

INDICATIVE COOPERATION PROGRAMME

IPAD
INSTITUTO PORTUGUÊS
DE APOIO AO DESENVOLVIMENTO

Portugal
COOPERAÇÃO  DEVELOPMENT

Portugal: Mozambique [2004-2006]

Published

Instituto Português
de Apoio ao Desenvolvimento

Design

ATELIER B2:
José Brandão
Teresa Olazabal Cabral

Print

Textype

ISBN: 972-99008-8-4

Legal Deposit: 211 484/04

MAY 2004

Contents

1. **Background** [5]
2. **Political, Social and Economic Situation in Mozambique** [6]
 - 2.1 Political Situation [6]
 - 2.2 Economic and Social Situation [7]
3. **Mozambican Strategy for the Fight Against Poverty and for Development** [8]
4. **Cooperation between Portugal and Mozambique in the 2004-2006 Triennium** [12]
 - 4.1 Education [15]
 - 4.2 Health [14]
 - 4.3 Agriculture and Rural Development [16]
 - 4.4 Good Governance [16]
 - 4.5 Budget and Macro-Financial Support [17]
 - 4.6 Socio-Community Development [18]
 - 4.7 Women [18]
 - 4.8 Culture [19]
 - 4.9 Complementary Support Programmes [19]
5. **Financial Programming** [20]
6. **Programming, Monitoring and Evaluation** [20]



1. Background

The recent history of the Portugal-Mozambique cooperation reflects the good political relationship between these two countries. In fact, the institutional cooperation between the two States has been developing in both the bilateral context of Indicative Cooperation Programmes (ICP), taking the form of projects / programmes that are proposed and implemented each year with the cooperation of ministries, municipalities, civil society and particularly of the Portuguese NGOs, and the multi-lateral context, in articulation with other donors, which include programmes of the European Union and of specialised agencies of the United Nations system.

Sectorial Distribution of Portugal-Mozambique Bilateral PAD 1999-2002

SECTORES	1999	2000	2001	2002	Values Euros
Education	6,617,148 13.4%	8,229,453 23.1%	9,258,356 24.2%	7,293,743 28.8%	
Health	1,364,477 2.8%	1,313,173 3.7%	963,219 2.5%	559,199 2.2%	
Other Infrastructure & Social Services	2,838,634 5.7%	2,151,315 6.0%	3,025,830 7.9%	4,320,664 17.0%	
Infrastructure and Economic Services	4,980,925 10.1%	7,248,930 20.4%	7,067,775 18.5%	438,560 1.7%	
Agriculture, Forestry and Fisheries	759,265 1.5%	916,026 2.6%	3,304,558 8.6%	1,948,696 7.7%	
Other	316,981 0.6%	2,911,381 8.2%	1,956,825 5.1%	2,314,215 9.1%	
Subtotal	16,877,430	22,770,278	25,576,563	16,875,077	
Debt Related Actions	32,534,352 65.8%	12,834,514 36.1%	12,674,879 33.1%	8,492,293 33.5%	
BILATERAL TOTAL	49,411,782 100%	35,604,792 100%	38,251,442 100%	25,367,370 100%	

Source: IPAD

Financial Planning and Programming

* Values obtained by converting total up to and including the year 2000.

Among the African countries that are members of the Community of Portuguese-Speaking Countries, in the 1999-2002 triennium Mozambique was the largest recipient of Portuguese PAD, the sectors of education, health, infrastructures and finance having taken on the greatest relevance.

Evolution of Bilateral PAD by recipient countries 1999/2002

	1999	2000	2001	2002	
TOTAL BILATERAL PAD	194,682 100%	193,863 100%	204,695 100%	197,443 100%	Thousands of Euros
Portuguese-Speaking	122,367	119,012	124,573	88,296	
African Countries	62.85%	61.39%	60.86%	44.72%	
Mozambique	49,412	35,605	38,251	25,367	
	25.38%	18.37%	18.69%	12.85%	
Other Countries	72,316	74,851	80,122	109,147	
	37.15%	38.61%	39.14%	55.28%	

Source: IPAD

2. Policital, Social and Economic Situation in Mozambique

2.1 Political Situation

The political situation in Mozambique is characterised by political stability and by the way in which the different political forces in the country live together in democracy. Following the adoption of the 1990 Constitution, which introduced the multiparty system, and the signing of the General Peace Accord in 1992, which put an end to the armed conflict in the country, consolidating peace and strengthening democracy have been the Government's priorities. The prevalence of the spirit of dialogue between the political forces represented in the Assembly of the Republic has allowed for the legal and functional instruments inherent to the democratic system to be gradually adopted and developed.

The participation of citizens in conducting the country's fate is a key issue essential to the consolidation of democracy. The recent approval, by unanimity, of the Electoral package for the Municipal, Legislative and Presidential elections by the Assembly of the Republic, was an important step towards consolidating the democratic system in the country.

2.2 *Economic and social situation*

The fight against absolute poverty, which affects the majority of the Mozambican population, is a priority in the Government's agenda.

In Mozambique, economic growth has registered relatively high rates. Thus, following the slowdown in the year 2000 resulting from the floods, notable recovery was registered in the GDP growth rate in 2001, which attained 13%. Current figures point to the economy growing 7.7% in 2002, the forecast for 2003 being of 7%.

The economic growth registered in 2001 resulted largely from the increase in agricultural production after the floods of the year 2000, the extraction of minerals and the manufacturing industry. In 2002, the agricultural sector continued to spur economic growth, by registering an 8.5% increase based on food production and cash crops, such as sugar. To be noted is that in 2002, economic growth was also influenced by an increase in the building activity associated to large projects, in particular the 2nd stage of the Aluminium Foundry and the Pande pipeline for the transport of natural gas. The role played by the agricultural, manufacturing industry and building sectors in economic growth is encouraging, as these make intensive use of labour and thus contribute to reducing the level of unemployment.

Main Socio-Economic Indicators

	2000	2001	2002 (estimated)
Population (millions)*	17,7	18,1	18,4
GDP (billions of USD)*	3,8	3,8	3,9
GDP – real growth rate I**	1,5%	13,0%	8,3%
GDP breakdown**			
Primary sector	24,1%	24,1%	24,2%
Secondary sector	23,9%	24,9%	25,1%
Tertiary sector	49,7%	48,9%	48,5%
GNI p.c.(USD)*	210	210	210
Inflation**	11,5%	21,9%	9,2%
Life expectancy at birth (years)*	39	39	41
Adult literacy rate*	44%	45%	n.d.
Mortality rate of children under the age of 5 (1per 1000)*	200	197	n.d.
Population without sustainable access to a source of improved water*	43%	n.d.	n.d.
Position in the HDI ranking*	170 em 173	170 em 175	170 em 175

***Source:**
Human
Development
Report
****Source:** Bank
of Portugal

3. Mozambican Strategy for the Fight Against Poverty and for Development

The strategy for the reduction of poverty is managed through the public planning system, which is headed by the Government's Quinquennial Programme and to which two main classes of instruments are subordinated, notably:

- Medium-term planning instruments. In addition to the *PARPA - Plano de Acção para a Redução da Pobreza Absoluta* (Plan of Action for the Reduction of Absolute Poverty), this group comprises, the strategic sectorial and provincial plans, the fiscal scenario for the medium-term and the public investment triennial programme.
- Annual operational instruments, the Economic and Social Plan (ESP) and the Budget.

The *2001-2005 PARPA* contains a strategic vision for the reduction of poverty, the main objectives and the key actions to be pursued and that will guide the preparation of the State Budgets and of the medium-term and annual programmes and policies.

The Government's central objective is the substantial reduction of absolute poverty levels in Mozambique through measures aimed at improving the capacities of and opportunities for all Mozambican nationals, particularly those that are poor. The specific objective is the reduction of the 70 percent level of absolute poverty in 1997 to less than 60 percent in 2005 and less than 50 percent by the end of the first decade of the 21st century.

Mozambique's development depends crucially on its socio-political stability and is based on six "fundamental action areas": (i) education, (ii) health; (iii) agriculture and rural development; (iv) basic infrastructure; (v) good governance; and (vi) macro-economic and financial management. The choice of these priorities resulted from the diagnosis of the factors determining poverty in Mozambique, of the studies aimed at reducing poverty (in light of the lessons learned from international experiences) and of consultations made to civil society and the private sector.

Access to **education** contributes to human development, by increasing capacities and opportunities, promoting greater social, regional and gender equity and the country's capacity to absorb new technologies. The chief objectives in the area of

education include achieving universal primary education and the rapid expansion of secondary education, of non-formal education and of technical and vocational education. The programme includes a commitment to combat HIV / AIDS through the schools. Considering the serious shortage of technical and management capacities, which constrain economic growth, the programme takes into account the requirement of expanding and improving the higher education system, this causing an education programme for each level to be needed. The better part of the resources must nonetheless be provided to primary education.

The **health** sector plays an equally vital role in improving the population's living conditions, while it also contributes to rapid economic growth. The main objectives in the area of health include the expansion and improved coverage of primary care for target groups such as women and children, a campaign aimed at reversing the present spreading trend of the HIV / AIDS epidemic and a greater effort in the fight against endemic diseases, particularly malaria, diarrhoea, tuberculosis and leprosy. The intervention also includes other initiatives associated to health such as water supply (infrastructure) and food safety (agriculture).

Agriculture and rural development are a priority area for the development of Mozambique. Over 70% of the population is concentrated in rural areas and an even greater percentage depends on agriculture for its survival. Agriculture contributes to approximately 30% of the GDP, the better part of production coming from the family sector, which covers over 3 million families. The main objective of rural development is to increase income generating opportunities, particularly for the family sector. This activity depends on agricultural development susceptible of encouraging increased productivity and essentially access to the markets. Rural development will benefit, among others, the effects of the actions relating to the development of human capital and infrastructure.

A fundamental role of the State in boosting the development of a market economy and increasing opportunities for the more underprivileged consists in it **developing basic infrastructure**. The improvement of the road network will allow for improved access to markets and reduced costs, and will facilitate communication and mobility, particularly for the population living in rural areas and depending on agriculture. On the other hand, the supply of water and energy is

vital for the development of the human capital and the increase in national production. The rehabilitation and construction of basic infrastructures must be a priority in the more densely populated and poorer areas of the country.

Good Governance is a fundamental condition to achieve well-balanced and sustainable development. Reforms in the judicial system for the public sector in general, in the financial and tax system and in commercial law are currently ongoing. In addition to these actions an Integrated Strategic Plan for the Justice Sector was adopted



and an Anti-Corruption Unit accountable to the Office of the Chief Public Prosecutor of the Republic was created.

Also worth mentioning is the fact that, on the Government's proposal, the Assembly of the Republic approved the Local State Bodies Law, which allows for greater deconcentration and strengthening of the powers of the Provincial Governments and District Administrations.

This programme includes policies geared to promoting good governance, with particular emphasis on: (i) decentralising and returning public administration to levels close to the population; (ii) reforming public institutions, so as to enable them to better meet local requirements; (iii) implementing programmes to strengthen the capacity and efficiency of the legal and judicial system, improve public security and fight against corruption at all levels.

Macro-economic and financial management is a vital requirement for the creation of an environment stimulating economic growth.

The implementation of the fiscal and monetary policies has allowed for the reduction of the accumulated inflation rate from 22% in 2001 to approximately 9%

in 2002. The accumulated inflation rate registered for August 2003 was of 7.5%, this generating an annual forecast in December in the area of 10-12%.

The instability of the currency exchange market leading to clear nominal depreciation against the USD of 28.2% in 2000 and 36% in 2001 was overcome. Thus the metical regained its stability, the depreciation of which only attained 2.3% in 2002.

Macro-economic management aimed at containing inflation and at attaining stability has privileged greater stringency in containing the fiscal deficit and monetary expansion. In terms of GDP percentage, the fiscal deficit before donations attained 19.6% (in 2002), it being anticipated that in 2003 it will remain within the planned parameters.



The allocation of resources to fundamental action areas has represented an average of 66% of the total expenditure. The education and health sectors together correspond to approximately 32%.

In the area of public finance, particularly where revenue is concerned, to be pointed out are the efforts made to increase the collection of proceeds by implementing tax and rates reforms and improving the efficiency of the Tax Administration. With a view to heightening the supervision of the financial sector, the Inspectorate General for Insurance was created, which is currently in the process of installation, development and consolidation.

At macro-economic level, the Government is planning for 2004 to be the year in which the pace of economic growth will quicken, from the standpoint of macro-economic stability. Thus, a real growth of the GDP of approximately 8% and a one digit inflation rate are anticipated. The foreseen macro-economic stability is supported by a fiscal policy to contain the deficit and maintain an adequate level of international reserves. Before donations and as a percentage of the GDP, the fiscal deficit will be of approximately 13.1%, this corresponding to public expenditure of close to 27.8%

and to collected proceeds of approximately 14.7%. These expenditure and collection of proceeds levels are shown in the forecast of the Medium-Term Fiscal Scenario.

The main priorities in this area include the implementation of the following policies: (i) fiscal, monetary and exchange policies aimed at keeping inflation down and increasing the competitiveness of the economy; (ii) policies aimed at mobilising additional budget resources; (iii) policies aimed at improving public expenditure management; (iv) policies aimed at protecting and expanding financial markets, one of which includes the possibility of broadening the reach of financial services to cover rural areas and small and medium-sized enterprises; (v) policies aimed at promoting international trade; and (vi) policies aimed at strengthening the management of the domestic and foreign debt.

4. Cooperation between Portugal and Mozambique in the 2004-2006 Triennium

Presentation of the ICP Priority Areas

Portugal's partnership with Mozambique is based on common cultural, legal and institutional roots and on specific technical competences in areas that are fundamental to development, particularly that of the capacitation of human and institutional resources in different areas such as education, health, natural resources and good governance, among others. The common language allows for the easier framing of Portuguese Cooperation intervention.

In Mozambique, Portuguese Public Aid to Development for the 2004-2006 triennium will focus on the following priority areas:

- **Education**
- **Health**
- **Agriculture and Rural Development**
- **Good Governance**
- **Budget and Macro-Financial Support**
- **Socio-community development**
- **Women**
- **Culture**

4.1 *Education*

National Education System

In Mozambique, the Education Strategic Plan implements the priorities set out in the PARPA (Plan of Action for the Reduction of Absolute Poverty) for this sector, constituting a reference document for the aid from cooperation partners. In a recent report on the implementation of the PARPA (2001-2005), assessment points to the clear strengthening of the policies for this sector, notably the improvement in the quality of education and the need for the reform of the curricula for the different levels of education.

The intervention of cooperation for the triennium will focus on supporting the expansion and improvement of the education system and on reducing regional and gender imbalances. In terms of a horizontal intervention logic, the following areas will have to be privileged: (i) strengthening of the MINED's (Mozambican Education Ministry) institutional capacity, within the context of the ongoing reform and modernisation; (ii) improvement of the quality of the teaching staff, within the scope of supporting the implementation of the MINED teacher training strategy, resorting whenever appropriate to *Centro de Formação da Escola Portuguesa de Moçambique – Centro de Ensino e Língua Portuguesa* (Portuguese School of Mozambique Training Centre – Portuguese Language Teaching Centre); and (iii) support to activities to be undertaken within the scope of curricular reform, particularly for the capacitation and training of curricular development managers.

Within the scope of new actions to be undertaken in the triennium, particular emphasis must be given to supporting the implementation and consolidation of a technical and vocational education system, based on the development of the project to reactivate the Teaching of Arts and Crafts, and to developing agricultural education, to complement the project for the physical rehabilitation of the Chokwé School of Agriculture.

Throughout the term of the ICP (2004-2006), Portuguese Cooperation will carefully monitor the implementation of the *FASE – Fundo de Apoio ao Sector da Educação* (Education Sector Support Fund).

Higher Education, Science and Technology

Given the shortage in technical and management capacities, which constrain economic growth, the PARPA takes into account the requirement of expanding and improving the higher education system.

In this context, the intervention of Portuguese Cooperation in this sector will focus on the consolidation of higher education, accompanying the autonomy and systematisation effort that will privilege support and sustainability mechanisms and institutional capacitation, the quality control of the system and the intensification of inter-university cooperation.

Thus, continued exchange actions between scientists and researchers of both countries in areas that are crucial to the scientific and technological development of Mozambique will be boosted.

Where scholarships are concerned, the support must take on the form best adjusted to this goal of providing higher education and therefore the support to domestic higher education courses (in public or private higher education institutions) and to the gradual increase of scholarships in Portugal to obtain post-graduate, master's and doctorate degrees will be privileged.

Considering the specific situation of Mozambique where, at this stage, there is capacity to absorb secondary education graduates in Higher Education, Portugal will increase the number of scholarships for higher education courses in Portuguese universities as much as possible during the triennium ending in 2006, privileging the higher education areas considered to be a priority for the development of Mozambique and having the strongest impact on the supply of higher education.

In the area of Science and Technology, Portuguese Cooperation will support the exchange of experiences in the areas of monitoring S&T activities and the introduction of S&T pilot projects in primary schools.

4.2 Health

The Health sector plays a vital role in increasing the population's well-being, allowing for quicker economic growth by improving the human capital.

The basic guidelines of cooperation in the Health sector will be the instruments approved by the Government of Mozambique, such as the 2001-2010 *PESS – Plano Estratégico do Sector da Saúde* (Health Sector Strategic Plan), the 2001-2010 *PDRH+ - Plano de Desenvolvimento de Recursos Humanos* (Human Resources Development Plan), the 2001-2003 *Plano de Desenvolvimento Institucional* (Institutional Development Plan) and the *Plano Estratégico de Combate ao HIV-SIDA – Programa Nacional de Controlo de DTS / HIV-SIDA* (Strategic Plan to Combat HIV-AIDS – STD / HIV-AIDS National Control Programme).

In this context, the guidelines to be observed by Portuguese Cooperation must be to support the effort to train specialised staff in the Health sector, an area considered to be a priority by the MISAU (Mozambican Health Ministry).

Priority must also be given to strengthening the administrative and management capacities of the health institutions and services and to decentralising the health systems, in order to support the creation of the capacity to meet the population's needs.

As regards the training and specialisation of medical doctors and technicians, to be noted is that the requirement to train these has increased as a result of the impact the HIV / AIDS epidemic has produced. Accordingly, training must focus preferentially in the areas of fighting against endemic and epidemic diseases (notably HIV / AIDS, tuberculosis, malaria e cholera).

In this area, training actions for doctors and specialists complemented by the granting of post-graduation scholarships in Portugal and additional internship exchanges must be undertaken, particularly in the areas of paediatrics, internal medicine and obstetrics. The activities of integrating Portuguese doctors in post-graduation juries must be continued.

As regards research and development in the area of health, the cooperation established by the specialised Portuguese institutions will be continued.

On the other hand, the cooperation in the areas of cardiology and telemedicine must be pursued and strengthened with the support of the Portuguese public entities and universities.

4.3 *Agriculture and Rural Development*

As a rule, Portugal will be concentrating its bilateral aid activities in this sector wherever presented with the possibility of taking advantage of synergies and complementarities with other programmes, projects and actions.

Portugal's intervention in the area of agriculture and rural development foresees: (i) institutional training / capacitation, in observance of a Human Resources Training Plan previously defined for the sector by the Mozambican authorities; (ii) support to an Integrated Development Programme for the Chokwé, which seeks to revitalise agriculture, cattle rearing and forestry



in that region, by increasing the capacity of the Agricultural Research Station; (iii) support to a viability study for an irrigation project for the Estima (Zambeze Valley); (iv) support to the local

NGOs in the implementation of rural development projects and to local producers' associations in the Provinces where Portuguese Cooperation may come to be concentrated.

Also in this area, particular importance must be given to developing agricultural education, this taking the form of support to the Chokwé School of Agriculture, given the synergy this project may create with the Portuguese support presently being given to the agricultural sector in this region.

4.4 *Good Governance*

Taking into account the priorities of the Government of Mozambique for this area, notably promoting and developing democracy, decentralising Public Administration, enhancing the value of civil society, strengthening the capacity and efficiency of the legal and judicial system and improving public safety with a view to protecting the rights and liberties of citizens, the support to be given by Portuguese Cooperation to Good Governance will privilege in particular an intervention focused on the support to institutional capacitation,

on the training of human resources and on technical assistance, notably in the following sectors:

- **Strengthening of the democratic system**, with particular emphasis on parliamentary cooperation, on supporting electoral processes and on increasing the capacity of the media;
- **Justice**, particularly in the area of the legal reform and of the strengthening of the capacity of a number of Administration of Justice institutions, in articulation with the cooperation existing between law teaching establishments;
- **Police**, by continuing the support to the reform of the Police Force, notably the Criminal Investigation Police;
- **Public Administration**, considering the ongoing Public Sector Reform Process and using the capacities of the Portuguese *INA – Instituto Nacional de Administração* (National Administration Institute), notably as regards strengthening the capacity of the Mozambican Public Administration Institutions;
- **Local power**, by seeking to develop and privilege Inter-municipal Cooperation, notably the training of municipal executives.

4.5 *Budget and Macro-Financial Support*

In this context and considering the experience and present performance of Mozambique in this area, the cooperation relationships between the two countries will be marked by the direct support to the Mozambican Budget, thus causing Portugal to become integrated in the process of aid to the development



of Mozambique, together with other donors. This participation in the group of macro-financial support will also allow for a more permanent dialogue with the Mozambican authorities and the monitoring of the PARPA implementation through the *PAF* (Performance Assessment Framework).

To complement this support, Portuguese Cooperation may support the MPF institutional capacitation in the areas relevant to improving financial management by the State.

4.6 *Socio-community development*

As a means of contributing to the reduction of the high levels of poverty, global interventions are considered to be a priority, as they articulate a number of sectors, notably education, health and agricultural activity. These interventions must be directed essentially at the more unprotected part of the population, who find themselves in a situation of necessity and / or risk of social exclusion, particular emphasis to be given to implementing basic social services, reducing unemployment (and consequently increasing employability) and promoting equal treatment and equal opportunities for men and women.

Portuguese Cooperation must therefore privilege articulated socio-community development by implementing actions that: (i) contribute to improving employability conditions with a view to achieving progressive integration in working life; (ii) support childhood, notably children in a more vulnerable situation; (iii) support to the disabled; and (iv) promote equal treatment and opportunities for men and women.

4.7 *Women*

The active participation of women and young girls in society is an important contribution to the development process and to its sustainability.

Although in certain areas of Mozambique there are relatively positive indicators in this area, this being the country in Southern Africa having the highest rate of women in the decision making process at the highest level, women's role in Mozambican society is even more vulnerable, this making it necessary to promote better conditions for women within the scope of development cooperation.

Given these circumstances, Portuguese Cooperation will privilege actions aimed at enhancing the importance of the role played by women in the development of the Mozambican society, these actions contributing to increasing the opportunities of women expressing their opinion and participating in decision making, levels of education and nutritional and health conditions.

4.8 *Culture*

In this domain, which enjoys the privileges of the two peoples sharing the same language, the intervention will focus on granting short-term scholarships for the training of cultural agents and technicians, on continuing the support to the structuring of a library network and on encouraging cultural exchange actions.

Support will be given to the Mozambican Historical Archives, notably to transferring its installations and the recovery and conservation of its assets. Support will also be given to projects such as the GDLN network and to projects in the area of the arts and of the enhancement of both the constructed and the natural Heritage.

4.9 *Complementary Support Programmes*

• **The Environment and Natural Resources**

Portuguese Cooperation has implemented and will continue to support actions taking the form of the following projects: (i) specialised technical advice in negotiations on international rivers, on the drafting of laws and regulations and in project management in the area of water resources; (ii) restructuring of networks for the monitoring of water resources; (iii) safety projects for dams; (iv) support to small-sized water supply systems; (v) infrastructures for the Lumbo water supply, and sewage and solid waste treatment, and (vi) support to the institutional capacitation of the Civil Engineering Laboratory.

• **Technical and Military Cooperation**

In the domain of technical and military cooperation, the geographical decentralisation of projects will continue to be privileged and the projects aimed at strengthening the capacities of the Armed Forces for the Defence of Mozambique by way of Military Training and Instruction, notably the transformation of the Marechal Samora Machel Military School into a Military Academy, will continue to be classified as a priority. The same will also apply to projects geared to supporting the civil population, as is the case of the support to the training of the Clinical Tests Laboratory technicians of the Maputo Military Hospital.

5. Financial Programming

The indicative budget for the execution of the cooperation strategy described in this Programme will have the annual distribution shown in the table below:

	2004	2005	2006	Total	
TOTAL	14	14	14	42	Unit. Euro Million

6. Programming, Monitoring and Assessment

The 2004-2006 Portugal - Mozambique ICP will be materialised in annual Action Programmes where the sectorial programmes to be developed within the scope of the established priorities will be identified, as will the corresponding financing plan.

In these Action Programmes, procedures allowing for the improvement and strengthening of the monitoring and assessment of the cooperation and public aid to development programmes / projects to be agreed upon will be adopted, in order to increase the efficiency, effectiveness and sustainability of the interventions.

In this context, particular importance will be given to the drafting and preparation of the projects, by adopting the Project Cycle methodology, thus allowing for the adoption of methodologies and procedures for their implementation and monitoring, based on mechanisms and indicators within a logical intervention framework.

The monitoring of the Programmes will be made by holding six-monthly bilateral meetings to analyse the progress of their implementation, overcome possible constraints and agree on the adjustments that reveal to be necessary. This monitoring must, insofar as this may be possible, be articulated with other monitoring and assessment processes for the reduction of poverty in Mozambique and for this country's development.

As regards projects, their monitoring will be ensured by the technical structures of both countries, on the basis of quarterly reports containing a critical balance of the progress made in terms of attaining objectives and sustainability. These reports will include the project records, which will contain the execution indicators and the duly quantified anticipated results.

Given that the ICP is a central instrument in cooperation management, its Assessment takes on an important role and will be given particular importance. Assessment will be based on four fundamental principles – independence, impartiality, credibility and usefulness – and will obey basic criteria of relevance, efficiency, effectiveness, impact and sustainability.

The final Assessment will be made after the Programme has been executed. Should this be necessary, an Assessment may be made at the halfway stage, this applying preferably to more relevant projects involving significant financial resources.

This Assessment will weigh the results of the Programme and its projects, as well as its contribution to the attainment of the objectives and the corresponding report will contain recommendations on the intervention and on similar Programmes and projects to be implemented in the future.

*Made in the city of Maputo, on 29 March 2004, in two original counterparts
in the Portuguese language both of which are equally valid.*



CDI/Archive,
1955

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENTS
OF THE REPUBLIC OF PORTUGAL AND OF THE REPUBLIC OF MOZAMBIQUE
ON THE INDICATIVE COOPERATION PROGRAMME
FOR THE 2004-2006 TRIENNIUM

The Government of the Republic of Portugal and the Government of the Republic of Mozambique, Having regard to the friendship and affinity between the people of Portugal and the people of Mozambique, which comes from their historical relationship that has bequeathed them a common cultural heritage, one that is proposed to be built up by continuously strengthening their strategic political, diplomatic, economic and cultural partnership;

Having regard to the dedication and commitment of the Government of Mozambique in creating the conditions required for development, which have obtained the general acknowledgment of the Donor Community;

Having regard to the fact that the Government of Portugal wishes to contribute to and assist the Government of Mozambique in this development effort and

in its balanced and sustained assertion within the regional and international context;

Having regard to the requirement of defining the general terms that will govern development cooperation between the two States in the 2004-2006 triennium;

Having regard to the goal of the CPLP (Community of Portuguese-Speaking Countries) continuing to grow in strength and to their recognition of the importance that the contribution of its Member-States, notably Mozambique and Portugal, play in attaining this goal,

Have decided to enter this Memorandum of Understanding, which shall be governed by the provisions set forth hereunder:

Article 1

The Government of Portugal and the Government of Mozambique are promoting an Indicative Cooperation Programme for the 2004-2006 triennium for the amount mentioned therein, hereinafter referred to as the "Programme", which shall be implemented in the course of the aforementioned triennium and shall include the programmes and projects to be undertaken, as well as those that are ongoing under the terms of commitments assumed within the scope of agreements and protocols signed by the directors of the different sectors involved.

Article 2

The Programme focuses on the following priority areas: education, health, agriculture and rural development, good governance, macro-economic and financial management, socio-community development, participation of women in working life and culture.

Article 3

The annual implementation of the Programme shall take place in accordance with the Annual Cooperation Plans (ACP) for each of the years in the 2004 – 2006 triennium, the 2004 ACP being agreed upon at the same time as this Memorandum.

Article 4

The entities responsible for the implementation of this Programme shall be, in respect of the Portuguese Party, the Minister for Foreign Affairs and the Portuguese Communities through the Portuguese Institute for Development Support (PIDS) and, for the Mozambican Party, the Minister for Foreign Affairs and Cooperation.

Article 5

The entities to which Article 4 above refers shall monitor and assess the Programme signed on the date hereof and shall propose all such adjustments as they may deem necessary to better implement the cooperation between the two countries.

Article 6

This Memorandum shall take effect on the date of its signing.

For the Government of the Republic of Portugal

Maria Teresa Gouveia
*The Minister for Foreign Affairs
and the Portuguese Communities*

For the Government of the Republic of Mozambique

Leonardo Simão
*The Minister for Foreign Affairs
and Cooperation*

*Made in the city of Maputo on 29 March 2004 in two original counterparts
written in the Portuguese language, both of which are equally valid.*

