministry of Finance made the decisions on domestic budget financing, it is possible that if they received additional funding from external resources they might receive less from the GOM budget in future. This meant that it was

difficult to analyse the education budget in isolation, as ultimately it was directly linked to GOM policy and the financing decisions of the Ministry of Finance.

Fiduciary Issues

6.7 Until FASE was established in 2002, donors used parallel financial systems to those of the GOM for channelling external assistance. FASE was designed to use GOM procedures to the greatest extent possible and the 2002 FASE MOU included a number of clauses designed to reduce fiduciary risk. These focused primarily on additional reporting procedures to those of the GOM to verify disbursements and implementation of agreed activities, as well as specific rules for procurement based on World Bank procedures.

6.8 As FASE was essentially a parallel system, which was an additional burden on the MEC, it was decided by donors that a new MOU should be developed, designed to be closely aligned with government financial management procedures. The MOU of 2006 was developed with the only additional requirements relating to reporting. Fiduciary risk was not considered a significant issue among FASE donors given that considerable efforts had been made by the GOM in conjunction with donors to strengthen PFM systems and reduce levels of fiduciary risk.

6.9 There was also a newly adopted law on national procurement which had been supported by the World Bank and the PEFA assessment in 2006 had indicated improved performance in indicator 19 on procurement. It was acknowledged by the MEC and FASE donors that there were areas of weakness in PFM systems at the provincial level and in procurement, but additional activities were being undertaken by the donors and the MEC to mitigate these risks. For instance CIDA had been providing training on procurement and the MEC undertaking training on PFM procedures at the provincial level.

6.10 Nonetheless, fiduciary issues were a key area of concern in the decision on the financing modality for CF. As noted in ¶4.8 bilateral donors and the MEC had requested that the CF funds be channelled through the most aligned aid modality which was the common pool FASE which supported the PEEC.

6.11 The World Bank had to undertake a Financial Management and Procurement Assessment of FASE before it could disburse the FTI funds through the common fund and this assessment concluded that although financial management was of a reasonable standard, as FASE donors used the National Procurement Law it was not compliant with IDA lending procedures. In particular the World Bank objected to the domestic preference provisions under the National Competitive Bidding procedures and would only channel the FTI funds through FASE if World Bank procurement procedures were used for tenders above a certain threshold. This led to World Bank procurement procedures being used for all FASE funds. The difficulties over this decision have been explained more fully in ¶4.7–4.21.

FTI inputs and activities

Level of inputs

6.12 Mozambique was invited by the FTI Secretariat to apply for CFs in 2006 and after negotiations regarding the costing simulations for the PEEC, a financing gap of USD 79m from 2008–2009 was agreed, although this represented a reduction from the original figure of USD 120m. This was at the request of the MEC as additional donor funds that were unexpectedly received meant that they needed less financing. The MEC requested for the funding be received in three tranches spread over twenty four months from 2008–2010.¹² In

¹² Originally it was proposed that CFs would be received in two tranches in 2008 and 2009. However after the CF and other FASE bilateral contributions had been included in the education budget Danida

2008 USD 28m was received, in 2009 USD 30m will be disbursed and in 2010 USD 21m. Despite the lengthy time taken to agree on the funding channel the funds were still received on time in 2008, so to date there has not been an issue with predictability.

Modality

6.13 It was requested by the MEC and the education partnership group that the FTI funds should be channelled through FASE in order to support the PEEC. This was agreed after a protracted dispute regarding the additional procedures that the World Bank required as managing entity.

6.14 A technical annex was added to the 2006 MOU which requires the use of World Bank procurement procedures for tenders over a specific threshold, including a series of exceptions to the national procurement law for procurement under the threshold and additional reporting requirements. The MEC now has to provide an annual report on FASE activities and expenditures. Before the first CF tranche release in each year, the World Bank also needs an additional report on the FTI expenditure from the previous year. This means that the FTI CFs are now virtually earmarked retrospectively within FASE, as the MEC has to report on what the FTI funds were spent on, before the next tranche is released.

6.15 The first tranche of USD 28m was received in November 2008. As a result the FTI funds were retrospectively earmarked to expenditures that had already taken place, with some current expenditure taking place from November to December 2008. The breakdown of expenditure is outlined in Annex E Table E2.

The relevance of FTI to education financing in Mozambique

6.16 It was clear that Mozambique required additional funding for the implementation of its sector programme, making this FTI objective relevant. The endorsement of the PEEC that incorporated the FTI plan did result in additional funding to the sector. By the time the donor orphan clause was dropped in 2007, through better alignment between the sector's programme, its funding needs and existing resources, Mozambique benefited even more from the FTI through CF that filled the financing gap for 2008 and 2009.

6.17 The CFs have matched the funding gap estimated in the PEEC, which means that CFs have assisted in supporting the sector plan which in turn is aimed at implementing policies to achieve UPC. The Government's share of the education budget mainly covers salaries, therefore the financial contribution from the FTI and other donors forms a large share of overall non-salary expenditure which is crucial for providing infrastructure, textbooks, equipment and teacher training.

6.18 Since the resources from the CF are absorbed into a pool and they are only virtually earmarked, this makes the funds flexible and increases the opportunity for the government to assign expenditure in accordance with its priorities.

6.19 The CFs in 2008 contributed around 25% of FASE funds, while in 2009 and 2010 they will comprise just over a fifth of FASE resources (see Annex E, Table E5). This indicates that CFs will make a significant contribution to education sector funding and are relevant as they support the government's own objectives as articulated in the PEEC.

6.20 Mozambique also received direct funding from the FTI's other main fund, the EPDF. This funding was used to undertake a variety of activities outlined in ¶4.25. The EPDF

decided that it would begin disbursing through FASE in 2008. Danida's contribution had not been included within the budget, so in order to accommodate this, it was agreed with the FTI Secretariat to reduce the 2008 CF contribution and spread this over three years until 2010.

funding has been relevant, although it has not always been used in line with the MEC's priorities.

6.21 The FTI financial simulation model was very useful for the MEC as it resulted in the MEC considering the financial implications of different policies, a process that had not been undertaken before. At the time, the FTI model also created tensions as it was a parallel model to those which other sections of the ministry were using. The FTI model is still used for MTEF projections, but the MEC noted that at the beginning it should have been better linked with country processes and models that were already being used.

The effectiveness of FTI's contribution to financing

6.22 Effectiveness can be considered in terms of (a) whether the FTI has increased the funding for UPE (directly or indirectly); (b) whether the FTI funds have reached the intended beneficiaries; and (c) whether, if so, they have then been used effectively.

Increased funding

6.23 As noted earlier in footnote 8 there are major difficulties in assessing education financing figures in Mozambique due to inconsistencies in data which make time series comparisons unreliable. Although donor funding to basic education prior to the FTI endorsement in 2003 rises as can be seen in Table E9, Annex E, where donor funding to basic education almost doubles between 2000 and 2001, little can be drawn from this as the data are unreliable and Mozambique benefitted from emergency aid at this time due to flooding. External funding begins to fall from 2003 onwards, but this is because of unreliable figures and donors began funding the ESSP through FASE and funding to the pooled fund increases substantially as a result (see Annex Table E5 for an analysis of FASE funding). All that can be said with any certainty is that donor funds to education rose since 2006 after the FTI endorsement. However, this rise in funding was mainly a result of the donors desire to support the new sector plan and to channel funds through FASE which was the main way in which donors were doing this.

6.24 Only the Netherlands and the EC stated their increased funding to FASE was a direct result of the FTI endorsement¹³. Given that donors on balance would probably have supported the education sector plan anyway regardless of whether the FTI endorsement occurred it is difficult to attribute any effect to the FTI. Particularly as there was a strong sector wide approach (SWAp) process in place and donors were keen to support this process and channel their funding through FASE.

6.25 At the same time the GOM has been increasing its share of funding to the education sector as a whole. As noted previously education has been a priority sector for the GOM and Table E1 in Annex E shows that in nominal terms domestic expenditure on education has almost doubled between 2004 and 2008. Figures were not available for domestic expenditure on basic education, but despite this, the data suggests that the FTI CF has been additional funding rather than substituting for GOM funding.

Reaching beneficiaries

6.26 A public expenditure tracking study (PETS) for education is currently being undertaken and the results are not yet available. There are some initiatives that have been implemented in recent years that will have been likely to have assisted in funds reaching beneficiaries. E-SISTAFE a combined electronic payment and accounting system was rolled out to all finance and education administrations at central and provincial level in 2006 although districts are included yet. The PEFA 2008 notes that this has improved financial

¹³ The EC is not active in the sector, but made a one-off contribution as part of their commitment to FTI in 2005.

management at all levels. Also schools that now receive ADE grants have details of these grants made publicly available which mean that complaints are made and investigated if funds are not received and accounted for. There have been initiatives established by civil society organisations to work with school councils to track disbursement and spending of the ADE grants.¹⁴

Effective use of funds

6.27 There have been significant problems experienced with the ACCP and an audit has recently been carried out to examine activities in this area, although the results have not yet been published. The programme was implemented at the provincial level and to date the number of classrooms completed is far below the number expected.

6.28 FASE funds of USD 18.5m were allocated to the programme beginning in 2005, with an objective of 4000 primary school classrooms being built annually. This was revised downwards to 1300 a year later when problems with capacity at the provincial level emerged and by the end of 2008 only 2,687 classrooms had been built.¹⁵ This issue was highlighted in the 2009 Joint Annual Review Aide Memoire where it was stated that *"measures should be taken to improve the management of school building programmes, to be done at sustainable cost and with good quality"*. (JAR, 2009, p9). If measures are not taken then it is possible that a lack of classrooms may jeopardise the achievement of education targets.

FTI's contribution to the efficiency of resource mobilisation and use

6.29 Overall, the FTI has contributed to the efficiency of resource mobilisation as it has linked with the SWAp process in education and CFs are disbursed through FASE which in turn supports the PEEC. In this way the FTI has supported and reinforced existing sector mechanisms designed to increase the efficiency of resource mobilisation.

6.30 On the other hand, the CFs have detracted from this process due to the derogations from government systems that the World Bank required in order to use FASE for CFs. This has reduced the efficiency of the pooled funding mechanism. First, because the additional rules and regulation and need for additional reporting over and above that required by the other FASE donors has added to the transaction costs of the MEC and at provincial level. Second, the new FASE procurement procedures are also delaying the implementation of FASE activities. Some tenders that had already been awarded through FASE now need a prior review by the World Bank. This has led to significant delays before no objections are received, which has had implications for the ACCP and procurement of textbooks. New tenders are also reportedly taking longer than the 10 days stated by the World Bank.

Sustainability

6.31 The sustainability of education sector funding is a key issue as CP funding to FASE is projected to fall by USD 20m in 2012 (see Table E5 in Annex E). This is due to the CFs ending in 2010 and the European Union Code of Conduct which only allows bilateral donors to be represented in three sectors in addition to general budget support. The Netherlands who are a major donor have already said that they will withdraw from the education sector in 2012 and other donors may well follow, increasing the shortfall. The education sector MTEF also indicates a similar trend when total commitments for both projects and FASE are included, as this shows a significant fall from 2009 (Annex E, E8).

¹⁴ Commonwealth Education Fund partners, Mahlahle, Magariro, and Liga dos Direitos da Criança were involved in this initiative (CEF, 2008).

¹⁵ See presentation to the construction working group on Wednesday 11 March 2009.

6.32 At present it seems unlikely that the GOM will increase the state budget to education as it has not been successful in significantly increasing revenues from taxation and the financial crisis is likely to put additional fiscal pressure on the GOM budget. GBS commitments in 2010 are lower than in 2009 and an increase in GBS also seems unlikely as donors have said that they will not increase GBS unless the GOM makes more progress in the reform programme (Mozambique Political Process Bulletin, 2009). Given this, it appears that the increase in financing for education created by the FTI CF funds is unlikely to be sustainable and they have not proved to be catalytic in the medium-term. It is also worth noting that the focus on primary education and the success in achieving higher UPC rates has led to significant pressure for expansion at the secondary level which in turns adds to the overall funding gap in education.

7. FTI, Data and Monitoring and Evaluation

Context

7.1 Mozambique has a well established education data collection system which has been in place since independence. A system of regular data collection at school level has been developed, which starts at the school level and is then compiled at district and provincial level.

7.2 The process of annual data collection starts with the first compilation undertaken at school-cluster level (ZIP). The collation of the different ZIP results in district data, which in turn is compiled as provincial data. These compilations result in data which is then used at central level for national statistics, as well as to calculate different educational indicators.

7.3 This process allows for monitoring of the sector programme indicators, which are then reported on at the Annual Review Meetings. The FTI IF has also added indicators to this annual exercise. Particularly in terms of quantitative data, Mozambique did not have a data gap at the time the eligibility for the FTI support was endorsed, as it already had a good system for quantitative data collection and annually produced relevant education sector data. There is not, however, an established system for assessment of quality of learning. Additionally, the present data system is not yet compatible with the IF indicators, as data are still collected with EP1 and EP2 split, and not integrated primary education. Attempts have been made to introduce an EMIS, but there has been little progress on this to date, although UNESCO and the MEC have plans to push this initiative forward.

7.4 Procedures for joint monitoring between MEC and donors are in place, such as the Thematic Working Groups, the Financial Management Committee, the semi-Annual Review and Planning Meeting (RAR) and the Joint Steering Committee (COPA), and most are functioning according to plan. Implementation of plans and financial monitoring are part of the regular monitoring. Regular joint reviews assess performance and an Aide Memoire which outlines the findings and recommendations is produced.

FTI inputs and activities

7.5 The main innovation related to data collection that has been implemented recently is a plan for improving data processing at provincial and district level. This is designed to allow for electronic data processing at district level. This plan, which did not result from the FTI input, is expected to roll-out as of 2010.

The PEEC results framework and the FTI indicative framework

7.6 The PEEC results framework contains the relevant elements of the FTI indicative framework. The FTI negotiations coincided with the development of the PEEC. The indicative framework influenced the establishment of some of the PEEC targets and approaches, particularly those regarding pupil: teacher ratio, gender and particularly UPC. Before the FTI Indicative Framework, the education goals were focused on the completion of the first cycle of primary education from grades 1–5. Now, PEEC provides a focus on UPC from grades 1–7 which is a significant change. However, data systems and data processing do not reflect, yet, this change and therefore it is difficult to measure achievements.

7.7 Additionally, the present data systems of the MEC are essentially quantitative. So far, the system does not include procedures which will allow the quality of both inputs and outputs of education provision to be determined.

7.8 Financial data and benchmarks included in the FTI Indicative framework, such as average teacher salary are difficult to establish and are not part of the regular monitoring and evaluation procedures. Nonetheless, the simulation exercises done in preparation for the application for eligibility to the FTI helped policy decisions.

7.9 There is also additional reporting of FASE funds since CF funds have been channelled through the FTI. An annual report now has to be produced by the MEC which outlines annual CF expenditures as well as overall FASE revenues and expenditures.

The relevance of FTI to M&E in education

7.10 The need for timely, accurate and comprehensive data are widely recognised by both government and donors, so in this way the aim of FTI to strengthen this area was relevant. The existing data system responds to some of these needs, but many questions arise regarding its accuracy and quality of the data produced. The system does not apply cross-checking procedures for data control and quality assessment. The introduction of ADE linked to number of pupils further enhances concerns about data accuracy and quality.

7.11 So far, education sector reporting has included FTI benchmarks such as UPC and has for several years, reported figures on primary school completion. Other monitoring and evaluation exercises are seldom mentioned as MEC relies heavily on its own systems.

7.12 However, there is little evidence that data collected is actually used for policy decision making, except for establishment of goals and targets. There is evidence that data collected is used for reporting purposes, particularly at political level and to the CP.

7.13 The evaluation team considers that the inclusion in PEEC of some of the Indicative Framework benchmarks, and the shift towards UPC makes the FTI relevant to M&E, although existing data systems do not yet fully reflect this shift.

Effectiveness of the FTI in improving M&E

7.14 This section first discusses whether the FTI has been effective in bringing to light concerns regarding data which have subsequently been addressed by the government and development partners. It then reviews whether the FTI has had an effect in encouraging the use and analysis of data.

7.15 **Rationalisation of indicators.** PEEC has a set number of indicators for the different types and levels of education. These indicators are the object of joint monitoring and reporting, with particular emphasis on indicators related to primary education. Monitoring relies very much on data produced by the existing MEC data system and reports produced by the same system, despite the concerns expressed on data accuracy and quality.

7.16 Although the FTI IF benchmarks are reflected in the PEEC there is no evidence that the FTI has contributed to improving M&E. Data is produced in the same way as prior to the FTI. Additionally, data on financing of education is still not produced in a timely and comprehensive manner.

7.17 **Use and analysis of data.** The Ministry of Education and Culture reports using the annual plans based on the Government's Plan and Budget. These plans are mostly activity driven. Financial reporting is also part of the annual plan and budget reporting cycle. Usually annual planning starts in the mid-cycle of the current year implementation, therefore the planning exercise overlaps with the implementation. Data on enrolments is usually the basis of planning, as data on education performance is not available in time to influence planning decisions for the following year. Additionally, financial reporting is not directly related to education performance.

7.18 Although some improvements can be identified in reporting, there is no evidence that data use and analysis has improved or that it influences the planning and budgeting exercise, differently to the procedures already in place.

Efficiency of resource use in M&E

7.19 Whilst the FTI was not expected to contribute directly to the costs of funding M&E activities there is no evidence that in the time since the PEEC has received the FTI endorsement, there has been a significant change in the capacity to monitor progress in the education sector, or in the prioritisation of M&E in the national development plans. The donors and the MEC had already an agreed set of indicators and a joint process of review. Some IF indicators were incorporated into the existing processes, but there was not a visible FTI influence in streamlining the demand for data or monitoring indicators.

7.20 The education data collection system is already decentralised and unified, though the processing and analysis is mostly centralised. Collection procedures are in place, however they still require improvement, particularly in quality assessment and control procedures to ensure greater accuracy and quality. Additionally, significant efforts are required not only for data collection, but also for data use and analysis at provincial and district levels, to put them on a par with the overall government's decentralization policy. This will require investment for capacity development and institutional development for education agencies at provincial and district level. The PEEC indicates the need to build capacity at the different levels of education management, but progress has been slow.

Sustainability

7.21 The application for the FTI has contributed to the capacity to analyse and plan the delivery of education in a more sustainable way. However, this capacity has not been institutionalised yet, as it remains with staff members who had the opportunity to participate in the exercise. The MEC recognises the need to conduct a range of new analytical activities, including the costing of policy decisions. These should then become part of the regular periodic analysis which the MEC produces.

7.22 To ensure sustainability of the influence of the FTI in planning and costing of education, capacity development for such exercises is essential and critical. The evidence is that so far this capacity is now weak and will need to be strengthened for the next planning exercise for PEEC. Although EPDF funds could be used to strengthen this capacity, it has not happened yet.

8. FTI and Capacity Development

Context

8.1. Capacity development (CD) has been one of the main objectives of the two education sector programmes over the past 10 years, with much attention devoted to capacity building issues. As a result, there have been abundant, often donor-driven plans and activities in this area. Implementation of this part of the sector programmes has been overseen by the Working Groups established to facilitate ESSP/PEEC implementation. Two of these have focused on issues of institutional development and of planning and finance, whereas the other groups have contributed to identification and guiding of CD activities in their specific thematic areas. Nevertheless, coordination between the different CD efforts has been insufficient.

8.2. Overall, during the lifetime of the ESSP and PEEC, CD at the central level has produced tangible results in planning and budgeting capacity and in the use of information and communication technology. Compared with the pre-ESSP situation, MEC is now in a significantly better position to produce annual plans, properly costed and structured by programme components, and reports in a consistent format. At provincial level, training received (particularly in provinces catered for by bilateral projects) has developed capacity for the preparation of the provincial annual plans, including the costing of different activities and prioritisation of those activities in relation to available resources.

8.3. Training for school directors in management of resources at school level has been another significant contribution to the implementation of the ESSP/PEEC. In order to build capacity at school level to contribute to school management and to monitor the implementation of the sector programme, training has also been provided, particularly by NGOs to School Councils. This has particularly been directed at developing the capacity among School Councils to monitor and track disbursements of the ADE funds in order to better manage them (see ¶6.26).

8.4. The recent emphasis on decentralisation to provincial and district level has increased the requirement for financial management, procurement and audit skills at sub-national level and poses a challenge since there is reported to be a shortage of qualified personnel to implement and monitor programmes. This is a concern as education has been one of the sectors that has embarked on a process of decentralization of funds (See ¶3.42).

8.5. However, since 2003 there have been other central level initiatives undertaken to strengthen the capacity of the entire public sector in public financial management at central, provincial and district level. Reforms in the revenue management, procurement and implementation of SISTAFE have all improved GOM systems in this area, while the establishment of a single treasury account from which all payments are made, has resulted in significantly improved cash management systems (see ¶2.12 and ¶6.3).

8.6. There are also other indications that capacity is improving in that in the FASE 2006 MOU, an end-of-the year balance of unspent funds over 15% would give the donors the right to cut down their funding the next year. The balance has in recent years been below this level, indicating an absorptive capacity commensurate with the growing volume of external assistance. Also financial execution is improving with the annual review report stating that in 2008 there was an improvement in budget execution from 88% from 80% in 2007, even though the volume of expenditure rose by 38%.

Capacity to monitor the quality of education

8.7. Since the 1990s, UNESCO, Finland and Danida have supported building of capacity at the National Institute for Educational Development (INDE) to conduct studies of learning achievement on the basis of large, nationally representative samples. The most recent study is being finalised and is part of the regional SACMEQ study of Grade 6 learning achievement in Mathematics and Portuguese (English in other countries), and of factors related to achievement.

8.8. However the studies are not yet as institutionalised as they should be and they have been small-scale exercises. Currently the MEC is preparing the establishment of a national system to monitor the quality of education.

8.9. There has been a view that at the political level there was initially reluctance towards gathering and publishing such information, as negative results were feared, but this changed when results showed that Mozambique is performing fairly well in comparison with other countries. There have been some initiatives by the MEC to improve the quality of education, but there has not yet been the establishment of a comprehensive system to monitor learning achievement over time is a high priority for MEC. Such a system could be funded by FASE. Among other issues, information would be needed on the performance of teachers with different training backgrounds.

Capacity of the local donor group

8.10. The collective capacity of the local education sector donors is generally seen as having declined over time. This is due to frequent turnover of agency staff resulting in a decline in institutional memory and to replacement of education professionals by persons with other backgrounds. There is also a perception that communication between country offices and headquarters is erratic in many cases. Another trend is that some former MEC officials have been recruited to work in donor agencies. In comparison with the present capacity of MEC, the capacity represented by the agencies is not conducive to effective dialogue, and this issue is now being discussed.

Capacity of civil society

8.11. The capacity of civil society groups engaged in the education sector varies. As noted in ¶5.3 and ¶5.4 above, capacity to engage in policy dialogue has been limited, but NGOs have made a contribution to service delivery and strengthening school councils. There have been some concerns regarding the accountability of NGOs and lack of coordination of their activities with each other and with the MEC. On the other hand, NGO activities are increasingly integrated into the PEEC framework. There have also been initiatives to strengthen the capacity of civil society to engage with policy dialogue through the Commonwealth Development Funds (CEF) programme to strengthen the MEPT which is the umbrella coalition for the education sector in Mozambique.

Inputs and activities

8.12. Issues relating to implementation capacity were highlighted by the in-country donors in their assessment of the FTI proposal of Mozambique (FTI 2003a). It was noted that the past performance of the education sector to absorb external funds had been less than satisfactory and that weak institutional capacity was a major risk. At the same time, the assessment referred to new initiatives towards decentralization and the FASE, which could enhance the capacity to make effective use of additional funds.

8.13. The specific inputs that the FTI contributed to capacity development were through introducing the FTI simulation model in 2002–3, which led to MEC having the capacity to

adapt the FTI simulation model to local needs, and as a result, the capacity of key MEC staff was developed further, with technical assistance from the World Bank.

8.14. By 2007, MEC already had accomplished a lot of training of staff at national, provincial and district levels in using national systems of procurement and reporting with the assistance of bilateral donors. After the amendment to the FASE MOU was agreed upon in order to accommodate the World Bank managing CF funds into FASE, a new round of training became necessary, to build capacity in following the WB procedures. The latter training came about as a direct result of the FTI.

8.15. In the period 1998–2005, Mozambique received financial support from the Norwegian Education Trust Fund (NETF), hosted by the World Bank. NETF funding supported the national study on cost and financing of education, to which key MEC planning officers contributed, and the participation of representatives of Mozambique in regional workshops on the above topic, on school management and on early childhood development (ECD).

8.16. EPDF funding was used for TA in the preparation of the secondary education strategy, for conducting the procurement assessment and for training of MEC and provincial and district level personnel in procurement. Mozambique also participated in an EPDF funded study on management of resources at school level. In addition, EPDF has funded Mozambican participation in several study visits to Asia.

Relevance

8.17. The FTI CD guidelines which did not exist at the time when the FTI plans of Mozambique were prepared barely mention the capacity issues related to school construction (p19), although this is a critical area of capacity needed to reach UPC. Although CD guidelines have now been distributed to education donors, the MEC and implementing agency, one of the reasons why they are not used throughout the country is that there is not a Portuguese language version.

8.18. The same neglect is notable in the FTI plan for Mozambique, which simply says that capacity for low-cost, community based construction is to be developed, but this did not lead to the development of a CD strategy in this area. In the assessment made by the in-country donors, reference was made to capacity constraints in the face of the massive task of constructing additional classrooms, where actual performance lagged far behind the targets (FTI 2003b). The World Bank project to support the ESSP had set the target of constructing 12,000 primary school classrooms but managed to complete only 650. Due to the difficulties encountered it was decided to utilise IDA funds for the construction of secondary schools rather than primary school classrooms (World Bank 2006, p26). The issues of construction capacity were also given attention in the evaluation of ESSP implementation (Mario & Takala 2003).

8.19. The best-performing provinces in the ACCP are those which have the requisite planning and supervision capacity at provincial level and also have earlier experience in school construction gained with projects supported by Unicef, and NGOs. In hindsight, the ACCP should have been begun with a capacity development phase at the provincial level. Capacity for the physical maintenance of the school buildings is another neglected area. A strategy for school maintenance has recently been developed by MEC, training has been organised in this area, and a section on maintenance has been included in teacher training courses.

8.20. The use of EPDF funds for TA in the preparation of the secondary education strategy filled an obvious need within the overall development of the sector programme, to address the consequences of increased primary school completion at the secondary level. This was

initiated by MEC and the partners directly involved in this sub-sector. The WB functioned in this regard primarily as administrator of the consultants. In other cases EPDF funding has primarily been used by the WB to prepare the necessary documentation for the WB to be able to channel funds into FASE. The use of EPDF funds for study visits and other regional initiatives has not always been entirely aligned with the current priorities of the ministry or integrated in on-going processes to have a direct impact.

Effectiveness

8.21. The quality of the TA that was made available by the World Bank for the development of a locally adapted education sector simulation model was perceived to have been effective by the MEC. At a later stage the MEC supported by its bilateral partners contracted additional TA to refine the FTI model.

8.22. Overall EPDF has made a minor contribution in Mozambique, complementing the funding for TA and other capacity development activities that have been available from the sector pool fund FASE and bilateral sources. Most of our interviewees apart from the World Bank were apparently unaware of its existence as a separate source of funding, probably because the EPDF funds that had been used in Mozambique were simply regarded as World Bank funds. On the other hand the World Bank did keep the donors informed about the use of EPDF funds through the CP coordination team and proposals were discussed in CP meetings.

8.23. To date, training for the MEC provided in the use of the World Bank procurement procedures has been insufficient for coping with all the issues that have arisen under the new rules. More extensive long-term support was reported by the MEC to be needed.

8.24. The considerable transactions costs caused by the negotiations over the management of CFs has diverted scarce professional resources of both the MEC and the donors away from discussion on the substantive issues of policy and planning. In this way the FTI has had a negative impact on CD as for an eighteen month period the focus of discussions was on the funding channel for CF.

Efficiency

8.25. Due to the small volume of the miscellaneous FTI inputs to capacity development in Mozambique, the evaluation team is not able to assess the degree of efficiency in translating these inputs into results.

Sustainability

8.26. There has been a mixed picture in terms of the sustainability of CD interventions. The FTI simulation model was adapted and continues to be used, but on the other hand became the intellectual property of a few individuals, and some of them have subsequently left the MEC. Capacity to apply and further develop the model remains in MEC but is fragile. MEC recognises the need to conduct a range of new analytical activities including costing of policy options.

8.28. Procurement training by the World Bank has been useful, but not sufficient in quantity as noted in ¶8.23 above so it unlikely to be sustainable in the medium-term given the problems with retaining procurement staff once they have been trained.

9. FTI and Aid Effectiveness

Context

FTI's aid effectiveness goals

9.1 The following goals set out in the FTI Framework document are directly concerned with aid effectiveness:

- *More efficient aid for primary education*, through actions of development partners to maximise coordination, complementarities and harmonisation in aid delivery and reduce transactions costs for the FTI recipient countries;
- *Sustained increases in aid for primary education*, where countries demonstrate the ability to utilise it effectively.

9.2 This chapter inevitably draws on material presented in previous sections of the report. However, this is interpreted in the context of the FTI's aid effectiveness goals.

The aid landscape in the education sector in Mozambique

9.3 Mozambique has a well established mechanism for education sector planning and collaborative working between donors and government. This has been developed at sector level, but also links to the framework developed for GBS by the PAPs. There is a joint review undertaken each year by the GOM and PAPs which monitors progress towards achieving indicators in the PAF and highlights key issues in each sector, including education. This gives an opportunity for problems experienced at sector level to be raised at a higher level and as noted in ¶5.41 the issue of classroom construction has recently been highlighted through the joint review process

9.4 There has been a fairly strong consensus by donors and government on key education priorities, while education plans have been well integrated with national plans, specifically the PARPA, with strategic matrix indicators from the education sector PAF integrated into education sector plans. Currently there are four indicators from the education sector PAF in PARPA which relate to i) net enrolment rate EP (1+2) total; ii) net enrolment EP (1+2) girls; iii) completion rate EP 2 total; and iv) completion rate EP 2 girls.

9.5 An education sector SWAp was established in 1997–1998 to support the development of the first sector strategic plan, which brought together most bilateral and multilateral donors in the sector. The partnership process was further strengthened in 2003 when the education donors decided to establish an agenda based on OECD DAC guidelines to strengthen harmonisation and alignment in the sector. This was supported by the creation of FASE which provided a pooled funding mechanism to support the sector plan. Initially FASE was funded by five donors. These were Canada, the Netherlands, Finland, Ireland and Sweden. The World Bank signed the 2002 FASE MOU, although they never disbursed funds through FASE.

9.6 In 2008 there were 10 donors funding through FASE in addition to the CFs, including some who traditionally have not pooled funds such as Unicef, who are using Mozambique as a pilot for joint sector funding mechanisms. The donors currently funding FASE are the Netherlands, Canada, Ireland, the United Kingdom, Germany, Finland, Denmark, Spain, Portugal, Unicef and the World Bank CF (See Table E7, Annex E).

9.7 Nearly all FASE donors are also implementing projects outside the common sector fund, but despite this, many of these bilateral interventions are included in sector

documentation and discussed as part of the SWAp process and included in the sector MTEF.

9.8 A process for dialogue between the MEC and donors has been developed. The most important elements include:

- The Annual Review Meeting (RAR): takes place in March of year n focusing on assessing progress with regard to the PEEC in year n-1 on the basis of agreed targets of the education sector performance assessment framework (E-PAF).
- The semi-annual committee meetings (COPA): to facilitate dialogue between the MEC and donors on the plan and budget proposal for the following year.
- The Joint Steering Committee (GCC) between senior management and the CP coordination team: To follow up implementation of the plan and improve dialogue between the GOM and donors on a regular basis.
- Thematic Working Groups (WG): These groups undertake analysis of key issues and monitor the implementation of the sector plan in specific areas. There are currently eleven working groups. They include representatives of the MEC responsible for the thematic area, as well as CPs.

9.9 In the past there was little civil society input into the process for education sector dialogue. More recently civil society has been represented at the RARs, COPA and in the TWGs and in some of the provinces the principal NGOs take part in the donor coordination meetings. The MEPT in particular is now active in the planning and review meetings for the PEEC and it has provided an independent input into the periodic review of the performance of the education sector. It also represented CSOs in reviewing the performance of the education component of the Poverty Reduction Strategy Paper, PARPA II, and been working to facilitate joint working between the MEC and CSOs to improve CSO-government communication and partnership.

9.10 Despite this, as the CEF evaluation points out "the MEPT's representation of CSOs in policy forums, debates and reviews is becoming the norm but, civil society has yet to fully occupy the policy space created and needs to enhance the quality of its engagement". (CEF, 2008, p23). This is primarily due to weaknesses in capacity to undertake advocacy functions and the fact that the MEPT is often given very little notice of consultations by the MEC.

FTI inputs

9.11 The FTI inputs in Mozambique had the opportunity to influence aid effectiveness through the initial FTI endorsement process and the provision of CF funds. The objective of discussion of key sector priorities and issues raised by the FTI and the IF in the initial endorsement phase was to support CP activities to become more coordinated and harmonised.

9.12 In the second phase the provision of CFs had the potential to increase alignment with GOM systems and achieve more effective implementation of activities, while EPDF funds also had the potential to support activities that would increase capacity and as a result increase the effectiveness of ODA.

The relevance of the FTI

9.13 The overall objectives of the FTI which were aimed at increasing aid effectiveness were relevant to Mozambique, as they were in line with the objectives of the education group

at country level which had been undertaking a number of initiatives as outlined in the previous section to strengthen aid effectiveness.

9.14 At country level the FTI inputs were not quite as relevant in terms of aid effectiveness as the education sector already had good donor coordination mechanisms prior to the FTI endorsement in 2003. As outlined in ¶9.3 a SWAp had already been in operation for several years and a common sector fund was in the process of being established to support the implementation of ESSP. Therefore the FTI did not influence the aid effectiveness agenda, although it could be argued that it supported it through by providing policy inputs into the PEEC which helped strengthen the plan, which is the mechanism, through which donors align with MEC activities and coordinate their own activities around.

9.15 A strong view from quite a few CPs, particularly those that were financing the FTI at a global level, was that Catalytic Funding was not relevant given that this was a vertical form of funding. The perception was that the aid effectiveness agenda would be better served if those funds were channelled through bilaterals in-country, rather than adding an additional level of complication by having global funds. This was additionally frustrating for CPs given the dispute that arose over funding channel for the CF, as bilateral agencies had disbursed funds to the FTI, but then felt they had little say over what happened to them in-country.

FTI influence on the efficiency of aid

9.16 The 2006 FASE MOU is framed by the principles of the Paris Declaration and commits signatories to *"the principles of harmonisation, as internationally agreed in the context of the Paris Declaration on Aid Effectiveness"* and to *"strive for the highest degree of alignment with the budgetary and accounting systems and legislation of the GOM"*. (GOM and Donors, 2006 p4/5). The extent to which the FTI has influenced progress towards achieving Paris Declaration principles is examined in this section, both in relation to FASE and those donors who are signatories to the 2006 FASE MOU, but also in terms of the conduct of other donors, who have not signed the MOU, but are signatories to the sector partnership principles.¹⁶

Ownership

9.17 The indicator for ownership as defined in the Paris Declaration is the extent to which a country has an operational development strategy that is drawn from a long-term vision and that shapes a country's public expenditure.

9.18 The sector planning process in education is owned by the MEC with both the ESSP and the PEEC developed under the leadership of the MEC with donors and civil society and there is considerable support at political levels for the strategy. In most instances policies brought by the FTI were in line with the overall education strategy at the time and widened the debate on issues that were already on the table.

9.19 Although the FTI had a major influence on teacher training policy and the school construction approach, the changes that occurred are perceived to be a positive move by government staff interviewed and appeared to be owned by government. This is despite resistance from different parties both within and outside the MEC. In particular the accelerated school construction programme as pushed by the Minister, as part of the move towards decentralisation.

¹⁶ The FTI undertook a Study to monitor the Paris Declaration principles which included Mozambique but there were insufficient responses from donors and government in country to gain an accurate picture of progress towards Paris Principles (EFA FTI, 2009).

9.20 An issue that was exposed by the FTI was that the MEC may have had ownership over the education sector plan, but it was not able to influence how funds to support the plan were channelled. This was highlighted by the negotiations with the World Bank over CFs where the final decision was made by the Ministry of Planning and Development, indicating that the MEC did not have the political backing within government to further the aid effectiveness agenda.

Alignment

9.21 There are nine Paris Declaration indicators relating to alignment, focusing on the reliability of country PFM systems and procurement systems, their use by donors, greater predictability of aid, avoidance of separate, parallel project implementation units (PIUs), and coordination of support to capacity strengthening.

9.22 Education sector external funding has become increasingly aligned with GOM systems, as a rising number of donors are disbursing their funds through FASE, although most still have projects, and also by the rising percentage of funds that are provided through this pooled mechanism. The FTI has not supported the alignment process as although CF funds have been disbursed through FASE, the overall level of alignment within FASE has declined due to the additional procedures needed to accommodate the CFs.

9.23 This is a backward step given that the FASE 2006 MOU was designed to increase alignment with GOM systems and a commitment was undertaken to use GOM financial management and procurement systems. Initially FASE was perceived as a transition step towards sector budget support, but due to recent events, questions can be raised as to whether this is likely to happen in the near future.

9.24 It was noted by some donors that the World Bank's actions, particularly highlighting weaknesses in procurement procedures sent mixed messages to CPs' headquarters. This was unhelpful for those donors who had spent significant time convincing their HQ that they should fund through FASE. This questioning of PFM systems by the World Bank undermined the position of these donors by eroding their support at HQ level.

9.25 The arrival of the FTI also created confusion for both the MEC and donors. Initially it was not clear to the education group in-country how the FTI worked and the benefits it would bring. A lack of clear guidelines resulted in confusion regarding procedures for endorsement and whether the FTI was to be a new donor or channel funds through an alternative mechanism. An expectation was created that the FTI endorsement would bring with it additional FTI funds. It created disappointment when these did not materialise after the initial endorsement in 2003.

9.26 The lack of dialogue between the FTI Secretariat and all parties involved caused considerable problems at country level and did not assist in furthering aid coordination. If the FTI Secretariat had taken a more pro-active role when alerted to the problem and participated in the discussion as part of the FTI approval process concerning what funding channel should have been used, this would have reduced the confusion significantly and decreased substantially the time and effort spent on resolving the issue.

Harmonisation

9.27 The Paris Declaration indicators on harmonisation relate to the use of common procedures, the planning of joint missions and the use of joint analytic work.

9.28 Significant progress has been made in Mozambique over recent years on harmonisation with the establishment of the SWAp process and the common sector fund. There are common ways of working such as the sector review process which is undertaken

jointly. In the partnership group meeting that the team attended, plans were being made for a joint evaluation to be undertaken of the PEEC in 2010.

9.29 The education group has acted jointly on key issues with the FASE donors writing to the FTI Secretariat and Catalytic Fund Committee to highlight concerns regarding the FTI funding modality and the PAP donors have recently written to the MEC, copied to MPD and MF to raise concerns regarding low cost classroom construction.

9.30 The FTI did not contribute to harmonisation as a well established structure for donor harmonisation already existed. The disagreement over CFs had a negative effect on harmonisation as it created a loss of goodwill between the donor group and the World Bank. At the beginning of the dispute there was a united view on the fact that CFs should be channelled through FASE, this was less so by the end. Some donors perceive that this loss of goodwill still remains and is affecting relations in other areas such as GBS, while others view it as now having been resolved with the sector moving on. Regardless of this, there is still a perception that the donor group no longer speaks with one voice.

9.31 From the MEC point of view they felt that they were pressurised by donors to make a stand and were made to choose between the World Bank on the one hand and the other donors on the other, while they considered it a problem caused by inconsistent donor behaviour. The MEC could not understand why this discussion was needed given the amount of aid that donors gave to general budget support that used the same systems. The MEC felt that neither the World Bank nor the donors appreciated that they bore the risks whatever decision was made. Some donors thought that relations between the donors and the MEC had strengthened due to their united stand against the World Bank.

9.32 The MEC also noted that although transaction costs have decreased considerably over the last 15 years with a move towards pooled funding and more harmonised ways of working, the FTI has had a negative impact on transaction costs, due to the significant additional work caused by the additional reporting and procurement requirements.

9.33 All stakeholders remarked on the substantial transaction costs involved in resolving the CF issue which took considerable time and effort. The World Bank in Maputo estimates that this represents a figure of around USD 1m from the Bank's point of view. Both the MEC and donors commented that scarce time and resources were devoted to this, when they should have been spent on dealing with more important education sector issues.

Managing for results

9.34 There is an M&E framework for the PEEC and annual reviews are undertaken on progress towards meeting targets, expenditures committed and disbursed, and assessing obstacles and key priorities. Three of these targets are then monitored through the GBS PAF, while other issues are discussed within the sector working groups and various SWAP mechanisms. This system is deemed to work well and as the FTI supports the PEEC, it fits with these mechanisms.

Mutual accountability

9.35 Indicator 12 of the Paris Declaration records whether or not there is a country-level mechanism permitting joint assessment of progress in implementing agreed commitments on aid effectiveness. The mechanism through which this occurs in Mozambique is through the PAPs PAF which scores donors against their progress towards the Paris Declaration which was introduced in 2004. In 2008 the PAPs with a high performance were DFID, Switzerland, the Netherlands, Belgium, Spain, Ireland and Finland. A medium high performance was achieved by Sweden, Norway, Denmark, Canada and Austria. The EC and

Italy attained a medium performance while the World Bank, the African Development Bank and France were ranked as medium to low. Portugal had a low performance.

9.36 Some of the best PAP performers were those who fund FASE and concern was highlighted by some donors that their performance is now likely to be ranked lower in 2009 due to the step backwards in alignment within FASE, which would also impact on their Paris Declaration monitoring results.

Sustainability

9.37 One of the main reasons for the success in establishing strong aid coordination mechanisms in education has been the small number of likeminded donors who were instrumental in developing the SWAp process and the common pooled fund. Key to this was also the presence of individuals who were experienced in the education sector and knowledgeable about related issues. There is a perception that the education donor group is less homogenous now than previously. More bilateral agencies are also now employing generalist rather than education specialists which makes dialogue and inputs into policy issues less useful than in the past.

9.38 On the other hand the education group is still very much focused on facilitating dialogue and joint ways of working between the MEC and donors, and CSO engagement is marginal. Although CSO participation in the RAR and other consultations has increased in recent years, they were not involved in discussions on the CF supervising entity and the FTI has not had any influence in terms of bringing about greater inclusiveness in the education sector group.

9.39 This is compounded by an uncoordinated implementation of the EU Code of Conduct which means that donors are withdrawing from the sector without other donors moving in. The Netherlands has been a key CP for a long-time and will withdraw in 2012. This means that the institutional memory is lost, as well as education specialists who are familiar with the issues.

9.40 Conversely, there are now several ex-Ministry staff in donor agencies which has helped in strengthening CP knowledge of issues relevant to education and some interviewees argued that this is starting to result in less discussion on financing and more on policy issues again.

9.41 Chapter 6 has also highlighted the uncertainty regarding sector finances from 2010 onwards. The FTI goal of sustained increases in aid for primary education is not assured, with considerable uncertainty about the future levels of funding available from the FTI CF and from the FTI partners in general.

10. Cross-Cutting Issues

Context

10.1 The main cross-cutting issues that affect education in Mozambique are equity of access, HIV/AIDS and regional equity. Equity is a major issue which relates to gender, rural/urban, and equity among regions and provinces. HIV/AIDS has a significant impact on the education sector through attrition of the teacher workforce and administrative staff, as well as children affected by HIV/AIDS. There are also regional differences in primary level enrolment, PCR and regional differences in learning achievement.

10.2 These cross-cutting issues were already incorporated within the policy dialogue before the advent of the FTI. The ESSP mainstreamed these issues within the policy and planning processes prior to the FTI and examines policy options for expanding access to education for women and girls.

10.3 The issue of regional equity was also very much on the agenda in the late 1990s and early 2000s, while geographically equitable provision of access to primary schooling is also one of the objectives of PEEC. The extent of destruction of schools during the war varied between provinces and the post-war reconstruction was an effort to redress these disadvantages. Pre-ESSP and later parallel to the ESSP, the MEC had the principle of favouring bilateral projects with a provincial focus, so that agencies were allotted one of two provinces each. This meant that external support was reasonably equally allocated between provinces and RENAMO and FRELIMO dominated areas.

10.4 Initially, the sensitive issue of the impact of HIV/AIDS on the education sector and of the potential role of schools in HIV/AIDS prevention were initially more a concern voiced by the donor representatives than one expressed by the MEC. The report of a joint mission on these issues brought them onto the agenda of the ESSP Annual Review Meetings for the first time in 2001. Subsequently a Working Group on HIV/AIDS was established as part of the ESSP *ad hoc* organs and a strategy was prepared for the MEC on work in this area, aligned with the comprehensive national anti-AIDS strategy.

FTI inputs and activities

10.5 As part of the FTI endorsement process plans have to be assessed for their attention to gender and HIV/AIDS. This was duly done in the case of Mozambique and attention was paid to both these issues. The donors' assessment of the Mozambique FTI proposal noted that in spite of progress made towards gender equity in grade 1–7 enrolment, disparities remained pronounced at the higher levels of schooling and gender differences between provinces were also significant.

10.6 In their assessment of the first version of the FTI Plan, in November 2002, the in-country donors listed gender and HIV/AIDS action plans as "trigger" conditions for endorsement. The assessment of March 2003 noted that the HIV/AIDS plan had been produced, whereas the gender plan was being prepared but not yet completed. With respect to the gender issue, the assessment *"recommended as a matter of priority that special targeted programmes be implemented in the north and centre of the country"*. The pre-appraisal of PEEC further noted that the gender component of the draft plan would need to be strengthened. Similarly the Joint MEC and Development Partners statement at the Cairo meeting in November 2006 notes the need to ensure a greater effort in tackling significant regional, gender and socio-economic disparities. It is noteworthy however that the FTI assessment only refers to regional disparities in relation to gender.

10.7 In the PEEC document, gender issues are dealt with extensively. It is also notable that two of the education sector-specific PAF indicators that are monitored in the negotiations on GBS, two relate to gender (Grade 1 Net Enrolment Ratio and Primary School Completion).

10.8 The gender-specific targets of PEEC are the achievement of gender equity in EP1 completion by 2009 and in EP2 completion by 2015. In 2007 there was equity between boys and girls in enrolment of 6-year olds. The gender parity index in net enrolment ratios at primary level (grade 1–7/ 6–12 years of age) has improved from 0.90 in 2004 to 0.93 in 2008. In dropouts during primary school there is a slight difference to the disadvantage of girls. The gender parity index for primary school completion shows a markedly rising trend: from 61 in 2003 to 72 in 2007

10.9 HIV/AIDS issues were also incorporated in Mozambique's FTI proposal and in the PEEC document. They have been given attention in the new primary school curriculum and in the ongoing revision of the secondary level curriculum. With support from FASE funds, manuals have been produced and training has been organised to prepare teachers to deal with these issues. The linkages of HIV/AIDS with gender issues have also surfaced in public discussions and measures to address the problem of sexual abuse in schools are mentioned in the SPEC document. International NGOs have recently had an important role in both investigating this problem and initiating concrete actions to counteract it.

Relevance

10.10 The FTI has been relevant as it supported existing government policy on gender and regional equity and on HIV/AIDS through highlighting at the endorsement that policies to address these issues needed to be strengthened. The CF funding has contributed to this by providing additional funding to support implementation of the HIV/AIDS policy in education which is funded through FASE. This has focused on four fundamental areas. Prevention and care of all workers, development of curricula that address HIV/AIDS, enforcement of policies that prevent and reduce the impact of HIV/AIDS and coordinating a multi-sector response.

10.11 CF funding has also assisted in financing education sector goals which include targets on gender equity. Specific policies that the FTI has supported are improving the accessibility and safety of schools as well as action to curb the problem of sexual abuse, promoting complete primary schools and identifying and implementing strategies to address the direct and indirect costs of sending girls to schools.

10.12 A study by Clarke and Bundy (2004) assessed how HIV/AIDS had been addressed in the endorsement process of the FTI in the first 12 countries which had credible Education Sector Plans endorsed by the FTI. Mozambique's plan offered the most comprehensive strategy response that best accords with current good practice. The FTI has through the CF to FASE supported the implementation of activities to prevent and combat the spread of HIV/AIDS in each province.

Effectiveness

10.13 Gender statistics have improved considerably in recent years with the ratio of girls to boys in primary and secondary education increasing from 72 in 1990–1996 to 83 in 2005–2006 (World Bank 2008a). In 2007 there was equity in enrolment of 6 year olds between boys and girls. Girls gross enrolment rate increased from 64% in 2000 to 97% in 2006 and the girls primary completion rate from 13% in 2000 to 35% in 2006 (FTI 2008c). Regional disparities still exist in gender however and the problem remains more one of supply than demand. The safety of girls at primary school still remains an issue.

10.14 Wide variation was found between provinces in average learning achievement. According to SACMEQ II Project in Mozambique (A Study in the Conditions of Schooling and the Quality of Education). In the reading test, the national mean score was 517, with Niassa and Cabo Delgado scoring below 460 and Maputo City at 549. In mathematics the national mean was 530, with variation of provincial mean scores from 488 (Niassa) to 546 (Maputo City).

10.15 Similarly the same study found that gender-related differences in learning achievement at Grade 6 were not significant in the reading test, where the mean score for boys was 518 and for girls 514. By contrast, the mathematics score of boys was 537 and of girls 519.

10.16 HIV/AIDS continues to be an issue with high adult prevalence rates. The national HIV adult prevalence rate was 13% in 2001 and has risen to 16 % in 2007. The respective figures for Maputo City are 16 and 21 per cent. It is estimated that out of the total number of civil servants, 20% are HIV-positive. The largest group of civil servants are the teachers.

Efficiency

10.17 The common approach of the MEC and donors towards cross-cutting issues through highlighting them within the PEEC and joint funding by donors through FASE means that an efficient mechanism is in place to address these issues.

Sustainability

10.18 One of the main policies for dealing with gender equity has been related to school construction promoting complete primary schools to expand the school network closer to the communities. Given that the primary school classroom construction policy has not been progressing very well, this has the possibility to undermine gains that have already been made on gender equity (for more details see ¶. 8.18), although school construction is not directly linked to access in the Mozambican case.

10.19 Also as FASE is funding HIV/AIDS activities and FASE funds are projected to decline in 2012, it is possible that this will have an impact of the level of activities directed towards HIV/AIDS.

PART D: CONCLUSIONS AND RECOMMENDATIONS

11. Conclusions

Introduction

11.1 This chapter first gives the evaluation team's overall assessments for Mozambique against each of the main high level questions. It then provides a summary of overall conclusions and of conclusions for each workstream. This is supported by the analytical summary matrix at Annex F, which summarises findings and conclusions on relevance, effectiveness, efficiency and sustainability.

The high level evaluation questions

Is what the FTI aims to accomplish consistent with current needs and priorities of Mozambique?

11.2 The FTI support was relevant as it aimed to give Mozambique support to achieve EFA goals, including UPC which were objectives that the country was already working towards. There was also a need for additional funding to achieve these goals and to assist in strengthening planning and policy and capacity building, while there was a need to improve data collection and monitoring and evaluation.

11.3 Similarly, the overall objectives of the FTI which were aimed at increasing aid effectiveness were relevant to Mozambique, as they were in line with the objectives of the education group at country level which had been undertaking a number of initiatives to strengthen aid effectiveness.

11.4 At the same time, it was clear that Mozambique required additional funding for the implementation of its sector programme, making this FTI objective relevant. The endorsement of the PEEC that incorporated the FTI plan did result in additional funding to the sector. By the time the donor orphan clause was dropped in 2007, through better alignment between the sector's programme, its funding needs and existing resources, Mozambique benefited even more from the FTI through CF that filled the financing gap for 2008 and 2009.

11.5 Other FTI assistance however did have an impact on financing and planning and fitted well with Mozambique's needs. The assistance received to undertake financial modelling was useful for developing policy options, while the FTI helped to strengthen the sector planning process. Another critical issue that Mozambique needed support for was capacity for classroom construction so the FTI aims to address this were also relevant.

To what extent is the FTI accomplishing what it was designed to do, accelerating progress on EFA?

11.6 The FTI has been assisting Mozambique in progressing towards EFA, but there is little evidence that it is accelerating the process. The main approach and policies to achieve EFA were already under discussion before the FTI endorsement, with FTI's role being to support the existing government approach and influence policy in some areas. Two policy decisions which have had a major bearing on PCR are the expansion of the school network and introduction of semi-automatic promotion at primary level. Neither of these policies are related to the FTI.

11.7 CFs have been allocated to non-salary recurrent costs and activities such as low cost school construction, school textbooks distribution, teacher training and direct support to schools. In this way, the FTI through providing funding is helping to increase the scope of educational activities in conjunction with other FASE donors. However there is no evidence

that the FTI CF funding is assisting in accelerating progress on EFA goals as it has not been used to pay for additional teachers and although it may have contributed to a larger number of classrooms, this will not have necessarily accelerated enrolments, but may have given existing students a better quality of classroom. There is also no evidence at this point to indicate whether funding has resulted in any quality improvements.

11.8 On the other hand, additional procurement procedures due to CFs being channelled through FASE, have slowed down the implementation of some activities in the past six months, particularly procurement of textbooks.

11.9 Mozambique is making progress towards EFA goals with the net enrolment rate at age 6 increasing from 30% in 2000 to 73% in 2008. The primary completion rate has also increased from 16% in 2000 to 42% in 2006. This progress is due to a number of factors however and cannot be directly attributed to the FTI.

Has the FTI helped mobilise domestic and international resources in support of EFA and helped donor agencies to adopt more efficient development assistance strategies based on Paris Declaration ideals?

11.10 International resources from donors for basic education had been rising since the FTI endorsement in 2006. This rise in funding was a result of the donors' desire to support the new sector plan and to channel funds through FASE. Given that donors on balance would probably have supported the education sector plan anyway regardless of whether the FTI endorsement occurred it is difficult to attribute any effect to the FTI.

11.11 At the same time the GOM has been increasing its share of funding to the education sector as a whole. Education has been a priority sector for the GOM and in nominal terms domestic expenditure on education has almost doubled between 2004 and 2008. This suggests that the FTI CF has been additional funding rather than substituting for GOM funding.

11.12 CFs have clearly played a role in increasing funds to the education sector and have helped in increasing the funds available for financing the sector plan from 2008–2010.

11.13 The FTI has resulted in a negative impact on alignment in the sector and a step backwards from Paris Declaration ideals. Although CFs are channelled through FASE which is the most aligned form of funding in the education sector, FASE in 2009 is now less aligned with government systems than it was in 2006. This is due to the need to adopt additional procedures to accommodate the World Bank's regulations to enable them to use FASE for the FTI funds.

Relevance, effectiveness, efficiency and sustainability

Education policy and planning

11.14 The FTI in 2002/2003 came into an environment in Mozambique where policy discussions were already under way in the areas that were highlighted by FTI and the IF. In this way, the FTI was relevant as it supported these discussions and provided strategies for reaching key objectives.

11.15 Some of the policies included in the PEEC had already been under discussion for many years and as a result, little impact of the FTI is discernable. However, the FTI was particularly effective in influencing policy decisions in two areas, which were teacher training and low cost classroom construction. The preparation and assessment of FTI proposals in 2000-2003 subsequently led to the decision to shorten and implement a single model of training primary school teachers. This has been particularly effective and an efficient policy

change as previously the MEC had to contract 40% of teachers annually without any training. Now 95% of new teachers have a minimum level of training and it is likely that this change in policy will prove sustainable.

11.16 The issue of construction costs of primary schools had been on the agenda and discussed between MEC and donors since the preparation of the first sector programme. The policy of community-based, low cost school construction was reiterated in the FTI plans and led to the design of the ACCP within the PEEC. This has not been a particularly effective policy to date in terms of implementation, with only a small number of classrooms having been completed. The programme has been constrained by a lack of capacity at provincial level and the difficulty of building schools within the budget of USD 10,000 as designated by the IF. Currently the MEC is looking at ways to redesign the programme as it has not provided to be efficient or sustainable.

11.17 The FTI has also led to a focus on EP1 and EP2 which covers the whole primary cycle, rather than just EP1 which was the main focus previously. This has led to a more holistic approach to primary education.

Education financing

11.18 External funding to education was already rising prior to the FTI, so the FTI did not make a contribution to leveraging additional resources from development partners in-country. The financing from the CFs has helped to fund activities that were planned under the PEEC and it has allowed for an expansion of activities. From this point of view the funding brought by the FTI has been relevant, although the picture from EPDF funds is more mixed as although it has been relevant, not all of the funds have been used according to MEC priorities.

11.19 The process of using the FTI simulation model was useful for the MEC as it allowed for different scenarios to be developed, based on the costs of different education policies, which was a process that the MEC had not undertaken before. This model has also proved to be sustainable in its adapted form, as it is currently still used for MTEF preparation.

11.20 The CF funds have filled the financing gap identified in the PEEC for 2008–2010. The CFs have matched the funding gap estimated in the PEEC, which means that CFs have assisted in supporting the sector plan which in turn is aimed at implementing policies to achieve UPC. The Government's share of the education budget (including GBS) mainly covers salaries, therefore the financial contribution from the FTI and other donors forms a large share of overall non-salary expenditure which is crucial for providing infrastructure, textbooks, equipment and teacher training.

11.21 This will not be sustainable however as there will be a funding gap in 2010 when CF funds have finished and the EU Code of Conduct results in donors leaving the sector.

Data and monitoring

11.22 There was a well established statistical system in the education sector in Mozambique, which means that the assumption of a data gap was not relevant for Mozambique. The issue of data on the financing of education relates also to the overall integrated planning and budget system of the country. Financial data for education was also better than in most sectors, which has been partly due to joint efforts to ensure that all external funding is inscribed in the budget.

11.23 Various weaknesses remain in statistical systems however. There are questions regarding the accuracy of enrolment and population data, as there are not systems in place to ensure the validity of this data as there are no cross-checking mechanisms. There is also

no systematic monitoring of quality or changes in quality over time, while statistics are also divided into EP1 and EP2 whereas the focus on the whole primary cycle suggests that these statistics should be combined.

11.24 Despite the problems that still exist in statistical systems there has been no influence of the FTI on statistical systems or initiatives to strengthen data collection and monitoring.

Capacity development

11.25 The FTI focus on capacity building was relevant to the needs of the education sector in Mozambique as capacity development has been one of the main objectives of the two education sector programmes over the past ten years, with much attention devoted to capacity building issues. There has not been much direct influence of the FTI on capacity building initiatives however and it can be argued that this neglect of capacity building by the FTI has had a negative impact in some instances.

11.26 A capacity development strategy was not originally included within the accelerated classroom construction programme and due to this the programme has run into difficulties. The FTI CD guidelines barely mention capacity issues related to school construction although this is a critical area for UPE. There is pressure on procurement capacity due to changes in procurement procedures as a result of the World Bank channelling funds through FASE, but World Bank training to date has been insufficient.

11.27 EPDF funds have been used for a variety of *ad hoc* activities, complemented by funds available for capacity building from FASE and other bilateral sources, with varying degrees of success.

Aid effectiveness

11.28 The aid effectiveness agenda in Mozambique began prior to the FTI and was undertaken through the Education Partnership Group and the common sector fund FASE, which began in 2002. This was linked to a wider aid effectiveness agenda which stemmed from the elaborate and well articulated aid architecture that was as a result of GBS. The main forum for GBS dialogue takes place through the PAPs, while there is a mid-year and annual review of progress towards achieving GBS PAF objectives, which is undertaken jointly between donors, civil society and government and the education group participates in this. The education sector had also made significant progress in harmonisation and alignment and has always been perceived to have benefited from a group of like-minded donors who have broadly been in agreement on key issues and policies with the MEC.

11.29 On the other hand, the education group is still very much focused on facilitating dialogue and joint ways of working between the MEC and donors, and CSO engagement is marginal. Although CSO participation in education sector consultations has increased in recent years, they were not involved in discussions on the CF supervising entity and the FTI has not had any influence in term of bringing about greater inclusiveness in the education sector group.

11.30 The FTI has been a retrograde step in terms of the aid effectiveness agenda and has had a negative impact on the efficiency and effectiveness of aid due to this. The reasons for this have been two-fold. First, donor harmonisation has suffered due to the protracted negotiations over the disbursement channel for CFs and there is a perception that donors no longer speak with one voice. Second, the FASE MOU was renegotiated in 2006 to better align the common fund with GOM procedures and to speed up disbursement. The exceptions to GOM procedures, particularly in procurement and reporting have reversed the steps made towards aid effectiveness and alignment. Added to which, it can be questioned

whether FASE is now the transition arrangement to sector budget support which is was originally envisaged as being.

Cross-cutting issues

11.31 Gender, HIV/AIDS and regional equity issues were already incorporated within the education sector dialogue before the advent of the FTI and became an integral part of the PEEC. On the other hand, the assessment of the FTI plans in-country by donors also pointed out that more emphasis should be given to issues of gender equality and HIV/AIDS, so in this way the FTI played a relevant role in highlighting that policies needed to be strengthened in these two areas.

11.32 Gender indicators have also improved considerably in recent years. In 2007 there was equity in the enrolment of six- year olds between boys and girls. The gender parity index was 0.90 in 2004 and 0.93 in 2008 and for grade 7 completion it was 0.59 in 2001 and 0.72 in 2007. In this way, policies related to gender equity in education have been successful

11.33 Policy towards HIV/AIDS has been less effective and this continues to be an important issue, particularly in the retention of qualified teachers and administrative staff. FASE funds are supporting HIV/AIDS activities through awareness raising and prevention activities.

12. Recommendations and Reflections

12.1 Mozambique was one in the first group of countries to be invited to join the FTI and experienced problems as a result of the general lack of clarity about the aims and objectives of the process. There was a strong feeling in-country that the FTI Partnership should have been clearer in their communications with the education sector in Mozambique, during both the endorsement process, where an expectation was created of additional financing, and concerning the disbursement channel for the FTI funds, where the expectation in-country was that funds would be received through FASE without additional procedures.

12.2 Better communication and a willingness by the FTI secretariat and the International Partnership to become part of the decision making process at the point of the FTI approval for CFs, on how CF funds should be channelled, would have significantly reduced the time spent by the education sector attempting to resolve the issue. This is important as the FTI Secretariat should have realised that it was not a problem that could have been solved at country level and the experience has left some stakeholders in country with the feeling that the CFs were not worth the amount of problems that they brought.

12.3 Another issue that was exposed by this situation was that bilaterals who had funded the FTI at the global level had little influence on the FTI processes at the country level. This may well undermine the willingness of bilaterals to contribute to the FTI and it had led to the perception from quite a few CPs, that CFs were not relevant given that this was a vertical form of funding. They felt that the aid effectiveness agenda would be better served if those funds were channelled through bilaterals in-country either through sector support or GBS, rather than adding an additional level of complication by having global funds.

12.4 Another anomaly that was brought about by the dispute over the funding channel for CFs in Mozambique, was that the World Bank despite being a major GBS donor could not provide support to a sector fund without using their own procurement procedures. This appears to be a contradiction in that procurement will be undertaken by the GOM using both GBS and sector pooled funds, but although procurement is not an issue with GBS (funded through WB development policy loans (DPLs), but it is an issue for specific investment loans (SILs) from the same agency..

12.5 It was also noted by some donors that the World Bank's actions, particularly highlighting weaknesses in procurement procedures sent mixed messages to CPs' headquarters. This was unhelpful for those donors who had spent significant time convincing their HQ that they should fund through FASE. This questioning of PFM systems by the World Bank undermined the position of these donors by eroding their support at HQ level.

12.6 Additional lessons from the experience of Mozambique relate to the nature of the current aid architecture, in that it does not make sense to focus solely on education sector processes when these are intrinsically tied up with macro processes at the country-level. Calculating the financing gap for primary education is difficult as currently the budget and reporting is not disaggregated by level of education and decisions on sector budgets are taken by the MPD as part of an MTEF process and any additional funds for education may result in fewer funds from the government budget (although the current data does not suggest that this is happening in Mozambique).

12.7 Similarly attempts to leverage additional funds for primary education will not be successful when other initiatives are being undertaken in an uncoordinated way, such as the European Code of Conduct. In Mozambique this is likely to result in donors exiting the education sector at the same time as CFs are ending.

Annex A – A Note on Methodology

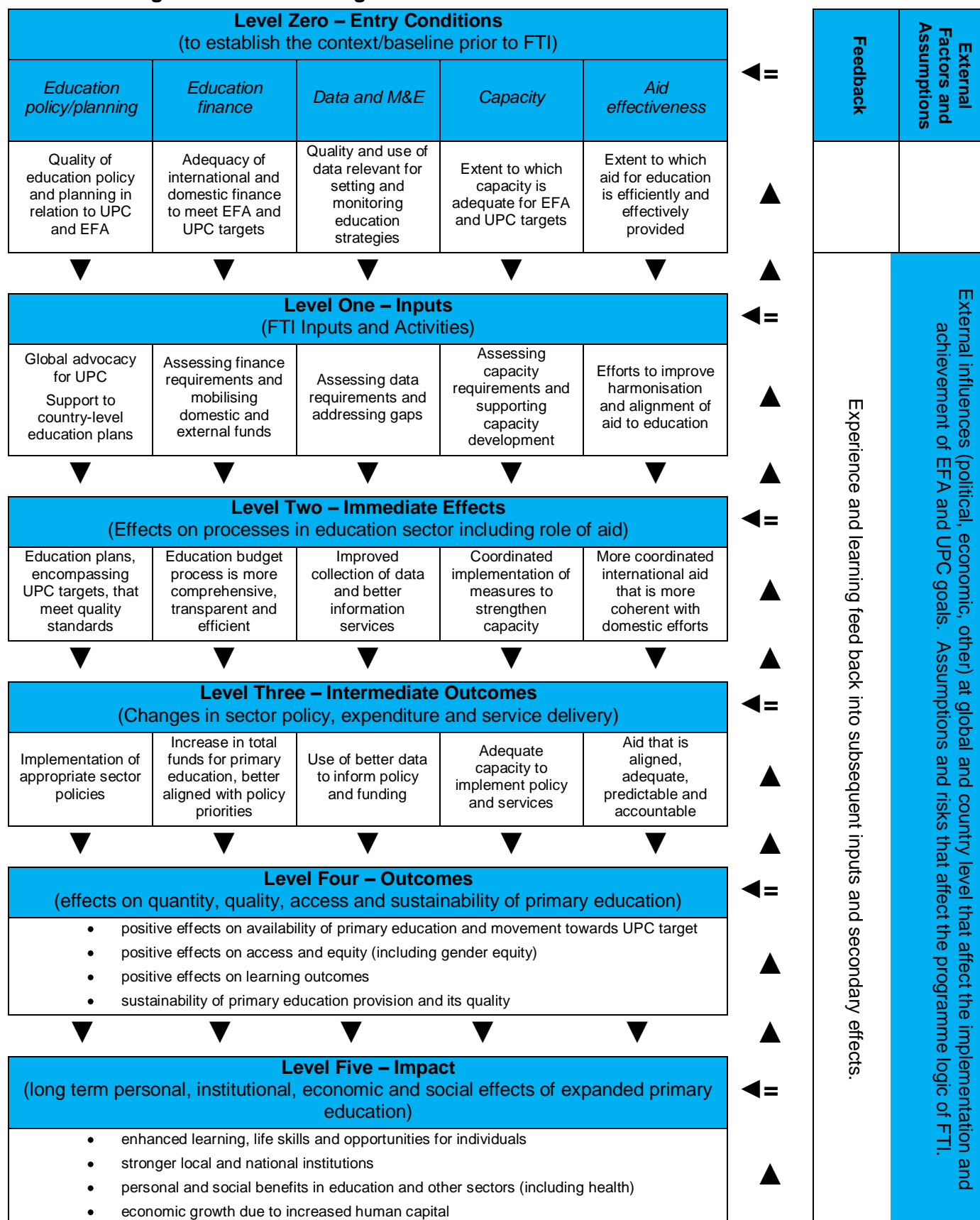
A1. The methodology for the mid-term evaluation of the Fast Track Initiative is fully described in the *Evaluation Framework* (Cambridge Education, Mokoro & OPM 2009a), available from the study web-site at: www.camb-ed.com/fasttrackinitiative.

A2. The *Evaluation Framework* includes a detailed programme theory for the FTI. This describes the hypotheses to be tested by the evaluation, and guides the evaluators on the questions to be considered, the likely sources of evidence, and the contextual factors and assumptions that need to be taken into account. The figure overleaf provides a snapshot of the programme theory; for the full details see the *Evaluation Framework (Annex E)*. The same theory is being tested at both global and country levels (the detailed framework indicates which questions and sources are most relevant to the country level).

A3. The approach to the country studies is spelt out in Chapter 4 of the *Evaluation Framework*. Interviews with country stakeholders are an important part of the research. However, each team undertakes a thorough review of available documentation prior to the visit. It aims to engage with a full range of stakeholders while minimising the transaction costs of their involvement. A country visit note, shared soon after the visit, enables interviewees and others to comment on preliminary findings, and the draft country report will also be available for discussion and comment before it is finalised.

A4. Each country study includes a summary matrix which relates overall findings and findings against each workstream to the logical framework for the evaluation. (See the matrix in Annex F of this report.)

A5. For a more retrospective explanation and reflection on the study process and methodology, see the Note on Approaches and Methods which constitutes Appendix V (Volume 4) of the evaluation's final synthesis report.

Figure A1: Concise Logical Framework for the Mid-Term Evaluation of FTI

Source: Evaluation Framework, Figure 3A.

Annex B – Timeline of FTI Events

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
1970s		Civil war, started after independence in 1975, was officially ended in 1992.	The educational system evolved and expanded substantially since Independence when the new Constitution declared education as a right and a duty of every citizen. From 1975 to 1979 , the number of students in primary education doubled and extensive literacy campaigns were launched to reduce the high level of adult illiteracy from 93% in 1975 to 75% in 1980. But: additional pressures on the already limited institutional capacity of the system			
1980s		From 1982 to 1986 the country's economy went through a progressive decline mainly as a result of the war and exacerbated by several natural disasters. The basic foundations to revive the country's economy began to emerge in 1987 and continued until 1992 when the general Peace Agreement was signed.	In the late 1970s the Ministry of Education (MINED) took a more strategic approach to the institutional development of the system by reorganizing the school network and revising the curriculum. These efforts culminated with the introduction of the <i>National Education System (SNE)</i> in 1983 . The development of the SNE was interrupted and undermined by the war, the economic crises of the 1980s and the natural disasters that occurred during the same period. ¹⁷			

¹⁷ Mozambique, Education for All, Fast Track Initiative, 23 November 2002.

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
		From 1987, the Mozambican Government implemented a structural adjustment and macro-economic stabilization programme aimed at stimulating economic growth and alleviating poverty in the country.				
1990s	March 1990 World Conference on Education for All, in Jomtien, Thailand adopted the World Declaration on Education for All, which stated that all have a right to education. The conference recognised the setbacks experienced in the 1980's by many South nations and made a commitment to meeting basic learning needs of every citizen.	Throughout the 1990s, period of unprecedented economic growth during which per capita income rose sharply and the population grew much more slowly than expected.	In 1995 the Government approved the <i>National Education Policy</i> (NEP). ¹⁸ Education spending increased about five times in nominal terms during the 1990s. The share of recurrent domestic spending on education in total recurrent government spending remained stable at about 16%. About half of total education spending (mostly for capital expenditure) was financed from external sources.			

¹⁸ The NEP identified three lines of action, namely the expansion of access and equity, the improvement of the quality and relevance of education as well as strengthening institutional capacity. In recognition of the scarce financial and human resources required to meet all education requirements simultaneously, the NEP defined basic education as the first priority for action, followed by adult literacy and non-formal education.

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
		Both factors were favourable for improving and expanding education coverage. The GDP almost doubled between 1992 and 1999 (from MZM17.4 trillion to MZM 30.9 trillion in constant prices of 1995), equivalent to a 77% growth in constant prices over that period. At the same time, domestic revenues rose 8 times, and government expenditures increased about 10 times. Despite relatively high growth, external funding still contributed about half of the government's budget. ¹⁹	With the <i>Education Sector Strategic Program</i> (ESSP) in 1998 , the Government placed education at the centre of its efforts to boost economic and social development. ²⁰			
1999	Education For All (EFA) Assessment 1999–2000 , involving six regional conferences revealed that the EFA agenda had been neglected.		In 1999, the lion's share of external funding for the education budget was used for school construction (but the average cost of construction of a primary school in Mozambique is about 5 to 20 times the cost of construction in neighbouring or other comparable countries).			

¹⁹ Africa Region Human Development, World Bank, "Cost and Financing of Education: Opportunities and Obstacles for Expanding and Improving Education in Mozambique", 2003.

²⁰ Program of over USD700m aims to improve quality (through increasing teacher training, improving learning materials, and revising the curriculum) and access (through constructing classrooms and improving internal efficiency); it also aims to strengthen institutional capacity for management, policy development, monitoring and evaluation. To mitigate regional and rural-urban disparities, the Government is further decentralizing education management and shifting budget allocations. 20NB Tuomas: the last one is a long-term development that has progresses much more slowly than envisaged in the ESSP etc.

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
2000	<p>United Nations Millennium Summit in 2000, 189 world leaders signed up to try and end poverty by 2015 when they agreed to meet the Millennium Development Goals.</p> <p>World Education Forum, 164 governments, adopted the Dakar Framework for Action in which they promised to commit the necessary resources and effort to create a comprehensive and inclusive education system for all.</p>	<p>President Chissano won the presidency (a second time, after 1994) with a margin of 4% points over the RENAMO-Electoral Union coalition candidate, Afonso Dhlakama, and began his 5-year term in January 2000. FRELIMO increased its majority in the National Assembly with 133 out of 250 seats.</p> <p>Government signs a new Five Year Program (2000–2004) and a CAS (<i>Country Assistance Strategy</i>) with the World Bank. Poverty reduction is the overall goal : (i) <i>increase economic Opportunities</i>; (ii) <i>improve governance and empowerment</i>; and (iii) <i>improve human capabilities</i>.</p>	<p>First <i>Education Sector Expenditure Review</i>: carried out by World Bank in 2000.</p>			

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
2001	G8 Meeting - Genoa, Italy. July 2001: G8 countries establish an EFA Task Force, to be led by Canada	<i>Action Plan for the Reduction of Absolute Poverty (PARPA) 2001-2005</i> (also Mozambique's first Poverty Reduction Strategy Paper -PRSP). Explains the strategic vision for reducing poverty, the main objectives, and the key actions to be pursued, all of which will guide the preparation of the State's medium-term and annual budgets, programmes, and policies. ²¹ In April 2000, Mozambique qualified for the Enhanced HIPC programme and reached its completion point in September 2001 . This led to the Paris Club members agreeing in November 2001 to substantially reduce the remaining bilateral debt, resulting in the complete forgiveness of a considerable volume of bilateral debt.	Partly as a result of ESSP1, at the national level, Gross Intake Rate (GIR) increased from 59.4% in 1992 to 123.8%, in 2001 and the Gross Enrolment Ratio (GER) of the lower primary level (grades 1 to 5) increased from 55.9% to 99.3% over the same period. PARPA, 2001, defines new guidelines for education strategy* ²²			* in reality, PARPA has been rather inconsequential :for the education sector policies and programme (cf. e.g. the fantastic goal-setting mentioned below that UPE should be achieved by 2004!

²¹ Action Plan for the Reduction of Absolute Poverty (PARPA) 2001–2005, April, 2001

²² Id.: Basic objectives of PARPA are to: expand access; improve quality; improve efficiency; and reduce costs. The public policies and management of education are implemented through comprehensive strategies, which include: the Strategic Plan for Education; the Strategic Plan for Technical-Vocational Education (to be finalised), the Strategy for Higher Education (to be finalised). Through the National Policy on Education and the Strategic Plan for Education, the Government has furthermore given priority to primary education. Key objectives of PARPA:

- Review targets and projections of the education programme in the context of achieving universal primary education by the year 2004 with around 3m students in EP1, of which 49% in first grade should be girls.
 - Revise and reformulate the primary school curriculum
 - Ensure availability of basic school materials for individual and collective use, maintaining a coverage rate of at least 75%, for children from poor households, of the free textbook programme in primary education via the School Fund.
 - Train annually 1,680 primary school teachers, ensuring an increase of 2% per annum in female teachers (through a programme of scholarships for this purpose).
 - Build annually 1,500 new schools, taking into account the need to reduce provincial and regional disparities (rural/urban)

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
		MOZAL I, a large aluminium smelter that commenced production in mid-2000, greatly expanded Mozambique's trade volume. In April 2001 , the International Finance Corporation (IFC) approved financing assistance for MOZAL II, which doubled overall production capacity.				
2002	<p>Education for All (EFA) Amsterdam, Netherlands. April 2002: Developing countries and their external partners agree at a Dutch-World Bank sponsored conference on broad principles for scaling up EFA efforts; the Netherlands commits 135m Euro to set the process in motion</p> <p>G8 Washington, DC USA. April 2002: The Development Committee endorses the proposed EFA Action Plan and approves the Fast Track Initiative (FTI), amid overwhelming support from the international community.</p>		Government signed in August 2002 a Memorandum of Understanding (MOU) with several financing agencies to establish an <i>Education Sector Support Fund</i> (ESSF). The ESSF became operational during 2003. Moreover, in September 2002 the Government began a formal revision of the ESSP to plan for the period 2004–2008.	<p>On June 25 2002 the FTI secretariat sent a letter to the government of Mozambique, inviting them to join FTI (one of the first 18 countries).²³ *</p> <p>In June 2002, the Government of Mozambique (GOM) expressed interest in participating in the EFA FTI and agreed to submit a country proposal by November 2002.</p> <p>In-country review took place on the 25th November 2002. Donors and the FTI Secretariat made initial recommendations.</p>		* In the invitation letter, Mozambique is added among the countries that are already eligible to apply for FTI financing (interesting, considering Mozambique is not donor orphan – see comments below for further insight) FTI needed to get on board a fair number of credible countries also to underpin its own legitimacy. ²⁴

²³ See Mozambique invitation letter June 2002.

²⁴ The original idea was that donors would increase their funding (multilateral or bilateral). No reference was made to CF as it did not exist yet. The CF was a last resort for those countries that didn't have donors that could increase bilaterally, despite their verbal commitments in Dakar. The only problem with the letter was that it created unrealistic high levels of expectation with regard to additional funding.

Annex B: Timeline of FTI Events

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
	<p>G8 Kananaskis, Canada. June 2002: agreement to significantly increase bilateral assistance for the achievement of EFA and to work with bilateral and multilateral agencies to ensure implementation of FTI.</p> <p>EFA Global Monitoring Report was established to monitor progress towards the six EFA goals.</p>		<p>To address the quality issues noted by the joint ESSP review mission and accelerate progress towards the EFA goal of 2015 of universal completion the government has decided to intensify its efforts to ensure a full implementation of ESSP and seek additional assistance under the Fast Tracking Initiative supported by a broad group of education donors.²⁵</p>		<p>FASE, Mozambique's education Sector Pooled Fund, was created,²⁶ with the first disbursement in 2002 and become operational in 2003.</p>	

²⁵ See Mozambique EFA FTI, November 23, 2003: The Government declared it would continue to prioritise the education sector, particularly primary education. It will continue to contribute 20% of the total government budget for the development of the education sector as established in the Poverty Reduction Strategy Paper (2000). The Ministry of Education declared it will allocate at least 58% of the budget for education for primary education (EP1 and EP2) until the year 2015.

²⁶ The goal of FASE is to enhance the capacity of Mozambique to reduce poverty and realise social, especially gender, equity by providing all citizens with increased access to a high-quality, sustainable education system, starting with basic education. FASE activities are expected to focus on improving the quality of education by improving teaching methodologies, teacher supervision, support and monitoring, and the quality of learning and teaching materials in order to reduce repetition rates and improve retention rates.

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
2003	<p>Rome Declaration on the harmonisation of aid, Rome, Feb 2003. The development community committed to work towards aligning its assistance around country development priorities and to harmonise donor policies and priorities around country systems</p> <p>FTI Donors Meeting - Paris, March 2003: Donors agree on modus operandi for FTI that is country driven, secure funding for the seven countries and agree on an operating framework for FTI.</p>		<p>Considerable progress was achieved during ESSP I in improving access to education, reflected in the increases in enrolment at all levels of primary and secondary education. Between 1999 and 2003 EP1 enrolments grew by 36% and in the gross enrolment ratio increased from 74% to 110%. The gains were strongest for girls, leading to a major narrowing of the gender gap in primary enrolment, especially in the early grades</p>	<p>The Ministry revised the proposal (following donor recommendations) and resubmitted to FTI in March 2003.</p> <p>Mozambique was one of the first countries to be <i>endorsed</i> within FTI in March 2003. However, because of the number of donors supporting the education sector, the country was not yet eligible under FTI criteria²⁷</p> <p><i>See Annex E for details of initial FTI impact on Mozambique</i></p>	<p>A very intensive process of <i>donor harmonization</i> took place in Mozambique's education sector in 2003–2004. The process, initiated at the country level, has included donor/government/ joint workshops and task force work to review and strengthen the partnership process, to set strategic priorities for harmonization and to improve the practical cooperation mechanisms and forums. This resulted in the <i>Education Cooperating Partners Joint Statement</i> in August 2003, on agreed agendas for the cooperating partners based on the DAC guidelines on harmonization.</p> <p>Through the Bank of Mozambique, FASE provides Mozambique's Ministry of Education and Culture with funds to finance the plans and priorities set out in their Education Sector Strategic Plan** In its early years, FASE operated as a separate channel of pooled funding from the group of signatory donors, later went on-budget</p>	<p>*The Government of Mozambique (GOM) is the recipient of the highest per capita ODA in Africa. A large number of donors (23 bilateral and 23 multilateral) are active in the country.</p> <p>** the Education Sector Pool Fund (FASE in Portuguese) is another terminology for Education Sector Support Fund (ESSP), created in 2002</p>

²⁷ The embassy of the Netherlands commented that "Mozambique participates in the EFA/FTI initiative since 2003. The FTI process has positively contributed to the dialogue in the education sector as it focused some of the discussions on key issues such as teacher training and deployment issues, costs of school construction, teacher/pupils ratios and gender disparity"

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
	<p>The FTI Catalytic Fund (CF) was established. It aims to provide transitional grants over a maximum of 2–3 years to enable countries lacking resources at country level but with FTI endorsed education sector plans to scale up the implementation of their plans.</p> <p>FTI Partnership Meeting Oslo Meeting, November 2003: Ministers and senior officials from the first FTI countries, Civil Society and donors meeting together for the first time. Discussion of the definition, modalities, instruments, and governance of the FTI partnership. Agreement that FTI should be opened to all low-income countries.</p>					

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
2004	<p>Education Programme Development Fund (EPDF) was established in November 2004 as a funding window under the FTI to support low income countries improve the quality and sustainability of their education sector planning and programme development.</p> <p>FTI Partnership Meeting, Nov 2004, Brasilia, Brazil, third meeting of the FTI partnership. There was agreement on the FTI Framework document and the need for more formal Assessment Guidelines.</p>	<p>The third general elections occurred on December 1–2, 2004. FRELIMO candidate Armando Guebuza won with 64% of the popular vote. His opponent, Afonso Dhlakama of RENAMO, received 32% of the popular vote. The estimated 44% turnout was well below the almost 70% turnout in the 1999 general elections.</p>		<p>April 2004, FTI assessment of Mozambique's proposal.²⁸</p>	<p>April 2004 <i>Memorandum of Understanding</i> between Government of the Republic of Mozambique and the Programme Aid Partners (PAPs) for the <i>provision of Direct Budget and Balance of Payments Support</i>. This memorandum does not yet include WB and FTI.</p> <p>GOM and PAPs wish to develop a partnership based on frank and open dialogue on the content and progress of Mozambique's Poverty Reduction Strategy (PARPA), Medium Term Fiscal Framework (CFMP), Economic and Social Plan (PES), and the State Budget (OE).</p>	

²⁸ April 2004, FTI Secretariat's Assessment of the Mozambique Proposal: "While the proposal is comprehensive in identifying the main issues in the education system, it is less articulate in the analysis of the causes of the problems or in specifying what the primary and secondary causes of the issues are. With a gross enrolment rate in EP1 of about 99% and a repetition rate of about 24%, one of the core issues seems to be inefficiency, as the system is clogged up by repeaters".

1. "The proposal could give more weight to the key issue of language as a constraint and be more explicit in the discussion of the strategies of bilingual education".
2. "Furthermore, the proposal does not distinguish whether the issues are caused by supply or demand constraints. There is little discussion on how poverty affects education, or whether cultural reasons may lead to higher dropouts among girls".
3. "The suggestion of decentralization is not complemented by a strategy to improve institutional capacity."

Further comments and amendments are also suggested for ESSPII (see document for details).

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
2005	<p>March 2005, Paris Declaration, was endorsed by over one hundred Ministers, Heads of Agencies and other Senior Officials. Who committed their countries and organisations to continue to increase efforts in the harmonisation, alignment and management aid for results with a set of monitorable actions and indicators.</p> <p>UN World Summit New York, September 2005: delegates were accused of producing a "watered-down" outcome document which merely reiterates existing pledges.</p>	<p>Armando Guebuza was inaugurated as the President of Mozambique on February 2, 2005.</p> <p>During their summit in Scotland in July 2005, the G8 nations agreed to significant multilateral debt relief for the world's least developed nations. On December 21, 2005, <i>the IMF formalised the complete cancellation of all Mozambican IMF debt contracted prior to January 1, 2005, worth USD 153m.</i></p>				<p>* This plan is a sequel to ESSP Phase I, but following the change of the name of MOE to Min of Ed and Culture, the new plan became the Strategic Plan for Education and Culture. MOEC and the local donors refer to it by the Portuguese acronym PEEC).²⁹</p>

²⁹ This concerns a draft of the strategic plan that was presented in the annual review meeting (ESSPII or PEECI). The final document, PEEC was only approved in June 2006 by the council of Ministers.

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
2006	<p>Committee on the Rights of the Child (41st session), Geneva, Switzerland.</p> <p>Educational Roundtable, held during World Bank/IMF Annual Meetings, September 2006, Singapore. The meeting focused on the progress that Finance Ministers from developing countries have made in preparing long term plans to achieve the education millennium development goals.</p> <p><i>FTI Catalytic Fund Strategy Committee meeting</i> that took place in <i>Cairo</i> on the 12th of November 2006. In this meeting the eligibility criteria regarding accessing the Fund were changed, allowing countries with large number of in-country donors, such as Mozambique, to qualify. **</p>	<p>A second PARPA (<i>Action Plan for the Reduction of Absolute Poverty</i>) was approved in 2006. The specific objective of the PARPA is to reduce the incidence of absolute poverty from 70% in 1997 to 45% in 2009. Both the first and second PARPA have a strong focus on human capital and governance with the second PARPA putting more emphasis on the need for strong economic development, particularly in the rural areas.</p>	<p>After a difficult time of negotiating a number of major policy changes that included the merging of three Ministries into one, the <i>new Strategic Plan for Education and Culture (SPEC/PEEC 2006–2010/11.)</i> was approved by the Council of Ministers in June 2006^{30,31}</p> <p>PEEC builds on the original FTI endorsed proposal and uses the FTI indicative framework as its basis for its costing. The in-country donor community has positively assessed the strategic plan as a credible strategy to meet the 2015 MDG. Negotiations and final adjustments of the costing simulations led to a major reduction of the financing gap from more than USD 100m to about USD 37m a year. *</p>		<p>May 2006, Memorandum of Understanding between the Republic of Mozambique (Ministry of Finance, and Ministry of Education and Culture) and</p> <ul style="list-style-type: none"> i CIDA – Canada; ii Ministry of Foreign Affairs of the Netherlands; iii Embassy of Ireland; iv Ministry for Foreign Affairs of Finland; v Government of the Federal Republic of Germany; vi DFID – United Kingdom. <p>Regarding a joint financing agreement for the Education Sector Support Fund (ESSFII).³² The World Bank/FTI is not part of this MOU (this will lead to problems for financing mechanisms in 2007).</p>	<p>*Because of this, Mozambique does not qualify under strict application of the new eligibility rules of FTI. However, Mozambique has been a success story of FTI, and key areas could usefully be supported financially.</p> <p>**However, old eligibility criteria change in Cairo, allowing for non-donor-orphan countries to access FTI</p>

³⁰ Within SPEC primary education represents 49% of sector expenditure. The core deliverables in the SPEC for primary education include: increasing primary net enrolment ratio to 97% for both boys and girls (81% in 2005); that completion rates should rise to 69% (33% in 2005) and increasing numbers of children, starting school at age 6, with a target that 73% of girls will begin primary education in the year that they are 6 years old. There are plans for constructing 2000 to 3000 new primary school classrooms every year and plans for producing enough teachers to achieve a pupil teacher ratio of 69:1. In addition, SPEC also plans for expansion in secondary and tertiary education.

³¹ Source: DFID Education Fact Sheet (<http://www.dfid.gov.uk/countries/africa/Mozambique/Education.pdf>): Planned expansion of the education sector in Mozambique is based on an underlying assumption of continued growth in GDP of 7% per annum. Achievement of the SPEC plan requires an increase in the share of State budget allocated to education from 24% in 2006 to 30% by 2010, or an increase from 6.5% of GDP to 7.7%, which translates into an increase in financing from USD467m per year in 2006 to USD731m/year by 2010. It is also anticipates a shift in the balance of recurrent to capital expenditure from a 78:22% split to 86:14%, as initial investment in training and capital shifts over the longer term to cover the recurrent costs of employing and retaining an expanded workforce. SPEC financial projections are also based on a projected doubling of external support for education from its level of USD70m in 2005.

³² Memorandum of Understanding, May 2006.

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
2007	<p>Committee on the Rights of the Child (45th Session).</p> <p>Keeping our Promises on Education, May 2007, Brussels, organised by the EC, the UK and the World Bank. The objective was to seek concrete proposals and commitments for action to deliver on the promise to give all the world's children a full primary education by 2015.</p>			<p>April 13, 2007, head of in-country donors in Mozambique sends letter to FTI asking for funding for country's financing gap.³³</p> <p>The Mozambique CF allocation was approved on May 23 2007³⁴ on the basis of filling the financing gap anticipated for the implementation of the Strategic Plan in 2008 and 2009, which was estimated to be a total of <i>USD 79million</i>.³⁵</p> <p><i>"the grant covers a 2-year period and is to be disbursed in two to three instalments depending upon the country's circumstances and budget cycle. Access to each instalment is contingent upon a satisfactory implementation of the previous"</i>³⁶</p>	Procurement and FM assessment for the education sector were carried out in July 2007 .	<p>*There was a disagreement on the "modality" to channel CF funds. Local donors and Ministry prefer for the CF funds to be channelled through the sector funding pool. Problem: the WB was not a signatory of the 2006 MOU (see column to the left). Moreover, WB Procurement assessment indicates that WB cannot sign onto the current MOU because it requires the exclusive use of Mozambique procurement system, which was assessed by IDA as inadequate.</p>

³³ Letter FTI Sec-final (letter from Jeannette Vogelaar to Desmond Bermingham): "The in-country donors would like to draw the attention of the FTI Partnership on a USD 218 mln estimated financing gap over a period of five-year implementation of Mozambique's current sector plan (approx. USD 43 mln on annual basis).³³ A USD 120 mln grant over a period of three years (2008 – 2010) would be useful in supporting the implementation of the sector plan. It is expected that, in line with the FTI basic principles, any additional funds provided to the sector will be channelled through the sector pool fund FASE that is operational since 2003."

³⁴ From the minutes of the May 2007 meeting: "Mozambique: The Netherlands (Lead Donor in Mozambique) made a presentation on the progress and results achieved over the past few years. The Strategy Committee commended the country for a comprehensive process. Questions on the absorptive capacity from the pooled fund and the quality aspects of the sector plan were raised. The Strategy Committee also asked how the large number of donors in Mozambique could be used to rationalise the complementarity of their programmes. The lead donor explained that the budget situation was very complex and that more discipline in donor disbursements throughout the year was needed rather than bunching in the last trimester. There were important needs and implementation capacity could be strengthened. An MOU had been signed which would help resolve some of these issues. The CF Strategy Committee approved an allocation to Mozambique for USUSD79m for the two-year period 2008-09."

³⁵ The financing gap of USD79m was derived simply by subtracting the estimated available resources (the government and donors) from the total projected budget for the implementation of the Strategic Plan. No discount was made for the absorption capacity.

³⁶ CF grant announcement, June 2007, Ms. Xiaoyan Liang, announced as World Bank Task Team Leader for Mozambique

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
2007	In Oct 2007 , the German Federal Ministry for Economic Cooperation and Development organised an international forum on "Capacity Development for Education for All: Putting Policy into Practice."			The assumption was that the CF would be channelled through the existing education sector funding pool (FASE), using the same implementation and review arrangements as FASE*. (The existing MOU for FASE was signed in 2006 by the government and its cooperating partners ³⁷)		On the other hand, the partners and Ministry do not welcome the revision of the MOU at this stage, for fear of not being able to close the MOU and also in principle they are against IDA prior review. ³⁸

³⁷ Bank and CG TTL, October 29, 2007

³⁸ Comments on the Country Visit note raise the issue that the main reason to oppose was not due to the prior review, in fact the Ministry had agreed to the independent review, but due to the additional requirements that would undermine the internal capacity. It would create more work for those already there and whose capacity is already overstressed and would draw attention to those areas that are not necessarily the most complicated ones.

Annex B: Timeline of FTI Events

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
	<p>Participants recommended more strategic use of the EPDF to support capacity development activities, and to harmonise and align donor support for technical assistance and capacity development in all low-income countries.</p> <p><i>Catalytic Fund's Strategy Committee meeting, Bonn, Germany, on May 23, 2007: CF funding for Mozambique approved</i> <i>Catalytic Fund's Strategy Committee meeting, Dakar, December 10 2007</i> (see annex D for details)</p>			<p>WB plan: to have the Grant Agreement signed by the end of February 2008 and for funds to be disbursed in 2008.</p> <p>However: WB then refused to use FASE to channel its funds</p> <p><i>Postponement</i></p> <p>The Netherlands and German Heads of Cooperation in Mozambique wrote on 7 December 2007 to the Chair, of the Strategic Committee FTI Catalytic Fund as the lead donors in the education sector to request support in clarifying FTI guidelines and assistance in resolving the matter on behalf of the FASE donors.</p> <p>COPA Meeting in December 2007 where the MEC and CPs (including the World Bank) agreed on a 2008 disbursement schedule that included disbursement of FTI funds in the third trimester of 2008.</p>		<p>Large bottleneck.³⁹ (see ANNEX D for details from Dakar FTI meeting)</p>

³⁹ Extract from December 2007 letter from FASE partners to World Bank: "The World Bank, as trustee of the Catalytic Fund, has assessed the financial management arrangements and procurement capacity of the Ministry of Education and Culture and expressed some concerns in the area of procurement. They touch upon two distinct issues: generally weak capacity in the area of procurement in Mozambique and the Ministry of Education and Culture more specifically, and secondly disagreement on some of the articles in the recently approved Mozambican Procurement Law (which was in fact developed with close technical assistance from the Bank). Based on the above, the World Bank has informed us that in accordance with its rules on project lending, it may only disburse the Catalytic Fund using its own procedures and rules, which include the setting of procurement thresholds and the use of ICB procedures, including prior review by the Bank, for all procurements over this threshold. In order for the Bank to be able to pay out the Trust Fund through FASE, the MOU would have to be amended, either to grant an exception for the World Bank to apply its procedures for FTI funding, or to subject the whole FASE fund to the Bank's procedures on procurement."

Date	International Context	Mozambique Context	Education Policy in Mozambique	FTI in Mozambique	Other donor activities in Mozambique	Comments & questions
2008	<p>September 2008, Accra summit on aid effectiveness, donor countries have agreed to end the fragmentation of aid.</p> <p>Donors agreed to donate half of aid directly to governments of low-income countries, rather than to individual projects.</p> <p>Donors have also agreed to coordinate aid better.</p> <p><i>Catalytic Fund's Strategy Committee meeting, Tokyo, April 22, 2008</i></p>	<p>Presidential and parliamentary elections are scheduled for late 2009.</p>		<p>Issue of channelling mechanism (see above) resolved as of August, 2008 after intensive negotiations between WB, Gov. and Donors: WB will sign the MOU with an agreed Annex and channel the CF to FASE in 3 annual releases in 2008, 2009, and 2010.⁴⁰</p> <p><i>Catalytic Fund's Strategy Committee meeting, Tokyo, April 22, 2008</i>: "agreements have been made on points of contention for Mozambique grant allocation"</p> <p>FASE Bilateral Donors on 5 September 2008 write to the FTI Catalytic Fund Strategic Committee from the main FASE donors regarding the Channelling of FTI Funds to Mozambique pointing out the implications of the World Bank funding through FASE for aid effectiveness and the confusion over rules and procedures from the Catalytic Fund Committee.</p>		

⁴⁰ The issue of disbursement through FASE was not entirely resolved in April, only in August. In April agreement was in principle agreement was reached on the Technical Annex depending on the WB signing the FASE MOU. It was assumed that now the WB could sign the MOU and disburse without any additional requirements. However, the presentation of the draft Grant Agreement brought in yet another set of additional requirements (not related to procurement).

Annex C – Interview Schedule

Time & Date	Stakeholders	Venue
Thursday 20 May.		
11.00	Juvane Virgilio, Education Advisor, Commonwealth Secretariat, Former Director of Planning MEC	Commonwealth Secretariat, London
Sunday 31 May.		
19.00	Team assemble and team meeting	Hotel
Monday, 1 June		
11.00	Team Meeting	Hotel
13.00	Manuel Rego, Director of Planning, MEC Manuel Lobo, Education Specialist, Embassy of Finland Jeanette Vogelaar, Danish TA, MEC	MEC
17.00	Tomoko Shibuya, Education Specialist, Unicef Gert Flaig, Sector Director-Pro-Education, GTZ	Unicef
Tuesday, 2 June		
9.00	Andrew Clark, Economic Advisor, DFID	DFID
10.30	Mieke Vogels, First Secretary Education, Netherlands Embassy	Netherlands Embassy
14.00	Dinis Machaule, Movimento de Educacao Para Todos	MEPT
Wednesday, 3 June		
10.30–13.00	Education Partnership Group Meeting	GTZ
14.30	Ralf Orlik, KfW	KfW
Thursday, 4 June		
9.30	Paula Nolan, Development Specialist	Irish Aid
11.00	Carlos Rojas, Senior Education Specialist Ana Menezes, Education	Irish Aid
14.00	David Casanova Anoll, Director of Education	aecid
Friday, 5 June		
9.00	Carlos Afonso Chissano, Deputy National Director, Directorate of Planning and Cooperation Ralf Lund, Program Co-ordinator, Directorate of Planning and Cooperation Rui Fonseca, Architect, Directorate of Planning and Cooperation	MEC
11.00	Noel Chicuecue, National Programme Officer, UNESCO	UNESCO
14.30	Carsten Sandhop, Senior Sector Economist, KfW, Frankfurt	Avenida Hotel
Sunday, 7 June		
17.00	Paula Mendoza, Education Specialist, CIDA, Formerly MEC	Avendia Hotel
Monday, 8 June		
10.00	Marjaana Pekkola, Counsellor, Embassy of Finland Eeva Hiihnen, Education and Health Specialist, Embassy of Finland	Embassy of Finland

Time & Date	Stakeholders	Venue
Tuesday, 9 June		
9.00	Lúcia Nhamposa, Economist, Italian Cooperation	Italian Cooperation
14.00	Maria Celeste Onions Chitará, Director of Administration and Finance, MEC	MEC
17.30	Aires B. B. Ali, Minister of Education and Culture	MEC
Wednesday, 10 June		
9.00	Feliciano Mahalamba, Director, Institute of Teacher Training Matola	Matola
Thursday, 11 June		
8.00	Joaquim Ernesto Matavele, Deputy Director Teacher Training, MEC	MEC
10.00	Team Meeting	Hotel Avenida
Friday, 12 June		
10.30	Debrief with Education Partnership Group and MEC	Unicef
13.30	Adriano Ubisse, National Director, Directorate of Investment and Cooperation, Ministry of Planning and Development	MPD

Annex D – Basic Education Indicators

Table D1: Education statistics 2003–2007

	2003	2007
Total number primary schools EP1	8,077	9,303
Total number primary schools EP2	950	1,852
Total primary enrolment EP1+EP2	3,250,184	4,566,165
Primary Boys EP1+EP2	1,795,090	2,120,846
Primary Girls EP1+EP2	1,455,094	4071532
GER	91.6 %	120.9 %
NER	68.4 %	94.1 %
Drop out EP1		6.6 %
Drop out EP2		6.8%
Completion total EP1	40.8 %	72.6 %
Boys	49.1 %	80.0%
Girls	32.5 %	65.1 %
Completion total EP2		(2006) ⁴¹
	17.8 %	34.9 %
Boys	22.3 %	41.0%
Girls	13.4 %	28.7 %
Secondary number of schools		313
Total secondary enrolment	187,715	417,145
Boys	110,716	237,876
Girls	76,999	179,269
Adult basic		546,018

Source: MEC

⁴¹ 2007 data includes adult education – night shift – therefore 2006 data are used.

Annex E – Education sector budget and expenditure

Table E1: Mozambique Public Expenditure on Education (Millions MZM)

	2005		2006		2007		2008		2009
	Budget	Executed	Budget	Executed	Budget	Executed	Budget	Executed	Budget
Total Government Budget	46,783,367	36,910,897	52,880,554	44,820,000	70,896,574	56,643,600	89,002,643	64,201,200	104,326,611
Current Budget	27,782,299	20,854,270	31,092,728	25,820,000	37,451,100	31,982,000	45,101,102	37,453,100	50,689,476
Investment Budget	19,001,068	16,056,627	21,787,826	19,000,000	33,445,474	24,661,600	43,901,541	26,748,100	53,637,135
Domestic	5,762,525	5,316,719	6,566,458	6,542,000	8,941,100	9,236,300	11,603,227	10,961,600	13,446,575
External	13,238,543	10,739,908	15,221,368	12,458,000	24,504,374	15,425,300	32,298,314	15,786,500	40,190,560
Total Budget Education	7,490,893	7,232,676	9,316,768	8,705,399	6,080,509	11,920,185	14,820,671	14,858,849	16,167,009
Current Budget	5,449,389	5,520,293	6,343,393	6,618,820	1,581,819	8,172,051	8,146,762	9,874,826	9,433,172
Investment Budget	2,041,504	1,712,383	2,973,374	2,086,579	4,498,690	3,748,134	6,673,909	4,984,023	6,733,837
FASE	0	813,652	822,065	1,331,907	1,495,351	1,792,089	3,274	2,745	
Ministry of Education	1,735,680	1,753,249	2,891,945	2,140,009	4,530,577	2,963,952	6,003,825	3,877,669	5,822,376
Current Budget	433,800	294,402	410,087	331,006	494,544	422,235	650,252	494,130	577,601
Investment Budget	1,301,880	1,458,847	2,481,858	1,809,003	4,036,033	2,541,717	5,353,573	3,383,539	5,244,775
FASE	0	565,250	822,065	1,331,228	1,495,351	1,064,264	2,362,724	1,689,802	
									1,752,175

Annex E: Education Sector Budget and Expenditure

Provincial Budget		4,759,035	4,599,614	5,147,788	5,455,085	6,573,164	7,516,704	6,577,529	9,066,574	7,330,285
Current Budget		4,264,709	4,447,199	4,998,214	5,334,035	5,929,456	6,614,551	5,983,000	8,017,596	6,956,825
Investment Budget		494,327	152,415	149,574	121,050	643,709	902,153	594,529	1,048,978	373,460
	FASE	0	248,402	0	679	0	727,825	805,390	855,624	
	Other Funds									

Source: MEC

Table E2: Disbursement of FTI Funds 2008

Expenditure	Total Paid (USD)
Retrospective financing (Jan–Oct 2008)	
ADE	7,608,374
Goods	558,523
Services	643,368
Construction	479,409
Total retrospective financing	9,280,676
Current Financing (Nov–Dec 2008)	
ADE	1,358,8923
Goods	600,455
Services	1,300,840
Construction	194,276
Total Current Financing	15,684,488
Total FTI Financing	24,965,164
Unused as at 31 Dec 2008	3,034,835

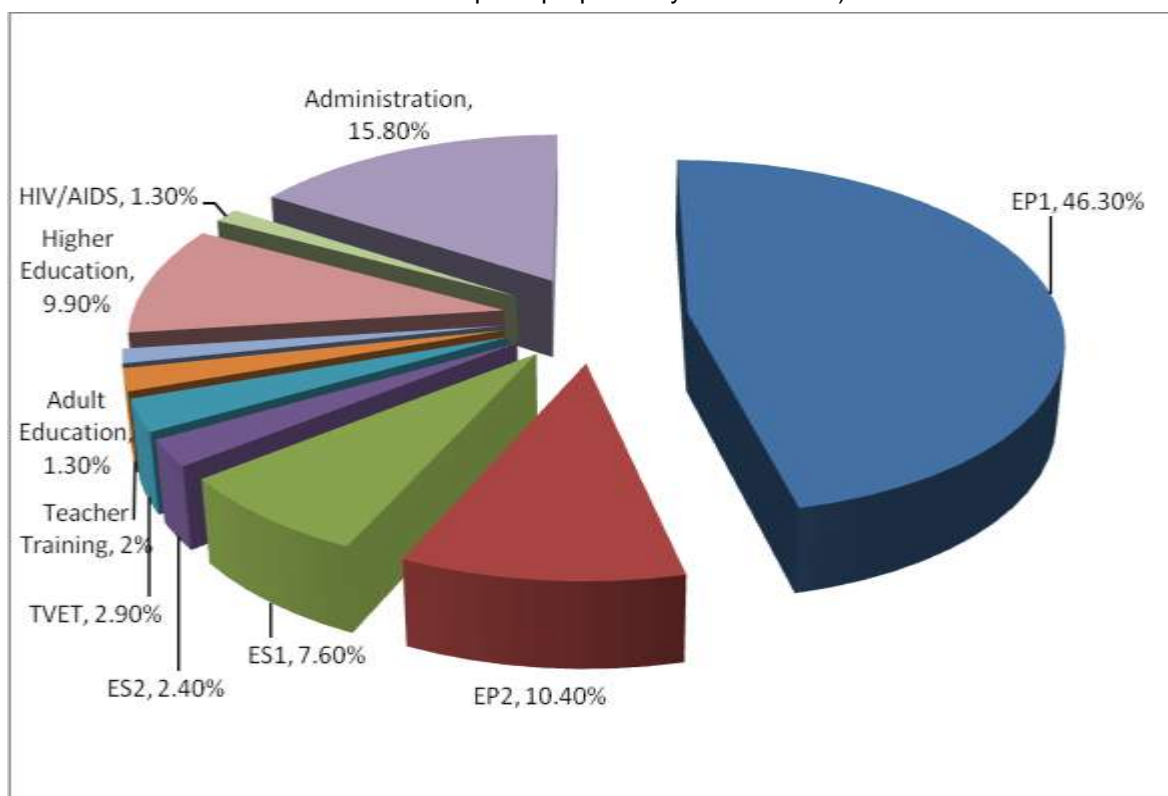
Source: MEC Data

Table E3: FASE Funds 2003–2008 (MZM 000)

Year	Planned Expenditure	Total Actual expenditure	% disbursed	Expenditure at Central Level	Expenditure at Provincial level
2003	385,327.90	158,187.83	41%	62,022.63	96,165.20
2004	528,818.00	282,236.24	53%	193,895.74	88,340.50
2005	1,084,346.34	1,019,426.25	94%	766,823.04	252,603.21
2006	1,555,152.20	1,474,281.40	95%	853,610.54	620,670.86
2007	1,654,944.96	1,532,099.21	93%	1,002,286.47	529,812.74
2008	3,853,228.00	2,260,590.97	59%	1,367,583.28	893,007.69
Total	9,061,790.41	6,726,821.90	74%	4,246,221.70	2,480,600.20

Source: Republica de Moçambique Ministério de Educação e Cultura (2008)

Figure E1: Distribution of Education Recurrent Costs (indicative, not supported by official information from financial reports prepared by Government)



Source: Education Costing Model December 2008

Table E4: Indicative Commitments of Cooperating Partners for the FASE 2010–2012*Information provided April 2009*

Table E4: Indicative Commitments of Cooperating Partners for the FASE 2010–2012											Exchange Rate USD					
											1 EUR		1.283		USD	
											1 CDN		0.793		USD	
											1 GBP		1.481		USD	
											1 DKK		0.173		USD	
											1 USD		1.000		USD	
Information provided April 2009																
Agency	Money Situation		Values in Original Currency							USD	MTEF (in USD)					
			2006	2007	2008	2009	2010	2011	2012	2009	2010	2010	2011	2012		
The Netherlands	Commitment Negotiated	EUR	9,000	15,000	20,000	19,000	7,000	7,000	0	24,373	8,980	10,001.01	8,980	0		
Canada	Commitment Negotiated	CND	6,000	6,000	5,000	20,000	26,000	28,000	30,000	15,860 0	20,618	22,970.28	22,204	23,790		
Ireland	Commitment Negotiated	EUR	3,400	5,750	6,500	7,000	5,500	6,000	6,000	8,980	7,055	7,857.94	7,697	7,697		
DFID	Commitment Negotiated	GBP	1,716	4,500	4,500	4,500	4,500	4,500	4,500	6,665	6,665	7,106.85	6,665	6,665		
Germany	Commitment Negotiated	EUR	6,800	6,000	19,045	17,000	16,000	16,000	16,000	21,808	20,525	22,859.46	20,525	20,525		
Finland	Commitment Negotiated	EUR	4,000	4,000	4,500	5,000	6,000	6,000	6,000	6,414	7,697	8,572.30	7,697	7,697		
Denmark	Commitment Negotiated	DKK	24,000			30,000	35,000	18,000	2,000	5,190	6,055	6,520.87	3,114			
Spain	Commitment Negotiated	EUR	2,000			2,000	2,000	2,000	2,000	2,566	2,566	2,857.43	2,566	2,566		
Portugal	Commitment Negotiated	USD EUR	250			250	250	250	250	250	321	357.18	321	321		
Unicef	Commitment Negotiated	USD				1,000	1,000	1,000	1,000	1,000	1,000	1,000.00	1,000	1,000		
Catalytic Funds	Commitment Negotiated	USD	28,000			30,000	21,000	9,000	3,000	30,000	21,000	21,000.00				
TOTAL	Commitment Negotiated									123,1050	102,480	111,103	57,128	49,734		
	Total									123,105	102,480	111,103	80,767	70,259		

Table E5: Total Expenditures in PARPA Priority Areas

	1998	2000	2005	2006	2007 ACCOUNTS	2008 BUDGET	2009 PROPOSAL
TOTAL EXPENDITURE IN PRIORITY SECTORS			67.6%	64.6%	61.7%	65.5%	66.7%
EDUCATION	15.2%	19.8%	20.4%	20.3%	21.6%	18.5%	19.3%
GENERAL EDUCATION	-		17.8%	17.7%	19.1%	15.7%	16.1%
HIGHER EDUCATION	-	-	2.6%	2.6%	2.5%	2.8%	3.2%
HEALTH	5.9% (includes HIV/AIDS)	6.3% (includes HIV/AIDS)	13.1%	13.9%	12.5%	11.9%	11.9%
HIV/AIDS	-	-	12.1%	12.8%	0.9%	0.8%	0.7%
INFRASTRUCTURES	14.0%	12.9%	1.0%	1.1%	14.1%	21.2%	18.9%
ROADS	-	-	12.4%	11.7%	9.4%	11.4%	8.4%
WATER AND PUBLIC WORKS	-	-	4.8%	4.5%	3.6%	6.4%	3.1%
MINERAL RESOURCES AND ENERGY	-	-	2.3%	0.6%	1.2%	3.4%	1.9%
AGRICULTURE AND RURAL DEVELOPMENT	5.4%	6.3%	4.8%	4.6%	3.7%	3.9%	7.8%
GOVERNANCE, SECURITY AND JUDICIARY	19.9%	19.7%	8.8%	8.1%	8.0%	8.1%	7.1%
SECURITY AND PUBLIC ORDER	-	-	4.9%	4.4%	3.9%	3.0%	2.6%
GOVERNANCE	-	-	1.5%	1.6%	2.1%	2.7%	2.3%
JUDICIARY	-	-	2.4%	2.1%	2.0%	2.4%	2.2%
OTHER PRIORITY SECTORS	1.2%	1.6%	0.9%	0.9%	0.9%	1.2%	1.0%
SOCIAL WELFARE	-	-	0.6%	0.6%	0.6%	0.8%	0.6%
LABOUR AND EMPLOYMENT	-	-	0.3%	0.3%	0.3%	0.4%	0.4%

Source: Unicef and budget

Table E6: Mozambique General Budget Support Commitments 2005–2010 (USDm)

Year	GBS Commitments/Disbursements*
2000	29.5
2001	88.2
2002	100.7
2003	153.7
2004	239.4
2005	287.0
2006	286.5
2007	369.8
2008	385.8
2009	485.7
2010	471.8

* disbursements from 2000–2004 and commitments from 2005–2010

Source: www.pap.org.mz and IDD (2006) Joint Evaluation of Budget Support: Mozambique Report**Table E7: Mozambique Domestic Tax Revenues (MZM bn)**

Year	Domestic Tax Revenue
2005	21.4 (actual)
2006	27.0 (actual)
2007	29.8 (actual)
2008	32.5 (projected)
2009	35.4 (projected)
2010	40.5 (projected)

Source: IMF (2009) Article IV Consultation

Table E8: External Funding to the Education sector

	2006	2007	2008	2009	2010
FASE	46,168	53,200	78,447	83,616	73,460
Projects	66,958	80,718	56,218	42,339	19,920
<i>Total</i>	<i>113,126</i>	<i>133,918</i>	<i>134,665</i>	<i>125,955</i>	<i>93,380</i>

Source: EFA FTI (2003) Annex 3b

Table E9: External Funding Disbursements and Commitments to Education by Sector (USD000's)

	Disbursed		Committed			
	2000	2001	2002	2003	2004	2005
Functional classification of public expenditures	Total	Total	Total	Total	Total	Total
Levels of Education						
Basic Education	26896	40634	47959	42832	31237	27703
Secondary Education	1810	1442	7537	8499	3675	2906
Technical-Vocational Education	4415	2264	8257	3349	2814	1900
Literacy and Adult Education	849	2070	896	843	641	540
Teacher Training	2373	2762	15745	8817	5873	5024
Other levels	126	45	76	54	0	0
Support services	1742	24	10900	3581	3024	2698
Other services	284	2504	1377	2287	508	360
FASE	0	250	8004	15396	24006	31526
Total	38495	51995	100751	85658	71777	72656

Source: MEC

Table E10: External Project Support to the Education Sector

Doador	Designação	Componente externa em mil USD					
		2005	2006	2007	2008	2009	2010
JICA	Reab. CFPP de Inhamissa	2.007,00	1.551,69				
JICA	Construção do IMAP de Chimoio		10.117,00	1.486,00			
JICA	Construção IMAP Cuamba				8.000,00	1.000,00	
Finlândia	INDE				357,00	345,00	
PMA	Aliment. dos Centros Internatos (PMA)		18.400,00	6.324,00	10.000,00	9.300,00	8.500,00
KFW	Constr. Esc. Rurais - Alemanha	5.000,00	3.510,03	1.829,30	2.552,00	3.062,00	
B. Mundial	PIREP		7.000,00	10.970,00	7.200,00	7.200,00	4.400,00
Itália	PIREP			1.699,40	2.066,00	2.066,00	
Holanda	PIREP			2.023,10	1.659,00	1.377,00	1.240,00
Canadá	PIREP			133,00			
Canadá	Livro Escolar			13.121,00	14.272,00	13.446,00	1.808,00
IPAD	Reab. Escola Agrária do Chokue			500,00			
IPAD	Constr. 25 salas para o Básico			672,00			
DANIDA	ADPESE Central			1.264,00	340,00		
DANIDA	ADPESE Tete	1.000,00					
BAD	Educação III	1.871,40	4.390,55	975,00			
BAD	Construção de Esc. Secundárias	5.890,30	3.744,27	9.417,90	2.660,00	165,00	
BID	Construção de 60 EP	967,00	786,00				
KUWAIT	Const. Inst. Politécnicos			3.184,61	313,00	107,00	
BADEA	Const. Inst. Politécnico			2.862,20	1.362,00	97,00	
BID	Reabilitação de Esc. Sec.	457,40	1.599,44				
BID	Reabilitação e Const. de Esc. Sec.			8.867,42	2.005,00		
Itália	Geminagem			600,00	214,00		
Holanda	Imp. Cap. Inst. Ens. Superior NPT		433,36	749,80	327,00	262,00	144,00
BM	Ensino Superior I		9.437,13	14.040,00			
Holanda	Fundo de Bolsas				1.531,00	2.552,00	3.828,00
Suécia	Fundo Provincial de Bolsas				1.360,00	1.360,00	
BM	Educação III	8.755,00	5.989,32				
		25.948,10	66.958,79	80.718,73	56.218,00	42.339,00	19.920,00
Valores em milhões de MTn							
Comparticipação (IVA)					258,04	194,34	91,43
Comparticipação (obras Chimoio)					13,00	1,50	
Total					271,04	195,84	91,43

Annex F - Analytical Summary Matrix

SUMMARY – Mozambique	
Context: <i>What was the situation at level zero? What was happening in country before FTI?</i>	
<p>A sector plan, the Plano Estratégico de Educação E Cultura (Strategic Plan for Education and Culture) (PEEC) was beginning to be developed at the time that preparations were being made for FTI endorsement. A Sector wise approach (SWAp) was in place in education that included most bilateral and multilateral Donors. A common pooled fund (FASE) was established in 2002, prior to this Donors used parallel financial systems to those of the GOM for channeling external assistance through projects. FTI came into an environment in Mozambique where policy discussions were already under way in the areas that were highlighted by FTI. These discussions were reflected in the first education sector plan (ESSP), implemented from 1998 onwards, and were carried further in the periodic reviews of ESSP implementation. Mozambique has a well established mechanism for education sector planning and collaborative working between donors and government, more recently CSO's have become more involved. An education sector SWAp was established in 1997–1998 to support the development of the first sector strategic plan, which brought together most bilateral and multilateral donors in the sector. Mozambique also had a well established education data collection system which has been in place since independence. A system of regular data collection at school level has been developed, which starts at the school level and is then compiled at district and provincial level. In the education sector programmes lack of a systematic approach in capacity building has repeatedly been seen as a weakness, and the need for an environment conducive to utilization of capacity has been pointed out.</p>	
Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>	
<p>Non-FTI processes:</p> <ul style="list-style-type: none"> • A new FASE MOU was negotiated in 2006 to make the common fund more aligned with GOM systems and to increase disbursement. <p>Development of the new sector plan the PEEC</p> <p>FTI Processes</p> <ul style="list-style-type: none"> • The cooperating partner's assessment of the Mozambique FTI proposal in 2003 notes that following requests from Donors an actions plan for the prevention and mitigation of HIV/AIDS was going to be produced and an area of concern was how gender disparity would be addressed within the plan. This was duly undertaken. • Catalytic funds (CFs) were given in 2008–2010 to fill the funding gap identified in the PEEC and Education Planning and Development Fund (EPDF) funds to assist in capacity building activities. • FTI had a catalytic effect on policy discussions and directly influenced policy on teacher training and accelerated classroom construction. It also focused attention on the whole of the primary cycle rather than just the years 1–5 as had been highlighted previously. The simulation model for costing different policies was also used by the Ministry of Education and Culture (MEC). 	

Annex F: Analytical Summary Matrix

SUMMARY – Mozambique		
Relevance - Were the objectives of FTI support relevant? Was the design appropriate?	Immediate effects and intermediate outcomes: What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy expenditure and service delivery)	
	Effectiveness – To what extent did FTI contribute to improving education sector policies, planning, data, budgeting, level of finance, delivery, monitoring and evaluation and aid effectiveness?	Efficiency - How economically was FTI support translated into results?
<p>FTI support was relevant as it aimed to give Mozambique support in achieving EFA goals, including UPC which were objectives that the country was already working towards. There was also a need for additional funding to achieve this goals and to assist in strengthening planning and policy and capacity building, while there was a need to improve data collection and monitoring and evaluation.</p> <p>Similarly, the overall objectives of FTI which were aimed at increasing aid effectiveness were relevant to Mozambique, as they were in line with the objectives of the education group at country level which had been undertaking a number of initiatives as outlined in the previous section to strengthen aid effectiveness.</p> <p>On the other hand the fact that originally, when Mozambique was endorsed in 2003, FTI would not give additional funding to Mozambique means that in this area it was not relevant at this point. The donor orphan clause resulted in Mozambique not being eligible for funding at a time when there was a funding gap in basic education and the expectation of the MEC and donors in-country was that endorsement at this time would bring additional funds. By the time the donor orphan clause was dropped in 2007 there was better alignment between the funding needs of the sector and what FTI was able to support.</p> <p>What was not relevant was the channelling of CFs through the World bank into FASE which resulted in protracted discussions on the issue and an increase in transaction costs and a step back in alignment and aid effectiveness.</p>	<p>The new teacher training policy which reduced the number of years of training has been effective, whereas the accelerated classroom construction has been less so. There has been little impact on capacity building and monitoring and evaluation.</p> <p>FTI contributed to analysis of the financial implications of different policy options, particularly in teacher education and school construction, which are politically contentious issues, and to rational discussion at central level on the effective use of resources. This directly benefited the preparation of the second education sector programme PEEC for the period 2006–2011.</p> <p>The CF support assisted in filling the financing gap.</p>	<p>Overall, FTI has contributed to the efficiency of resource mobilisation as it has linked with the SWAp process in education and CFs are disbursed through FASE which in turn supports the PEEC. In this way FTI has supported and reinforced existing sector mechanisms designed to increase the efficiency of resource mobilisation.</p> <p>On the other hand, the CFs have detracted from this process due to the derogations from government systems that the World Bank required in order to use FASE for CFs. This has reduced the efficiency of the pooled funding mechanism. First, because the need for additional reporting over and above that required by the other FASE donors has added to the transaction costs of the MEC. Second, the new FASE procurement procedures are also delaying the implementation of FASE activities.</p>
Outcomes: What has been the effect on quantity, quality, access and sustainability of primary education?		
<p>The policies of MEC designed to contribute to UPC have led to significant increases in both primary school enrolment and completion rates. The influence FTI-influenced changes in teacher education and school construction policies have made progress towards UPC more affordable.</p> <p>CF funding has allowed the scope of primary education activities to be increased through providing funding.</p>		
Sustainability: Are the changes that took place in policy and planning, finance, capacity, M&E and aid effectiveness interventions likely to survive? How resilient are the benefits to risks?		
<p>The sustainability of education sector funding is a key issue as CP funding to FASE is projected to fall by USD 20m in 2012 (see Table E6 in Annex E). This is due to the CFs ending in 2010 and the European Union Code of Conduct which only allows bilateral donors to be represented in three sectors in addition to general budget support (GBS). It is unlikely that any more funding will be available from domestic resources due to the global financial crisis which is affecting negatively GOM revenues and the fact that although GBS has increased in recent years commitments will decline in 2010 and donors have stated they will not increase GBS further unless GOM performance improves.</p> <p>Policy changes such as the change in teacher training programmes is likely to be sustainable.</p>		

STREAM 1: Policy and Planning		
Context: What was the situation at level zero with respect to policy and planning? What was happening in country before FTI?		
<ul style="list-style-type: none"> The first education sector plan, ESSP, was in place before FTI and was implemented during 1998–2005. This plan focused on basic education. ESSP aimed at expanding access to education, improving the quality of education, and building capacity in the education sector. Achievement of EFA/UPC at the lower primary level (Grades 1–5) through increased provision was the short-term target. Promotion of gender equity through awareness-raising was one of the objectives of the ESSP. HIV/AIDS issues begun to be addressed within the framework of the ESSP from 2001 onwards. Educational planning was very centralised and top-down. Stakeholders at decentralised levels and CSOs did not play a significant role. Civil society has not played a strong role in influencing education policy, due to weaknesses in capacity in research, policy analysis and advocacy (CEF, 2008). This means that most NGOs have undertaken service delivery and have had a complementary role in assisting in implementation of education policies at district and community level. 		
Inputs: What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?		
<p>Non-FTI Inputs:</p> <ul style="list-style-type: none"> The cycle of education sector planning activities includes joint annual reviews of the sector programme and joint studies on specific policy issues. Working Groups, with participation of MEC and CPs, facilitate the planning process. Policy decisions to abolish of school fees and introduction of a new primary school curriculum, including semi-automatic promotion of pupils and provision of free textbooks, from 2003 onwards. <p>FTI Inputs:</p> <ul style="list-style-type: none"> Post-FTI, the second sector plan, PEEC, was developed for the period 2006–2011. Its costing was based on an adapted version of the FTI simulation model. PEEC has a sector-wide coverage. FTI contributed to analysis of policy options particularly in the areas of teacher education and school construction. Decisions made by the Ministry of Education on teacher education policy (the 10 + 1 model) and on low-cost, community-based primary school construction were intended to accelerate progress towards EFA and UPC. 		
Relevance - Were the objectives of FTI support to policy and planning relevant? Was the design appropriate?	Immediate effects and intermediate outcomes: What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)	
	Effectiveness – To what extent did FTI contribute to developing quality education plans encompassing UPC targets? To what extent did FTI contribute to implementation of sector policies?	Efficiency - How economically was FTI support to country-level policy and planning translated into results?
<p>The objectives of support to policy and planning in the sector were relevant to the priorities of the sector and of the country.</p>	<ul style="list-style-type: none"> Education policy-making has become more informed by analysis of the financial implications of policy options. Activities in the sector reflect the policy priorities as expressed in the sector programme, particularly after the programme achieved sector-wide coverage. FTI initially contributed to improvement of the technical quality of the policy and planning process. Participation of key education stakeholders in policy setting and planning processes has gradually become more inclusive, with CSOs more involved. Concerns have been raised with regard to the possible negative effects on the quality of education that may follow from semi-automatic promotion and from the shortening of teacher education. Cross cutting issues such as gender, HIV/AIDS, equity and exclusion were highlighted in the FTI process in 2002–3 and subsequently are being addressed in the PEEC. 	<ul style="list-style-type: none"> The contribution of the FTI simulation model and related TA inputs was apparently efficient. The considerable transactions costs caused by the negotiations over the management of CFs diverted scarce professional resources away from discussion on the substantive issues of policy and planning. This process also came to strengthen the non-inclusive aspects of policy-making and planning in the sector. The new model of teacher training is clearly an improvement in efficiency, whereas the low-cost model of school construction programme has been quite inefficient.
Sustainability: Are the changes that took place in policy and planning interventions likely to survive? How resilient are the benefits to risks?		
<ul style="list-style-type: none"> Government leadership in the education sector on policy and planning issues has been strong throughout the FTI process and is very likely to continue. The 10 + 1 model teacher education policy is more sustainable than the previous and alternative models. The sustainability of the policy of low-cost, community-based school construction as the principal model of constructing primary schools is questionable on the basis of experience gained to date. 		

STREAM 2: Finance

Context: *What was the situation at level zero with respect to education finance? What was happening in country before FTI?*

- Was external and domestic finance adequate to meet UPC/EFA targets?
- Did a costed education sector plan exist? To what extent was it used to guide domestic and external resource allocation to education?
- How integrated were the key elements of the budget process: strategic planning, budget preparation, implementation, monitoring and reporting? How comprehensive was the budget? Are budget allocations similar to actual expenditure?
- What was the quality of public finance management (PFM)?

Inputs: *What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?*

Non-FTI inputs into country-level financial planning and resource mobilization in the education sector in the period since FTI came in:

- SISTAFE (*Sistema da Administração Financeira do Estado*) was approved by the Mozambican parliament in 2002 and is a body of legislation, which establishes the principles and regulations for the integrated public financial administration system in Mozambique. The SISTAFE framework is comprised of five main subsystems covering the full budget cycle and public financial management processes. The introduction of SISTAFE has led to strengthened systems of expenditure control, accounting and reporting, while a number of legislative revisions have also taken place.
- A process of financial decentralisation and deconcentration has also been undertaken. The 33 urban municipalities now have full financial and political autonomy and they receive two annual transfers from central government, one to cover recurrent expenditure and the other to cover investment expenditure. The 11 provinces and 128 districts operate as agencies of the central government on a deconcentrated basis and have the responsibility of managing their own budgets.
- An MTEF process has been introduced which has been incorporated into education sector planning processes.

FTI-specific inputs:

- The preparation of a plan for FTI endorsement in 2003 occurred at the same time as preparations for the second sector plan (PEEC) was beginning. As part of this process, simulations were undertaken using the FTI model to calculate the funding gap for the whole of the education sector. The specific funding gap for primary education was then estimated from this. Re-endorsement for FTI was undertaken in 2006 after considerable time and effort had already been spent in developing a new sector plan (PEEC). The costing and financial simulations from this exercise were used to estimate the potential financing gap which was then used for the CF application.
- Mozambique was invited by the FTI Secretariat to apply for CFs in 2006 and after negotiations regarding the costing simulations for the PEEC, a financing gap of USD 79m from 2008-2009 was agreed, although this represented a reduction from the original figure of USD 120m. The MEC requested for the funding to be received in three tranches spread over twenty four months from 2008-2010.⁴² In 2008 USD 28m was received, in 2009 USD 30m will be disbursed and in 2010 USD 21m.
- EPDF funds of around USD 150,000 have been awarded to Mozambique. These have been used to provide TA to undertake the assessments that the World Bank needed to channel FTI funds through FASE and by the MEC to prepare the secondary education strategy, a study on school management and training of MEC personnel in World Bank procurement procedures.

⁴² Originally it was proposed that CFs would be received in two tranches in 2008 and 2009. However after the CF and other FASE bilateral contributions had been included in the education budget Danida decided that it would begin disbursing through FASE in 2008. Danida's contribution had not been included within the budget, so in order to accommodate this, it was agreed with the FTI Secretariat to reduce the 2008 CF contribution and spread this over three years until 2010.

STREAM 2: Finance		
Relevance - Were the objectives of FTI support to education finance relevant? Was the design appropriate?	Immediate effects and intermediate outcomes: What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)	
	Effectiveness – To what extent did FTI contribute to a stronger education budget process? To what extent did FTI contribute to the increase in total funds for primary education?	Efficiency - How economically was FTI support to country-level finance for education translated into results?
<p>FTI financial support has been relevant as the CFs have matched the funding gap estimated in the PEEC, which means that CFs have assisted in supporting the sector plan which in turn is aimed at implementing policies to achieve UPC. The Governments share of the education budget mainly covers salaries, therefore the financial contribution from FTI and other Donors forms a large share of overall non-salary expenditure which is crucial for providing infrastructure, textbooks, equipment and teacher training.</p> <p>Since the resources from the CF are absorbed into a pool and they are only virtually earmarked, this makes the funds flexible and increases the opportunity for the government to assign expenditure in accordance with its priorities.</p> <p>Mozambique also received direct funding from the FTI's other main fund, the EPDF. This funding was used to undertake the activities outlined in ¶4.25. The EPDF funding has been relevant although it has not always been used in line with the MECs priorities.</p>	<p>FTI has not affected the education budget process in terms of making it more comprehensive, transparent or efficient.</p> <p>There was an increase in donor funding to basic education prior to the FTI endorsement in 2003. Given that donors on balance would probably have supported the education sector plan anyway regardless of whether FTI endorsement occurred it is difficult to attribute any effect to FTI. Particularly as there was a strong sector wide approach (SWAp) process in place and donors were keen to support this process and channel their funding through FASE.</p> <p>At the same time the GOM has been increasing its share of funding to the education sector as a whole. Figures were not available for domestic expenditure on basic education, but despite this, the data suggests that FTI CF has been additional funding rather than substituting for GOM funding.</p>	<p>A public expenditure tracking study (PETS) for education is currently being undertaken. To date there is little evidence on the extent to which funds reach their beneficiaries.</p> <p>There have been significant problems experienced with the accelerated primary school classroom construction programme, which FTI is funding through FASE. If measures are not taken then it is possible that a lack of classrooms may jeopardise the achievement of education targets.</p> <p>FTI has contributed to the efficiency of resource mobilisation as it has linked with the SWAp process in education and CFs are disbursed through FASE which in turn supports the PEEC. In this way FTI has supported and reinforced existing sector mechanisms designed to increase the efficiency of resource mobilisation.</p> <p>On the other hand, the CFs have also detracted from this process due to the derogations from government systems that the World Bank required in order to use FASE for CFs. This has reduced the efficiency of the pooled funding mechanism.</p> <p>Transaction costs for the MEC have also increased considerably due to additional reporting and procurement procedures.</p>
Sustainability: Are the changes that took place in the education budget process and the level of finance for primary education likely to survive? How resilient are the benefits to risks?		
<p>The sustainability of education sector funding is a key issue as CP funding to FASE is projected to fall by USD 20m in 2012. This is due to the CFs ending in 2010 and the European Union Code of Conduct which only allows bilateral donors to be represented in three sectors in addition to general budget support. The Netherlands who is a major donor has already said that they will withdraw from the education sector in 2012 and other donors may well follow increasing the shortfall.</p> <p>At present it seems unlikely that the GOM will increase the state budget to education as it has not been successful in significantly increasing revenues from taxation and the financial crisis is likely to put additional fiscal pressure on the GOM budget. Given this, it appears that the increase in financing for education created by FTI CF funds is unlikely to be sustainable and they have not proved to be catalytic in the medium-term. It is also worth noting that the focus on primary education and the success in achieving higher UPC rates has led to significant pressure for expansion at the secondary level which in turns adds to the overall funding gap in education.</p>		

STREAM 3: Data and Monitoring & Evaluation		
Context: What was the situation at level zero with respect to data and M&E? What was happening in country before FTI? Was quality and use of data relevant to the context and to the monitoring needs of the education strategies?		
<ul style="list-style-type: none"> Mozambique had a data collection system in place since independence. Annual data collection was done at school level and processed throughout the different tiers of education management – school cluster, district, province and national levels. Annual reports are produced with statistical information. Questions are raised about accuracy and quality of data. 		
Inputs: What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?		
The evaluation team did not identify any specific inputs from FTI to monitoring. A number of monitoring mechanisms are in place, agreed between MEC and Donors, such as working groups, High-Level Cooperation Partners Meeting with MEC, Joint-Reviews, among others. These are implemented within the framework of support to FASE and within the wider framework of support to GOM.		
Relevance - Were the objectives of FTI support to data and M&E needs relevant? Was the design appropriate?	Immediate effects and intermediate outcomes: What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy and planning)	
	Effectiveness – To what extent did FTI contribute to Improved collection of data and better information services? To what extent is there better use of data to inform policy and funding	Efficiency - How economically was FTI support to country data and M&E translated into results?
<ul style="list-style-type: none"> The need for timely, accurate and comprehensive data are widely recognised by both government and donors, so in this way the aim of FTI to strengthen this area was relevant. 	<p>These comments relate to the effectiveness of PEEC M&E as a whole.</p> <ul style="list-style-type: none"> FMRs were developed as the basis for reporting on pooled funding. Additional reporting on Catalytic Funds is required. Data is produced following the same routine adopted for a number of years. Monitoring relies essentially on GOM reporting procedures, e.g. Annual Social and Economic Plan (PES) and Report on PES. There is no evidence of improved data collection and better information as a result of FTI inputs. 	<ul style="list-style-type: none"> The PEEC approach is efficient in linking M&E to FASE, with a common set of indicators and joint review processes. So far, education sector reporting has included FTI benchmarks such as UPC and has for several years, reported figures on primary school completion. Other monitoring and evaluation exercises are seldom mentioned as MEC relies heavily on its own systems. There is no evidence that in the time since the PEEC has received FTI endorsement, there has been a significant change in the capacity to monitor progress in the education sector, or in the prioritisation of M&E in the national development plans. The donors and the MEC had already an agreed set of indicators and a joint process of review. Some IF indicators were incorporated into the existing processes, but there was not a visible FTI influence in streamlining the demand for data or monitoring indicators.
Sustainability: Are the changes that took place in the data and M&E management likely to survive? How resilient are the benefits to risks?		
Data management and M&E are part of the on-going planning, implementation and review cycle of PEEC and therefore integrated in a sustainable manner. New capacities established during application for FTI were not fully institutionalised and no further efforts were made to develop additional capacities for planning and M&E using the same tools that were used for application.		

STREAM 4: Capacity		
Context: <i>What was the situation at level zero with respect to capacity? To what extent was the capacity adequate for EFA and UPC targets?</i>		
<ul style="list-style-type: none"> Capacity for central planning was robust, but the record of the ESSP raised concerns about implementation capacity. Capacity development was one of the components of the ESSP. There were abundant, often donor-driven plans and activities in this area, with insufficient coordination. Capacity development needs in the sector were analysed as part of the Joint Annual Reviews of the sector programme, by the Working Group established to facilitate ESSP implementation, and through specific studies on CD issues. 		
Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<p>Non-FTI Inputs:</p> <ul style="list-style-type: none"> Capacity development is a component also in the PEEC. Activities have focused particularly on decentralised levels. The wider context of capacity development has been addressed by the overall public sector reform since 2003. <p>FTI specific inputs:</p> <ul style="list-style-type: none"> FTI provided TA and training in the use and for the adaptation of the FTI simulation model. After the decision on the management of the CF's, EPDF funds have been used for training in World Bank procurement procedures. Other areas of EPDF support include preparation of the secondary education strategy, and regional cooperation activities and study visits. 		
Relevance - <i>Were the objectives of FTI support to policy and planning relevant? Was the design appropriate?</i>	Immediate effects and intermediate outcomes: <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	Effectiveness – <i>To what extent did FTI contribute to implementation of measures to strengthen capacity? To what extent was quality capacity created to implement policy and services?</i>	Efficiency - <i>How economically was FTI support to country-level capacity building translated into results?</i>
<p>Issues of capacity needed for implementing the low-cost, community-based model of school construction were neglected, although this is a critical area of capacity needed to reach UPC.</p> <p>The use of EPDF funds for TA in the preparation of the secondary education strategy filled an obvious need within the overall development of the sector programme.</p> <p>The use of EPDF funds for study visits and other regional initiatives has not always been entirely aligned with the current priorities of the ministry or integrated in on-going processes.</p>	<p>The quality of the TA that was made available by the World Bank for the development of a locally adapted education sector simulation model is much appreciated.</p> <p>Overall, EPDF has made a minor contribution in Mozambique, complementing the funding for TA and other capacity development activities that has been available from the sector pool fund FASE and bilateral sources.</p> <p>To date, training provided in the use of the World Bank procurement procedures has been insufficient for coping with all the issues that have arisen under the new rules.</p>	<p>Due to the small volume of the miscellaneous FTI inputs to capacity development in Mozambique, the evaluation team is not able to assess the degree of efficiency in translating these inputs into results.</p>
Sustainability: <i>Are the changes that took place in capacity likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> Capacity to apply and further develop the adapted simulation model remains in MEC but is fragile. 		

STREAM 5: Aid Effectiveness		
Context: <i>What was the situation at level zero with respect to aid effectiveness? What was happening in the sector before FTI? To what extent was aid for education efficiently & effectively provided?</i>		
<ul style="list-style-type: none"> Mozambique has a well established mechanism for education sector planning and collaborative working between donors and government. An education sector SWAp was established in 1998 to support the development of the first sector strategic plan, which included all bilateral and multilateral donors in the sector. The partnership process was further strengthened in 2003 when the Education Cooperating Partners issued a Joint Statement in 2003 which established an agenda for education Donors based on OECD DAC guidelines. This process of harmonisation and alignment was supported by the creation of FASE which provided a pooled funding mechanism to support the sector plan. Initially FASE was funded by five donors. These were Canada, the Netherlands, Finland, Ireland and Sweden. In 2008 there were 10 Donors funding through FASE in addition to the CFs, including some who traditionally have not pooled funds such as Unicef, who are using Mozambique as a pilot for joint sector funding mechanisms. The Donors currently funding FASE are the Netherlands, Canada, Ireland, the United Kingdom, Germany, Finland, Denmark, Spain, Portugal and Unicef (See Table E6, Annex E). Nearly all FASE donors are also implementing projects outside the common sector fund, but despite this, many of these bilateral interventions are included in sector documentation and discussed as part of the SWAp process and included in the sector MTEF. There has been a fairly strong consensus by donors and government on key education priorities, while education plans have been well integrated with national plans, specifically the PARPA with strategic matrix indicators from the budget support PAF integrated into education sector plans. 		
Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<p>Non-FTI specific inputs to improving of aid effectiveness during the period since FTI came in:</p> <ul style="list-style-type: none"> The FASE 2006 MOU aimed to improve the alignment and disbursement record of FASE by using government systems. More recently civil society has been represented at the ARMs, COPA and in the TWGs and in some of the provinces the principal NGOs take part in the donor coordination meetings. The MEPT in particular is now active in the planning and review meetings for the PEEC and it has provided an independent input into the periodic review of the performance of the education sector <p>FTI specific inputs to improving aid effectiveness:</p> <ul style="list-style-type: none"> FTI CF used FASE pooled fund to channel resources. The funds are to be provided in three tranches from 2008–2010 and disbursements to date have been predictable. FASE supports the implementation of the PEEC. Previously FASE used government financial disbursement, reporting and monitoring and evaluation systems, but since FTI parallel procurement and reporting procedures are used. 		
Relevance - <i>Was FTI support to aid effectiveness relevant? Was the design appropriate?</i>	Immediate effects and intermediate outcomes: <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	Effectiveness – <i>To what extent did FTI contribute to more international aid, and to aid that is better, coordinated and more coherent with domestic efforts in the sector?</i>	Efficiency - <i>How efficiently was aid delivered?</i>
FTI CFs were not managed and delivered in ways consistent with the Paris and Accra principles. Using the World Bank as CF management agent resulted in less alignment with government systems due to the derogations from government systems that the World Bank insisted on. It would have been more appropriate to use a bilateral donor to manage the CF funds as this would not have had the negative impacts on aid effectiveness.	FTI has not had a positive impact on the effectiveness of aid and has resulted in a reversal in aid effectiveness in the education sector. Although CF funds were channelled through the FASE pooled funds, which is the most aligned mechanism for channelling funds to government, it resulted in all FASE funds becoming less aligned with government systems. Donor harmonisation also suffered as donors no longer spoke with one voice and the World Bank has to be referred to on technical FASE matters.	<ul style="list-style-type: none"> For a period of 18 months donor dialogue became focused on the mechanism for channelling CFs. This was an inefficient use of this time as ultimately it was not an issue that could have been easily solved at country level and the time could have been better spent on more important sector policy and strategic issues.
Sustainability: <i>Are the changes that took place with respect to aid effectiveness likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> The negative changes brought about by FTI are likely to be sustainable only while CFs are being channelled through the FASE which is until 2010. After this point it is possible that if further CF funds are obtained a bilateral donor may be chosen as the supervising entity. This would have positive effects on aid effectiveness and a move back towards alignment with GOM procedures and assist in supporting the move to sector budget support which the FASE was always seen as a transitional stage towards. 		

STREAM 6: Cross-Cutting Issues (HIV/AIDS, gender, equity and exclusion)		
Context: <i>What was the situation at level zero with respect to cross-cutting issues? What was happening in country before FTI?</i>		
<p>The main cross-cutting issues that affect education in Mozambique are equity of access and HIV/AIDS. Equity is a major issue which relates to gender, rural/urban, and equity among regions and provinces. HIV/AIDS has a significant impact on the education sector through attrition of the teacher workforce and administrative staff, as well as children affected by HIV/AIDS. These cross-cutting issues were already incorporated within the policy dialogue before the advent of FTI. The ESSP I mainstreams these issues within the policy and planning processes prior to FTI and examines policy options for expanding access to education for women and girls. The issue of regional equity was also very much on the agenda in the late 1990s and early 2000s.</p>		
Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<p>Non FTI inputs aimed at ensuring that relevant cross-cutting issues are understood and mainstreamed into policy, implementation and monitoring:</p> <ul style="list-style-type: none"> The linkages of HIV/AIDS with gender issues have also surfaced in public discussions and measures to address the problem of sexual abuse in schools are mentioned in the SPEC document. International NGOs have recently had an important role in both investigating this problem and initiating concrete actions to counteract it. <p>FTI specific inputs:</p> <ul style="list-style-type: none"> As part of the FTI endorsement process plans have to be assessed for their attention to gender and HIV/AIDS. This was duly done in the case of Mozambique and attention was paid to both these issues. The Donors' assessment of the Mozambique FTI proposal in 2003 notes that following requests from Donors an action plan for the prevention and mitigation of HIV/AIDS was going to be produced and an area of concern was how gender disparity would be addressed within the plan. In country donors cited this action plan to address this issue as one of the "trigger" conditions for endorsement. HIV/AIDS issues were also incorporated in Mozambique's FTI proposal and in the PEEC document. They have been given attention in the new primary school curriculum and in the ongoing revision of the secondary level curriculum. With support from FASE funds, manuals have been produced and training has been organised to prepare teachers to deal with these issues. 		
Relevance - <i>Were the objectives of FTI support to cross cutting issues relevant? Was the design appropriate?</i>	Immediate effects and intermediate outcomes: <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector planning and implementation with respect to cross-cutting issues)</i>	
	Effectiveness – <i>To what extent did FTI contribute to improved strategies to address cross cutting issues? To what extent did FTI contribute to implementation of these strategies?</i>	Efficiency - <i>How economically was FTI support to cross cutting issues translated into results?</i>
FTI has been relevant as it supported existing government policy on gender and regional equity and HIV/AIDS and has assisted in strengthening it. The CF funding has contributed to this by providing additional funding to support HIV/AIDS policy in education.	Cross-cutting issues have been mainstreamed into the sector plan and FTI assisted in strengthening the dialogue around these issues and pushing for the production of action plans which were included within PEEC. CFs have helped to finance the HIV/AIDS strategy.	There has been considerable improvement in gender equality indicators but not in HIV/AIDS.
Sustainability: <i>Are the changes that took place in the manner in which cross-cutting issues are addressed likely to survive? How resilient are the benefits to risks?</i>		
<p>One of the main policies for dealing with gender equity has been related to school construction promoting complete primary schools. Given that the primary school classroom construction policy has not been progressing very well, this has the possibility to undermine gains that have already been made on gender equity.</p> <p>Also as FASE is funding HIV/AIDS activities and FASE funds are projected to decline in 2012, it is possible that this will have an impact of the level of activities directed towards HIV/AIDS.</p>		

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