

Mozambique: Basket Fund ESSP

Ex post evaluation report

OECD sector	11110 / Education	
BMZ project ID	2001 66 454	
Project executing agency	Ministry of Education	
Consultant	not applicable	
Year of ex post evaluation report	2009 (2009 sample)	
	Programme appraisal (planned)	Ex post evaluation (actual)
Start of implementation	Q4 2002	Q1 2009
Period of implementation	13 months	72 months
Investment costs	USD 717 million (for the implementation of ESSP)	USD 717 million (for the implementation of ESSP)
Counterpart contribution	USD 445 million	USD 369 (2003-2004)
Financing, of which FC funds	EUR 5.04 million	EUR 5.04 million
Other institutions/donors involved	Irish Aid, the Netherlands, SIDA, CIDA, FINNIDA	Irish Aid, the Netherlands, CIDA, FINNIDA, DfID, DANIDA, Spain, Portugal, UNICEF, EFA-FTI
Performance rating	3	
• Relevance	2	
• Effectiveness	3	
• Efficiency	4	
• Overarching developmental impact	3	
• Sustainability	3	

Brief description, overall objective and programme objectives with indicators

In 1998 the Government of Mozambique (GoM) issued a “Strategic Plan for the Education Sector” (ESSP), to cover the period 1998 to 2003. The overall objective of the ESSP was to support the Government's national development strategy by building an educational system that provides Mozambican citizens with the knowledge and skills they need in order to obtain sustainable livelihoods, to accelerate the growth of the economy, and to strengthen the institutions of a democratic society. The three specific objectives of the ESSP were to expand access and equity (regional and gender-related) in the education system, to improve the quality and relevance of education and to strengthen institutional capacity within the education sector. The following indicators were used in the context of the evaluation to measure progress towards the overall

objective: an improvement of the country's Human Development Index as well as an increase of the average income of the poor. The achievement of the specific objectives was measured using a series of indicators covering both access to and the quality of education. The main focus of ESSP was on primary education. However, activities related to non-formal education for adults, secondary school construction and the development of a strategy for vocational education were also included. ESSP activities included the construction and rehabilitation of schools and teacher training facilities, measures to improve the quality of education and to enhance the organizational structure of the Ministry of Education (MINED) as well as its capacities for strategy development and financial management. ESSP's target groups included all school-aged children and illiterate adults in Mozambique as well as administrators of the education system and teachers in primary schools. Funding for the implementation of ESSP was largely provided by the GoM. Among the donors, the World Bank, starting in 1999, provided the largest share of support for ESSP implementation. In addition to government funds and regular donor funded projects, a series of donor agencies supported the implementation of ESSP activities through contributions to the Education Sector Support Fund, a basket fund set up in 2002 and largely known by its Portuguese acronym FASE. KfW FC contributed a total of 5.05 million EUR to FASE, including a 2.05 million EUR FC grant as well as a 3 million contribution from BMZ' Action Programme 2015. The two additional contributions to FASE from KfW (BMZ-Nr. 2003 66 013 and 2005 66 703) are not subject to this evaluation as they were not drawn into the sample of programmes to be evaluated in 2009. In addition, as KfW's evaluation department is still piloting the evaluation of baskets, a decision was made to only focus on the first phase of the programme.

Project design / major deviations from the original programme planning and their main causes

ESSP is based on the National Education Policy Document, adopted in 1995. It was jointly appraised by GoM and the principal donor agencies involved in the education sector in the country. The implementation period of the ESSP was initially set for 1999–2003. However, due to the fact that the preparation of its successor program took longer than expected the duration of ESSP was extended until 2005. The agencies that provided funding in support of the ESSP were KfW, SIDA, the Netherlands, CIDA, GTZ, DANIDA, FINNIDA, DFID, Irish Aid, Spain, Portugal, Italy, Japan, the World Bank, UNICEF, UNESCO and the WFP.

FASE became operational 2003, with initially five bilateral agencies channeling part of their support to the education sector via the basket. The first contributors were SIDA, Irish Aid, CIDA, Finland and the Netherlands. Parallel to their contributions to FASE, these agencies also continued their ongoing project support to the education sector. Germany joined the FASE Memorandum of Understanding (MoU) at the end of 2002. In its first year, FASE received a total of approximately 16 million USD, representing only 5% of all external funding to the education sector. In 2004-5, the respective proportion rose to 10-15%.

An important feature of the FASE arrangement is that MINED, in dialogue with the donor agencies, defines the target areas of FASE in annual plans of activities, enabling the tracking of expenditure against these plans. Earmarking by funding agency does not take place. Replenishment payments are conditional on MINED submitting acceptable reports on the use of funds covering the previously funded period. In the event that more than 15% of the funds are not disbursed at the end of a year donors may reduce their disbursements the following year. So far, this has not been the case.

Areas designated for FASE support have to some extent varied from year to year. Supported areas have included the construction and furnishing of primary schools, the promotion of girls' education, inclusive education as well as adult literacy, the provision of learning materials, in-service training of teachers, and HIV/AIDS-related activities. In the period 2006-8, the majority of FASE funds have been spent on school construction

and the provision of textbooks, both at primary and secondary levels. In terms of the ESSP objectives, activities funded through FASE have focused on expanding access and improving the quality of education, whereas the building of institutional capacity has played a lesser role. A common denominator of the various activities funded by FASE is that the funds have not been used to finance salaries. The rationale behind this principle is to avoid dependence on external funding in the payment of salaries. With respect to the KfW contribution to FASE, the first tranche was released at the end of 2002 (3 million EUR), the second at the end of 2004 (2 million EUR), a third minor one (approx. 45.000 EUR) was released in early 2009. KfW funds provided under BMZ No. 2001 55 454 thus covered ESSP activities carried out between 2003 and 2005.

Key results of the impact analysis and performance rating

Relevance: The ESSP is directly relevant for MDG 2 (primary school completion) and MDG 3 (gender equality in education), and – given the importance of education for socio-economic development – indirectly relevant for the other goals. Expansion of educational opportunities is one of the six priority areas defined in the country's PRSP. Throughout its existence, FASE has been fully in line with the priorities of German development cooperation, both as regards the priority given to the promotion of basic education and the principles of supporting national programs and donor harmonization. MINED has continuously acknowledged the advantages of the basket fund as a channel for external financial support. Looking at the period 2002-2008, FASE is considered to have significantly contributed to improved donor harmonization in the country. It has provided a platform for an efficient sector policy dialogue which was lacking prior to the set up of the basket. However, disagreement over the channelling of EFA FTI funds in 2008 was solved by adding a technical annex to FASE's MoU in August 2008, which means that FASE as a whole now has to follow World Bank procedures for procurement and reporting. This is a step back in alignment of donor procedures with the GoM systems and away from compliance with the principles of the Paris and Accra Declarations – the current situation can be characterized as harmonization according to the World Bank procedures. Despite the current developments, the programme's relevance is still considered to be good (sub-rating 2).

Effectiveness: In terms of its specific goals, ESSP aimed at improving both access to and the quality of education. The available data shows that ESSP has surpassed its targets with regards to enhanced access to education, thereby contributing to the achievement of MDG 2. The gross enrolment rate (lower primary education, boys and girls) increased from 67% in 1998 to 136% in 2006, the net enrolment rate rose from 50% in 1998 to 87% in 2006 and 99% in 2008. Linked to the policy of semi-automatic promotion, there has also been a considerable decline in the repetition rate. The implementation of ESSP has also contributed to MDG 3 (gender equality in education): The gross enrolment ratio for girls has increased from 75% in 2002 to 97% in 2006. In addition the primary completion rate for girls has risen from 22% in 2002 to 41% in 2008. On the negative side, the pupil teacher ratio, an indicator of educational quality, has risen between 1998 and 2006. While there are recent signs of improvements, the ratio remains high, indicating that teachers are in charge of a large number of students. Overall, there is a general concern that quality of primary education might be deteriorating. While ESSP and the basket in support of it ideally should have led to simultaneous improvements in both access and qualitative matters, available data shows that there are hardly any countries who manage to accomplish this. Conversely, if a greater focus had been placed on the improvement of educational quality, advances in raising enrolment and completion rates are likely to have been less substantial. Taking this consideration into account, we still rate the basket's effectiveness to be satisfactory (sub-rating 3).

Efficiency: The establishment of FASE has enabled MINED to define a set of priorities, in dialogue with the donor agencies, for the allocation of a gradually growing portion of external funding. At the same time, FASE has increased the predictability of external

funding to the sector and has led to reduced transaction costs for the partner. The early disbursement bottlenecks within the FASE system caused delays in commencing new activities as well as considerable disruption for some of the activities where implementation had already started. Compared to the project mode of funding, FASE, looking at the years 2003-4, did not prove to have a positive effect on efficiency. However, disbursement rates subsequently improved. The introduction of the new system of Public Financial Management, SISTAFE, has made disbursement of the growing volume of funds quite efficient. In order to check on the flow of funds to the intended beneficiaries a Public Expenditure Tracking Survey was initially planned for 2007, but was delayed and was pending completion at the time of the evaluation. In light of the shortcomings in terms of adequate reporting and the still existing, while improved, fiduciary concerns the efficiency of the basket is considered unsatisfactory (sub-rating 4).

Overarching developmental impact: While it is methodologically difficult to establish a direct link between the ESSP and changes at the level of the overall goal the indicators applied show that there have been a number of improvements with regards to the social and economic development of Mozambique. While the country continues with a low HDI ranking, its HDI value, measured in absolute terms, shows clear improvements. According to the World Bank, the infant mortality rate (per 1.000 live births) has dropped from 128 in 1995 to 115 in 2007; the mortality rate for children aged >5 (per 1.000 children) has decreased from 184 in 2000 to 168 in 2007. There are also positive developments with regards to the GNI per capita (Atlas method, current USD): While this indicator amounted to 130 USD in 1995, it rose to 340 USD in 2007. The overarching developmental impact is judged as satisfactory (sub-rating 3).

Sustainability: Earlier in 2009 there was a clear concern about a future funding gap in both FASE and the education sector as a whole, not least because of the announcement of the Dutch Government to withdraw from the education sector in Mozambique. Taking into account the total commitments for both project funding and the basket fund, the education sector Medium Term Expenditure Framework, using April 2009 information, pointed towards a significant decline of funds from 2010 onwards. However, the Dutch government in the meantime (November 2009) has revised its decision and will continue to channel funds to the sector. A positive sign, too, is the fact that GoM announced in September 2009 that it will increase its share of the education budget in order to compensate for the contributions of donors who might withdraw from the education sector. The possibility of a growing, or at least stable, volume of GBS over the next coming years may also compensate for the potential reduction in funds directly channelled to the education sector. Overall, the sustainability of the achievements is still considered to be satisfactory (sub-rating 3).

Overall rating: In light of the above we rate the programme's overall effectiveness as satisfactory (rating 3).

General conclusions and recommendations

If further funding is applied for and obtained from the FTI Catalytic Funds after 2010, a bilateral donor instead of the World Bank may be chosen as the supervising entity for these funds. This would allow moving back towards alignment with GoM procedures. It would provide the basis for the move towards sector budget support.

As a response to the concerns over possible deterioration of the quality of primary (and consequently also post-primary) education, the establishment of a monitoring system covering developments in learning achievement should be a high priority. The results should then feed into policy discussions and related decision-making. Considerable technical capacity for such monitoring already exists in Mozambique. Among other issues, information would be needed on the performance of teachers with different training background.

List of abbreviations

BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit
CIDA	Canadian International Development Agency
EFA FTI	Education for All Fast Track Initiative
ESSP	Education Sector Strategic Plan
FASE	Fund for the Support of the Education Sector
FTI	Fast Track Initiative
GoM	Government of Mozambique
HDI	Human Development Index
MDG	Millennium Development Goals
MEC	Ministry of Education and Culture (2006-2009)
MINED	Ministry of Education (1998-2005)
MoU	Memorandum of Understanding
PRSP	Poverty Reduction Strategic Plan
SIDA	Swedish International Development Agency

Notes on the methods used to evaluate project success (project rating)

Projects are evaluated on a six-point scale, the criteria being relevance, effectiveness (outcome), “overarching developmental impact” and efficiency. The ratings are also used to arrive at a final assessment of a project’s overall developmental efficacy. The scale is as follows:

- 1 Very good rating that clearly exceeds expectations
- 2 Good rating fully in line with expectations and without any significant shortcomings
- 3 Satisfactory rating – project falls short of expectations but the positive results dominate
- 4 Unsatisfactory rating – significantly below expectations, with negative results dominating despite discernible positive results
- 5 Clearly inadequate rating – despite some positive partial results the negative results clearly dominate
- 6 The project has no positive results or the situation has actually deteriorated

A rating of 1 to 3 is a positive assessment and indicates a successful project while a rating of 4 to 6 is a negative assessment and indicates a project which has no sufficiently positive results.

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability)

The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected.)

Sustainability level 3 (satisfactory sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability)

The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and an improvement is very unlikely. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The overall rating on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. A rating of 1 to 3 indicates a “successful” project while a rating of 4 to 6 indicates an “unsuccessful” project. In using (with a project-specific weighting) the five key factors to form an overall rating, it should be noted that a project can generally only be considered developmentally “successful” if the achievement of the project objective (“effectiveness”), the impact on the overall objective (“overarching developmental impact”) and the sustainability are considered at least “satisfactory” (rating 3).